

Minneapolis Advisory Committee on Housing

Regular Meeting Minutes

August 8, 2019, 3:30 – 5:00 p.m.

City Hall Room 333

Board/Commission Members Present: Coriner Boler, Mary Christianson, Brenda Kay Marcos, Colleen O'Connor Toberman, Scott Shaffer, Hukun Abdullahi, Queen Maletta Kimmons, Rose Teng, Annie Wells, Jeff Horwich, Joanna Dobson, Barbara McCormick, Cecil Smith, David McGee, Sebastian Rivera

Staff: Katie Topinka, Kellie Rose Jones

Absent committee members: Brittany Lewis, Shanea Turner-Smith, Colleen Ebinger, Damaris Melo, Ryan Strack, Michelle Basham

Call to Order

Adoption of the Agenda – adopted

Announcements

Housing Policy and Development Committee update

Staff shared that the Housing Policy and Development Committee received an update on compliance alternatives for Inclusionary Zoning and that there will be more to come on this policy in the fall.

Other announcements:

The committee discussed what to do with handouts from committee members or outside groups and agreed they should be separated from what is the official city handouts for the committee. They can be handed out outside of the room or distributed via email to the committee.

The group also discussed group protocol for emails. The group agreed they are fine with exchanging emails to share information through the committee email group but that the emails should be relevant to the committee's work. Committee members prefer that their emails aren't shared with outside entities. (NOTE: committee member email addresses are considered public data).

Discussion

Current housing issues

This is a new agenda topic recommended by a Barb McCormick. The group is interested in getting an update on the Frenz property that tenants are attempting to purchase. Staff (Kellie Rose Jones) will send a summary to the group.

David McGee requested an update on a financial literacy report that will be given to the Housing Policy and Development Committee. Staff (Katie Topinka) will follow up with status.

Queen Kimmons has a docu-series from a tenant forum she would like shared with the committee. She will send materials to Katie to send around.

Update by-laws

The by-laws included a provision about decisions being made online:

12. In lieu of meetings, a quorum of members can make decisions in an online manner, at the discretion of the chair or co-chairs. The call for vote must be sent to all members and clearly state the closure date and time for voting. Items approved in an online manner must have been an agenda item in the formal meeting held prior to the call for an online vote. The vote must be unanimous and must constitute at least a quorum. The voting period must be open for at least three business days.

This provision is not in compliance with open meeting requirements. The group voted to delete it from the by-laws.

There was also discussion about amending the requirements for when agendas must be posted. The current by-laws will be amended to read:

8. Agendas will be set by the Chair, in consultation with committee staff, posted online at least 5-3 business days in advance of regularly scheduled meetings, and approved by the membership at each meeting. If public comment will be taken at either a regular meeting or a special meeting, notice will be given 7 days in advance.

This change was approved by the committee.

Missing Middle Pilot – Kevin Knase, Senior Project Coordinator, CPED – See PowerPoint

Kevin Knase shared a PowerPoint presentation about the Missing Middle Pilot. The Department of Community Planning and Economic Development currently has \$500,000 for this pilot to create missing middle housing, which is defined as 3-20 unit housing developments with compact design and can be either rental or ownership. Staff shared the funding priorities and asked the committee for feedback on these priorities. Funding priorities include:

- Equitable Work Opportunities
 - Projects from development teams led by people of color or women
 - Partnerships with workforce development organizations
 - Projects led by developers with historic utilization of ex-offenders, Section 3, DBE businesses, etc.
- Cost-Effective
 - Minimizing City subsidy request
 - Maximizing density
 - Prioritizing development of City-owned land
- Meet Local Affordable Housing Needs
 - Historic rate of service to underserved communities
 - Projects with a greater proportion of affordable units
 - Projects that serve lower income levels

- Design Features
 - Accessible to disabled households
 - 3+ bedrooms
 - Sustainable certification (Passive House, LEED, etc.)

Discussion:

A committee member raised a question about whether the goals of minimizing city subsidy contradicts some of the other goals; the other goals cannot necessarily be done when trying to minimize subsidy.

A member raised a question about the goal of funding projects throughout the city with only \$500,000.

Another committee member suggested not trying to minimize subsidy but rather look at whether the development is cost-effective and focus on where need really is. The member also asked how you can maximize density while also creating large units.

A committee member shared that \$500,000 sounds like “micro pilot” – how many units can we build? Staff shared that the hope is the pilot will eventually be more than \$500,000.

A committee member commented that the income target of 50% of Area Median Income (AMI) is a lot of money to a lot of people. Below 50% AMI should be priority for eliminating disparities

A committee member suggested not ending the affordability period after 30 years but making it perpetually affordable.

A committee member asked how the program interacts with discussions around inclusionary zoning, since this would be development with a subsidy. Staff responded that the program exceeds minimum requirements since Inclusionary Zoning is at 60% of Area Median Income and there isn’t currently an inclusionary zoning policy that applies to ownership.

A committee member suggested looking at what is happening in Chicago. Skender Construction/Sterling Bay are putting up over 100 units of triplexes to satisfy inclusionary zoning using modular housing construction as a way as getting them up quickly and effectively. They are using inclusionary zoning offsets to develop triplexes across the city.

A committee member raised a concern about whether missing middle deals will pencil out in Minneapolis.

A committee member asked whether the City talked to any small developers about whether the amount of funding available in the program is kind of number that would fill the gap in an area where this can be built? Staff responded that they did an information session on May 1 where they invited community members and developers; heard similar comments about whether amount of funding was sufficient. There were 100 people at the RFP kick-off. There is intense interest in the pilot and the city is expecting to receive a lot of proposals.

A committee member asked whether 70 percent of the city off limits to this kind of project until we get the new zoning maps for Minneapolis 2040. Staff responded that they are engaged with zoning department and that 2040 will likely be implemented by early next year, which is also when proposals would go to City Council for this pilot.

A committee member asked how big this pilot will be. Staff responded that we only have \$500,000 right now, so at \$70,000 per unit it won’t be big. The committee member suggested pushing for deeper affordability to see what can be accomplished and what parameters people are willing to meet, rather than giving money to people who would do something anyway. One-third of renters in Minneapolis earn

incomes below 30 percent of AMI. We should learn from the pilot and set parameters in a way to find out what the right threshold is.

A committee member asked why the city decided to use regional AMI instead of City AMI. With city AMI, we could actually hit deep affordable pockets. Staff responded that it's consistent with what we do across other programs and that the rental numbers are published based on HUD AMI numbers. The committee member responded that it might be interesting to think about changing AMIs.

The same committee member commented that it seems like the city focused on development gap. What about affordability gap? Staff responded that a minimum of \$10,000 of \$70,000 per unit has to go to the homeowner for down payment assistance.

A committee member shared that they are concerned about rent requirements and that the City should focus more on 30% AMI. The same committee member commented on one of the funding priorities: looking for projects to be developed by ex-offenders. They expressed concern that the same ex-offenders couldn't afford to live in those spaces. They could come help build but couldn't be housed based on the income levels for the program.

A committee member asked how the program is being funded. Staff responded that it's city local funds. The same committee member asked whether there is a target plan to figure out how this is successful and what the plans are to look for other resources. Staff responded that there are some preliminary conversations with other funding partners.

A committee member commented that the need for deeply affordable housing is huge. Hennepin County has done good research on eviction filings. The City should look at whether evictions are part of an applicant's business model or not.

Another committee member suggested that the City should give some more thought on criteria around landlord eligibility and ask how they will manage the properties.

A committee member asked how staff are reaching out to the community. Staff responded that information is sent to a list-serve through Minneapolis Homes program. They also have meetings at Davis Center. Whenever the City does something new they also connect with the Neighborhood Community Relations Department to ask to share information with neighborhood associations. All the proposals go to neighborhoods for review.

City Legislative Process – Casey Carl, City Clerk

Casey Clark provided an overview of City legislative process and the City's governance structure.

Renter Ordinances next steps

Joey shared that the proposed timeline for the renter protection ordinances is for a public hearing to be held August 28, 2019. This means that the ordinances will potentially go before the full council on September 13, which is the day after the next regularly scheduled Housing Advisory Committee. This means the Committee's options for taking a vote on the ordinances are to vote on September 12, have a special meeting or to not take a vote.

The committee discussed these options. Some members voice support for having a special meeting. Another member expressed concern that a special meeting prevents some voices from being heard. One member voiced that the group has done a good job of giving advice and guidance to the council and did not necessarily need to take a vote. Another member shared that the memo shared with the ordinance

authors was good because it includes a wide range of advice. One committee member shared that it was not the committee's role to take an up or down vote.

After discussion, the group voted on whether the committee needs to take further action. A majority of members present voted in favor of the committee taking further action.

The group then had discussion about when to take further action. Scott Shaffer made a motion:

The co-chairs schedule a meeting the week before the public hearing, if it is scheduled for August 28, by email with a poll and select the option with the most votes for the purpose of developing guidance/advice on the renter protection ordinance.

The motion was seconded and a majority of committee members present voted to approve it. Joey Dobson will send an email poll out to members to schedule a special meeting prior to August 28.

Adjournment

Next Regular Meeting: September 12, 2019, 3:30 – 5:00 p.m.