HUD PRO HOUSING FY2023 AWARD

APPROVED ACTION PLAN

METROPOLITAN COUNCIL

Table of Contents

Action Plan

Summary

In recent years, the Minneapolis-Saint Paul region has emerged as a national leader in progressive land use policies, facilitating increased housing density, and reducing parking requirements to enhance housing production, affordability, and choice. The Metropolitan Council (Met Council), on behalf of the Met Council, Hennepin County, and Ramsey County (the Partnership) was proud to be selected for an initial FY 2023 PRO Housing award.

Despite progress, the region, including the HUD priority geographies of Hennepin and Ramsey Counties and 32 suburban cities, still faces an acute need for affordable and accessible housing in well-resourced areas. Although deeply affordable housing has been a priority in regional and comprehensive plans since 2015, many existing affordable housing providers struggle with market, structural, and operational obstacles, hindering their ability to maintain current portfolios and develop new housing. The region is at a critical juncture where it can either build on recent efforts or revert to a less inclusive development landscape.

To address these issues, the Partnership will use its $4 million FY23 PRO Housing grant to improve conditions for low- and moderate-income residents and close the deeply affordable housing gap that threatens regional welfare. The Partnership's proposed actions include:

- **Improve Policy & Support Planning**: Build County and regional opportunities for peer learning and support and provide technical assistance to update policies and comprehensive plans to allow for more affordable housing.
- **Award Direct Grants to Implement Local Policies and Programs**: Award grants to cities to develop and implement policies and programs that meet their local needs and remove barriers to the development and preservation of affordable housing.
- **Build New Affordable Housing Affordable at 30% AMI**: Award funds to deeply affordable housing projects in cities that recently updated their zoning or land use policy to allow for more density and affordable housing.

These efforts will foster policy consistency across the region, simplifying the region’s development processes. Additionally, the **FY23 PRO Housing grant will leverage at least $3M in local grants** to support affordable housing rental and ownership preservation and production.

The FY23 PRO Housing grant will capitalize on three timely opportunities in the Twin Cities region:

- **Planning for and utilizing unprecedented new local revenue for housing.**
- **Engaging with the heightened community attention to housing** during the Imagine 2050 regional planning cycle.
- **Leveraging recent zoning and land use policy reforms** that facilitate housing development.

Recognizing the necessity for coordinated efforts to deliver the maximum possible impact, the Met Council will deploy the FY23 PRO Housing grant to enhance regional coordination and support, ultimately bridging the affordable housing gap and ensuring the region’s welfare.

Resources and Budget:

The Metropolitan Council was awarded $4 million of the Partnership's original FY23 PRO Housing $10 million request. The Met Council, Hennepin County, and Ramsey County have scaled back their planned activities as a result.

FY23 Metropolitan Council PRO Housing Budget

USE	Housing Funds	Council Funds	Total ($4M)	
Personnel				
Admin: 0.25-0.50 FTE Senior Grant Administrator	$165,430		4%	1/1/2025 to 9/30/2029
Program Personnel: 1.0 FTE Technical Assistance & Program Coordinator @ Grade I	$434,570		11%	2025-2029 (approx 3.6 years)
Subtotal Personnel	*$600,000*		*15%*	
Subgrants				
Hennepin County				Awarded in 2025
Personnel 1 FTE Project Manager	$602,646		15%	2025-2029 (approx 3.5 years)
Consultant	$647,354		16%	Consultant RFP Q4 2025, Objective Design and Development Standards Toolkit work through 2028
Contract	$250,000		6%	Begin city work group Q3 or Q4 2025 to support the implementation of policy change
Subtotal Hennepin County	*$1,500,000*		*37%*	
Ramsey County				Awarded in 2025
Admin: Personnel	$100,000		3%	2025-2028 (approx 3.3 years)
Construction Grants	$1,200,000		30%	Solicit for projects in 2025, with construction in 2026-2027
Subtotal Ramsey County	*$1,300,000*		*33%*	
Subgrants to municipalities awarded through competitive application (with a minimum of $100,000 to be awarded in each Hennepin and Ramsey Counties)	$600,000		15%	Grants committed 2025-2026, last reimbursement at the end of 2028, unless awarded an extension of 1 year or until 9/30/2029 (whichever comes first)
Subtotal Subgrants	*$3,400,000*		*85%*	

Leveraged Funds				
Local Housing Incentives Account (LHIA) Grants ($1.5M over two years)		$3,000,00	NA	2025-2026
TOTAL	**$4,000,000**	**$3,000,000**	**100%**	

The Met Council's PRO Housing project will not generate any revenue for the Met Council or sub-grantees. Nor will any funds be used to fund public services.

Seven percent of the Partnership funds will be used for administration of and technical assistance for the FY23 PRO Housing grant activities. Specifically, 4% of funds will be used to fund 0.25-0.5 FTE Senior Grant Administrator position. This position will facilitate the effective administration of the subgrants. Ramsey County plans to use 3% of funds for administrative costs including staffing, attorney fees, and allowable indirect costs. Hennepin County does not plan to use funds for administration. No administrative costs are allowed as part of the subgrants to municipalities.

In addition to leveraging $3,000,000 in Local Housing Incentives Account grants for the development and preservation of affordable housing, the Met Council will contribute non-financial resources to the FY23 PRO Housing project, including but not limited to: office and meeting space, technology for staff, and time from the Community Development Director, Livable Communities and Housing Manager, and Livable Communities and Housing staff. Similarly, Ramsey Counties will contribute staff time and technology to host competitive construction grant solicitations for deeply affordable housing, in addition the County will leverage its local Housing and Redevelopment Authority (HRA) levy and other pass through funds to support housing development. Hennepin County will contribute office and meeting space, technology for staff, time from the Economic Development Director, Housing Development Director, Community Development Manager, Multifamily Housing Development Manager, and Community Development and Housing staff.

The FY23 PRO Housing budget was designed based on feedback from municipalities on what they would find most helpful to removing barriers to affordable housing, specifically direct support for policy and program development, construction funding to incentivize development, and peer learning about best practices. Additionally, the budget effectively uses existing organizational infrastructure to ensure cost effectiveness. For example, the subgrants will be administered through the Met Council's existing grant administration process. Using existing infrastructure is appropriate for this time-limited project. Personnel costs are set by existing salary classifications within each agency, which are negotiated with labor unions and reflect the market and principals of cost-effectiveness. Consulting contracts are awarded through a standard procurement process, which also considers cost effectiveness, as well as promotes engagement with disadvantaged businesses.

As shown in the table above, all $4 million of the FY23 PRO Housing grant award will be expended no later than September 30, 2029. The subgrants awarded to Hennepin and Ramsey Counties will be disbursed in full in 2025, with annual reporting required through the end of the performance period in 2029. The subgrants awarded to municipalities in 2025-2026 are administered on a reimbursement basis over a period of up to two years, with the option for a one-year extension or until September 30, 2029, whichever comes first. The 0.25-0.5 FTE Senior Grant Administrator position, a permanent position at the Met Council, is funded by this grant through September 30, 2029 and may be extended by an FY24 PRO Housing award. The project personnel at the Met Council and Hennepin and Ramsey Counties are funded into 2029 by this grant and may also be extended by an FY24 PRO Housing award.

Need

Regional Efforts to Date

The Twin Cities Metropolitan Region has made meaningful progress in overcoming legal and regulatory barriers to affordable housing development. The region - with 3.2 million people, seven (7) counties, and 181 cities and townships - has a history of working across jurisdictions to address regional needs, including housing, transit, wastewater treatment, parks, and more. Hennepin and Ramsey Counties are the state's two most populous counties and home to the state's most populous cities of Minneapolis and Saint Paul. HUD has identified these two counties as priority geographies and are the focus of our FY23 PRO Housing efforts.

The Metropolitan Council plays a state-mandated role in setting policy and land use requirements through a regional planning process to guide growth and manage regional systems; each decade, it develops a new decennial regional development plan. The current regional plan (Thrive 2040) and the draft Imagine 2050 plan, which will be adopted in early 2025, both emphasize affordable housing. The Housing Policy Plan associated with Thrive 2040 quantified the need and the goals for affordable housing development across each community in the region, and - for the first time - specified the need for units affordable to people living on extremely low-incomes (30% of AMI and below). These needs and goals have been updated for the 2050 Housing Policy Plan.

Cities throughout the region used the 2040 Housing Policy Plan to guide the development of their own 2040 comprehensive plans. Recognizing that affordable housing for residents living on extremely low incomes is generally built at higher densities, Thrive 2040 required cities to guide sufficient high-density land use and identify specific tools the city would use in order to address the housing needs in their locality. In support of this effort, the Met Council identified various housing tools for cities to implement, including inclusionary zoning policies, rental licensing and inspection programs, community land trusts, model zoning and subdivision ordinances, the preservation and creation of manufactured home parks, and more.

Zoning and Land Use Reform:

Currently through the implementation of Thrive 2040's land use and affordable housing policies, 110 cities are guiding over 8,000 acres of land at high enough densities to potentially support the development of 80,000 affordable housing units. Seven hundred and twenty (720) units affordable to households with incomes at 30% AMI or below have been built in the past two years, compared to an average of 140 units annually in previous years. Because of the Met Council's regional planning role, the comprehensive plans both address local needs and are coordinated to address regional challenges and opportunities, benefiting 3.2 million current residents and future residents. Specific updates and reforms include:

- Sixteen cities have adopted inclusionary zoning policies.
- When Minneapolis (Hennepin County) approved its comprehensive plan in 2018, it upzoned commercial corridors and eliminating parking minimums on new developments. The plan allows a minimum of three housing units on any city residential parcel by right, thus ending decades of restrictive zoning that had mandated single family homes as the only housing option on roughly 70% of city lots.
- Saint Paul (Ramsey County) simplified lot setback requirements, removed parking requirements on new developments, and allowed for more two to four unit homes to be built by right across the city.
- The City of Roseville (Ramsey County) upzoned its municipal code, allowing duplexes in zones that had previously been zoned exclusively for single family homes.

- The City of Shoreview (Ramsey County) passed the County's first Inclusionary Zoning Policy.

At the metropolitan level, the Metropolitan Council has paid ongoing and heightened attention to housing in its own regional planning. In the coming year, the region will consider final recommendations for the Imagine 2050 regional development guide, and then – per the decennial planning cycle specified in state law – each municipality in the region will establish its own 2050 comprehensive plan. Through the FY23 PRO Housing grant, there is an opportunity to deepen housing strategies and make them more integral parts of the overall communities' visions.

New Public Investments in Affordable Housing

The public and political will to increase the production of affordable housing is also evident through new public investments in housing across the region, including:

- A new 0.25% Metro Area Sales and Use Tax for Housing adopted by the state legislature in 2023. This is the first-ever tax dedicated to affordable housing and will raise approximately $100 million over the next two years for housing projects, with $32 million will be allocated across the region, including $12.4 million to Hennepin County, $6 million to Ramsey County, and $16.1 million shared by cities with populations of 10,000 or more in the seven-county metro region. Eligible uses include new housing production and emergency rental assistance.
- One-time state dollars approved by the state 2023 legislature will fund $200 million in housing infrastructure, $150 million for down payment assistance, and $15 million in public housing renovations across the state.
- The Met Council's Livable Communities Act program launched two new grant programs in 2022. The Policy Grant program provides funding to cities to update policies that influence physical development and promote Thrive 2040 goals, like affordable housing. The Affordable Homeownership Grant program awards funds to cities for affordable homeownership development projects in areas that expand housing choice and help close the racial homeownership gap.
- A new Ramsey County property tax levy dedicated to its Housing and Redevelopment Authority (HRA) began in 2022 that focuses investments on expanding and preserving deeply affordable housing.
- Ramsey County and the City of Saint Paul teamed up to invest over $74 million of American Rescue Plan Act (ARPA) funding in deeply affordable housing. Their collective ARPA outcomes were documented in their participation in the federal House America initiative.
- Hennepin County's Housing and Redevelopment Authority (HRA) created and funded one of the first housing trust funds in the state in 2000, which has since created or preserved over 10,000 units of housing affordable to households with incomes below 50% of the area median income. In recent years, the HRA has grown that fund to $5 million annually, and added $5 million for supportive housing capital, $1.1 million for single room occupancy (SRO) housing, an$1.2 million for homeownership opportunities, all from the HRA's annual levy.
- Hennepin County also invested $46 million of its ARPA allocation to create or preserve almost 3,000 units of affordable housing.

Taken together, these new funds are unprecedented in their scale and serve to structurally embed an annual infusion of capital that is tied to inflation and will bring the region closer to meeting its affordable housing needs.

New Transit Infrastructure Investments

Lack of transit options is another barrier to placing affordable housing in areas connected to opportunities that the Twin Cities region has been working to overcome. Specifically, the new 0.75% Metro Area Transportation Sales and Use Tax, approved in 2023, will help support regional transit infrastructure and goes above and beyond the pre-existing regional sales tax.

Both Ramsey and Hennepin Counties levy property tax for their regional rail authorities. These authorities, in partnership with the Met Council and cities, help plan future regional transit lines and fund the operations of existing METRO system lines. Ramsey County further aligns development investments along transit corridors with the Critical Corridors programs, which provides pre-development, planning and development funding for projects located in an existing or emerging transportation corridor. To maximize the public benefits of transit investments, Hennepin County leads extensive, coordinated land use planning efforts in partnership with cities along planned light rail corridors to establish a community-supported vision, identify and coordinate public sector investments, and shape development aligned with each community's vision. Hennepin County's transit oriented development (TOD) program provides capital for infrastructure and development projects along future and existing corridors. To date, Hennepin County's TOD Program has supported 156 projects with over $40 million, generating 11,000 housing units and 3,300 jobs. Hennepin County has also expanded TOD funding to support emerging developers enter the development field. In its second year, early predevelopment assistance has been provided to 13 emerging developers, including 12 people of color and four women.

Demand for Affordable Housing

The Twin Cities Metropolitan Region has an acute demand for affordable housing. HUD has identified both Hennepin and Ramsey Counties – our most populous counties and home to the state's two most populous cities of Minneapolis and Saint Paul – as priority geographies; these two counties are the focus of our grant activities.

The Twin Cities region is home to 61% of the state's renters living on incomes below 30% of the AMI. To meet the full need of these current residents, the region would need 103,140 units of deeply affordable housing. However, only 35,105 units are available to serve the needs of this population, leaving a shortage of 68,035 units. In Hennepin and Ramsey Counties alone, the shortage in units affordable at 30% AMI is 39,705 (26,570 and 13,180 respectively), and 38% of households – or 211,831 households – are housing cost burdened (26% and 12%, respectively).

Overall, affordable housing production the region has not kept pace with the total housing demand, due in part to a contraction in new construction activity after the 2008 housing crisis, along with other factors. The need for affordable housing is particularly acute for households living on 30% AMI or less and in suburban communities. Despite significant efforts by the Metropolitan Council, counties, and cities, we are still significantly behind:

- Between 2011-2020, the region met 37% of its forecasted need for affordable housing (affordable at 60% AMI and below). 44,600 units were needed, but developers only built 14,600 during that time.
- In 2021 and 2022, there was an annual production gap of 3,600 deeply affordable units (affordable at 30% AMI or less) across the region, with the gap particularly glaring in suburban communities. Only one in ten new units constructed during the two-year period was an affordable unit.

The region still has a large gap in deeply affordable housing units. To begin to close it, we will need to produce nearly **3,000 deeply affordable units per year for the next seven years**. This is likely an underestimate given the number of households in the region that are currently cost burdened. While the region has a strong network of developers and property owners, owners have experienced the double-burden of higher needs among their tenants and an increase in operating costs due to inflation, skyrocketing insurance costs, and workforce issues. When asked what they will need to help meet the region's affordable housing production needs, owners respond that that they are focusing on holding on to their current portfolios.

Opportunities for affordable homeownership, especially for households of color, are also falling short of demand. Affordable homeownership opportunities have diminished with limited new development, and increased investor ownership of single-family homes (the Minneapolis Federal Reserve Bank estimates that the investor ownership rate is double the rate from 2006, before the foreclosure crisis, at approximately 3.4%). This reflects both acute demand for rental homes for larger households and continued barriers to ownership for those priced out of the market. While home prices have held steady in nominal terms, the effective costs of buying a home have risen following interest rate increases.

Fifty-three percent (53%) of the region's affordable housing need is located within Hennepin and Ramsey Counties. Given this acute need, our grant activities will primarily serve the geographies of Hennepin and Ramsey Counties, while also making zoning prototypes, technical assistance resources, and policy and program development grants available across the entire seven-county region.

Remaining Barriers

The Met Council's FY23 PRO Housing grant activities focus specifically on the capacity and knowledge barriers that cities and townships face in developing and implementing policy and zoning changes that improve the availability and access to affordable housing, as well as making the best use of substantial new funding streams for affordable housing development. The grant activities will use a locally-tailored approach that encourages cities to name their own barriers, learn from others? progress, and implement strategies that will help achieve local goals within a larger regional framework.

Many cities struggle with the staff time and resources to develop policy that is tailored to the needs of their community and still results in equitable outcomes and development. Outside of the two largest cities in the region (Minneapolis and Saint Paul), most cities have limited planning and housing staff. These staff have expressed a need for capacity to update housing elements within their city's comprehensive plans, implement new policies to meet planning goals, and plan to deploy new sales tax-generated housing funds.

Through the decennial comprehensive planning cycle guided by Thrive 2040 and soon Imagine 2050, the Met Council is uniquely positioned to partner with Hennepin and Ramsey Counties to provide guidance, advise on best practices, and support the implementation of solutions to local and regional housing issues. The coordination of zoning, land use and housing policy, and well informed strategies for investing public dollars in housing will make a meaningful impact on affordable housing development and choice for residents.

Like many other parts of the country, the Twin Cities region has a history of racial discrimination in housing including segregation, redlining, and racial covenants. While these are no longer explicitly in place, their impacts continue today and explain many of the racial inequities in access to housing. Zoning itself was frequently used as a tool for racial segregation; the region is in the process of reckoning with the ramifications of restrictive zoning laws and using that knowledge to rezone in ways that desegregate and affirmatively further fair housing.

Zoning and Land Use Policy: Within our region's zoning laws, there are several key topics that create the largest barriers to producing and preserving more affordable and accessible units. Permitting procedures and approval times are described as being far too slow and, perhaps more importantly, significantly different between jurisdictions many of our cities because they must learn dozens of sets of rules. This is a particularly challenging barrier in communities that lack options in affordability levels or housing types, but zoning, land use controls, or funding priorities either prohibit or disincentivize the needed development. It also arises where cities have adopted zoning and land use policies to create more density or transit orientation, but hyper-local concerns about development haven't yet been ameliorated. These barriers are particularly acute for smaller jurisdictions that may only have one or two staff assigned to housing; sometimes, these roles combine housing with other community development areas. Cities in this situation often lack the capacity and expertise to drive meaningful change toward meeting their city's affordable housing need.

High Cost of New Production: While attempts to innovate to reduce costs and provide more housing options are underway, they have yet to create a meaningful dent in the housing supply. For example, while ADUs have been legalized and requirements loosened in many cities across the region, only a couple of hundred have been built in the past decade. Similarly, a manufactured housing production facility recently partnered with a local public housing agency to build 84 units of modular, scattered-site housing for families; this model shows promise but has not yet to reach the meaningful scale that would yield marketwide affordability benefits.

The priority geographies have a deep need for the production of units affordable at 30% AMI in particular. There is a need for housing that can serve a variety of types of households including individuals, families with children, and multigenerational households, including efficiencies to 4-bedroom units in neighborhoods with access to transit, jobs, and schools and permanent supportive housing units. But despite this significant demand, the market is unable to provide these units without government investment and intervention. As just one example, in 2023, Ramsey County received 27 applications for the development and preservation of deeply affordable units, totaling $65 million. Existing local and federal resources were only enough to fund $20 million of the request. This demonstrates the additional dollars that are needed for housing production at 30% AMI – in addition to removing land use and regulatory barriers to development. Developers have a desire to build these housing developments in the area however, they lack the government investment and regulatory pathways needed to bring these projects to fruition.

Use of Funds - Soundness of Approach:

Vision

The Partnership plans to use its $4 million FY23 PRO Housing award to build on and expand the policy and funding momentum underway and leverage the Imagine 2050 planning cycle to remove barriers to building and preserving affordable housing. This means expanding zoning reform across Hennepin and Ramsey Counties and the entire region, creating greater parity in code across jurisdictions to allow for more housing, more affordable housing, and denser housing in more communities. The Met Council will facilitate deep coordination and collaboration among local jurisdictions to ensure new funds and zoning authorities will deliver the full impact that is possible.

The Partnership plans to use the FY23 PRO Housing award to:

- **Improve Policy & Support Planning ($1,934,570)**: Staff positions and project-specific consultants and contracts will build county and regional opportunities for peer learning, develop objective development standards to facilitate more predictable and efficient housing production, and support and provide technical assistance to update policies and comprehensive plans to allow for more affordable housing. Hennepin and Ramsey Counties are the focus of this effort; and there will be opportunities for cities region-wide. While policies and plans will be reformed and updated during the grant period (2025-2029), the expansion of affordable housing development will take several years to materialize given the complexity of planning and assembling funding.
- **Award Direct Grants to Implement Local Policies and Programs ($600,000 in grants and $165,430 in administration):** The Met Council will competitively award grants to cities to develop and implement policies and programs that meet their local needs and remove barriers to the development and preservation of affordable housing. Funds will be available region-wide, with a specific minimum allocation for cities in Hennepin and Ramsey Counties. Grants will be awarded in 2025 and 2026, with work completed by the end of the grant term (2029). Given the timeline for affordable housing development, increased rates of development may not be visible for several years after the completion of the grant.
- **Build New Affordable Housing Affordable at 30% AMI ($1,200000 and $100,000 in administration):** Ramsey County will competitively award funds to deeply affordable housing projects in cities that recently updated their zoning or land use policy to allow for more density and affordable housing. Funds will be awarded in 2025-2026 with development activities complete by the end of the PRO Housing grant period (2029) and units quickly available thereafter.

Together, these efforts will help remove capacity and knowledge barriers cities face to ensure the region meets it future projected need for affordable housing. Success will be measured by the number of municipalities enacting policies or programs to increase the production and preservation of affordable housing, as well as the potential impact of those polices and programs and the number of deeply affordable housing units constructed through direct support to projects.

The Met Council will hire a temporary (2025-2029), full-time Technical Assistance and Program Coordinator (Senior Planner) to manage the FY23 PRO Housing project and support collaboration among county and city partners. The Coordinator will:

- Coordinate a $1.5 million subgrant to Hennepin County.
- Coordinate a $1.3 million subgrant to Ramsey County.
- Serve as the program officer to administer $600,000 in subgrants to municipalities.
- Coordinate technical assistance and peer learning across the 7-county region
- Coordinate PRO Housing activities with Imagine 2050 comprehensive planning in municipalities throughout the region.

Subgrant to Hennepin County

The subgrant to Hennepin County will be awarded in full in 2025 to achieve the following goals during the grant period (2025-2029):

1. Build a ‘coalition of the willing’ among Hennepin County cities that are committed to removing barriers to building and preserving affordable housing in their communities.
2. Create policies and tools to meet specific needs identified by cities in the coalition.
3. Support the implementation of policy change at the city level.

After initial conversations, the Hennepin County cities of Hopkins, Edina, Bloomington, Robbinsdale, Crystal, Brooklyn Center, Brooklyn Park, St. Louis Park, Minnetonka, Eden Prairie, Medina, Maple Grove, Golden Valley, and Plymouth, among others are interested in participating in the PRO Housing work.

In order to achieve these goals, Hennepin County plans to employe a full-time Lead Project Manager (Principal Planning Analyst) for 3.5 years (2025-2029), as well as subject matter expert consultants. Staff will pursue the following strategies in support of larger goals:

1. Active collaboration: engage, develop a shared vision and goals, and facilitate an inter-city/inter-agency ‘coalition of the willing.’ Quarterly meetings will engage 25+ cities.
2. Create an Objective Design and Development Standards Toolkit to support well designed housing that meets community character expectations in a range of forms and varying density and affordability levels, along with financial analysis to build such housing types.
3. For 8-10 cities, provide technical assistance to support the adoption of policies that will remove barriers to affordable housing, such as inclusionary zoning, zoning code changes, expedited zoning/permitting approvals.

The subgrant to Hennepin County will create the opportunity for the staff and policy makers in the 45 cities in Hennepin County to engage and learn as peers on policy and land use considerations that will remove barriers to producing affordable housing during their state-mandated comprehensive planning period. If every city participated, these efforts would positively impact 1.26 million residents. Partners? goal is to ensure that cities of all size can participate in the FY23 PRO Housing project, so up to 10 cities will receive intensive support and technical assistance to overcome hyper-local barriers to policy change. The subgrant is also an opportunity to create greater policy parity across jurisdictions, which will make affordable housing production more efficient.

Subgrant to Ramsey County

The subgrant to Ramsey County will be awarded in full in 2025 to achieve the following goals during the grant period (2025-2029):

1. Create new deeply affordable housing units (affordable at 30% AMI).

Specifically, our work to achieve this vision will benefit from three significant regional advantages:

Ramsey County will use subgrant funds to allocate time of the Deputy Director of Housing Development, the existing team of Community Development Specialists, and Assistant County Attorney to the PRO Housing project (2025-2029). Staff, in partnerships with subject matter consultants will, pursue the following strategies:

1. Award FY23 PRO Housing funds directly to two to three new that will include units affordable to households living at 30% AMI or less in communities that have recently updated their zoning to allow for higher densities and encourage affordable housing. Funds will be competitively awarded through Ramsey County’s existing annual consolidated housing development solicitation. This solicitation streamlines the application process for developers by creating one application for all funding sources and in alignment with state and city application processes.

The subgrant will allow the County to continue making new commitments to advance its bold Economic Competitiveness and Inclusion Plan in 2025 and 2026, with the new deeply affordable housing opening within five years from the grant.

Subgrants to Cities

The Met Council will award a minimum of 12 grants to cities to develop policies and programs that remove barriers to producing and preserving affordable housing. Utilizing the existing organizational infrastructure to publicize the notice of funding availability, provide technical assistance on applications, review and score applications, and award funding, the grants (up to $50,000 each) will be awarded in 2025 and 2026, with all grant work completed by the end of the PRO Housing grant term in 2029. At least $100,000 (two grants) will be awarded to cities in each of the priority geographies of Hennepin and Ramsey Counties. Long-term these grants will shift the market conditions for affordable housing.

In addition to the Program Coordinator, the Met Council will use FY23 PRO Housing grant funds to pay for a 0.25 FTE Senior Grant Administrator who can administer the county and city subgrants in accordance with existing Met Council policy.

Schedule for Completion

Time Frames assume that the funding agreement is executed no later than January 2025.

Start		**Activity**	**Agency Responsible**
Project Coordination			
Early 2025	Early 2025	Engage Hennepin and Ramsey Counties and other agencies to coordinate regional efforts.	Met Council
Early 2025	Mid 2025	Hire Technical Assistance and Program Coordinator	Met Council
Early 2025	Mid 2025	Refine key metrics and detailed evaluation plan	Met Council
Mid 2026	Mid 2026	First year review of activities with partners. Submit progress report to HUD.	Met Council
Mid 2027	Mid 2027	Second year review of activities with partners. Submit progress report to HUD.	Met Council
Mid 2028	Mid 2028	Third year review of activities with partners. Submit progress report to HUD.	Met Council
Early 2029	September 30, 2029	Plan for and complete evaluation and final reporting with partners	Met Council
Hennepin County Subgrant			

Early 2025	Late 2025	Hire Lead Project Manager and Project Coordinator	Hennepin County
Late 2025	Early 2026	First quarterly gathering of Hennepin County PRO Housing coalition. Develop shared goals.	Hennepin County
Late 2025	Late 2026	Engage consultants focusing on shared learning and to kick off review of city-specific policies and develop policy, zoning, toolkit, and ‘pattern book’	Hennepin County
Q2 2026	Q2 2026	Quarterly meeting of Hennepin County PRO housing coalition	Hennepin County
Q3 2026	Q3 2026	Quarterly meeting of Hennepin County PRO housing coalition	Hennepin County
Q4 2026	Q4 2026	Quarterly meeting of Hennepin County PRO housing coalition. Kick off policy change implementation strategies and technical assistance.	Hennepin County
Q1 2027	Q1 2027	Quarterly meeting of Hennepin County PRO housing coalition	Hennepin County
Q2 2027	Q2 2027	Quarterly meeting of Hennepin County PRO housing coalition	Hennepin County
Late 2026	Mid 2027	All sample policy, model ordinance, toolkit, and pattern book components complete and available to partners	Hennepin County
Q3 2027	Q3 2027	Quarterly meeting of Hennepin County PRO housing coalition	Hennepin County
Q4 2027	Q4 2027	Quarterly meeting of Hennepin County PRO housing coalition. Report on results.	Hennepin County
Q1 2028	Q1 2028	Quarterly meeting of Hennepin County PRO housing coalition.	Hennepin County
Q2 2028	Q2 2028	Quarterly meeting of Hennepin County PRO housing coalition.	Hennepin County
Q3 2028	Q3 2028	Quarterly meeting of Hennepin County PRO housing coalition.	Hennepin County

Q4 2028	Q4 2028	Final meeting of Hennepin County PRO housing coalition.	Hennepin County
Ramsey County Subgrant			
Early 2025	Early 2025	Prepare solicitation for Ramsey County Housing Development Funds opens and applications are submitted ($1.2M available).	Ramsey County
Mid 2025	Mid 2025	Staff review applications and recommend Ramsey County Housing Development Projects awards.	Ramsey County
Late 2025	Mid 2026	Awarded projects close on financing.	Ramsey County
Late 2026	Late 2028	Projects finish construction and report on beneficiary outcomes	Ramsey County
Late 2026	Late 2028	Monitor projects to ensure affordability at 30% AMI	Ramsey County
Subgrants to Cities			
Early 2025	Early 2025	Engage with communities to co-design new technical assistance and competitive grant programs. Finalize award criteria and scoring for subgrants to cities.	Met Council with support from Hennepin and Ramsey Counties
Early 2025	Mid 2025	1st notice of funding availability and applications open for subgrants to cities.	Met Council
Mid 2025	Mid 2025	Applications are reviewed and recommended for funding.	Met Council with support from Hennepin and Ramsey Counties
Mid 2025	Mid 2025	2nd notice of funding availability and applications open for subgrants to cities.	Met Council

Late 2025	Late 2025	Applications are reviewed and recommended for funding.	Met Council with support from Hennepin and Ramsey Counties
Early 2026	Mid 2026	3rd notice of funding availability and applications open for subgrants to cities.	Met Council
Mid 2026	Mid 2026	Applications are reviewed and recommended for funding.	Met Council with support from Hennepin and Ramsey Counties
Mid 2026	Mid 2026	4th notice of funding availability and applications open for subgrants to cities.	Met Council
Late 2026 Late 2026	Applications are reviewed and recommended for funding.	Met Council with support from Hennepin and Ramsey Counties	
Mid 2027	Late 2027	Completion & closeout of subgrant rounds 1 and 2, unless awarded extension	Met Council
Mid 2028	Late 2028	Completion & closeout of subgrant rounds 3 and 4, unless awarded extension	Met Council
Mid 2029	Mid 2029	All grants awarded extensions completed and closed	Met Council
Leverage			
Mid 2025	End of 2025	$1.5M in Local Housing Incentive Account grants committed to deeply affordable housing projects	Met Council
Mid 2026	End of 2026	1.5M in Local Housing Incentive Account grants committed to deeply affordable housing projects	Met Council

Because the Met Council's FY23 PRO Housing project is heavily focused on improving policy and launching new programs, the project will have a long-term sustained impact on the Twin Cities market, making it more amenable to new affordable housing in cities across the region. Development projects funded through the FY23 PRO Housing project will remain affordable for at least 15-30 years, depending on the source of other financing, and will serve as case studies and inspiration for future development.

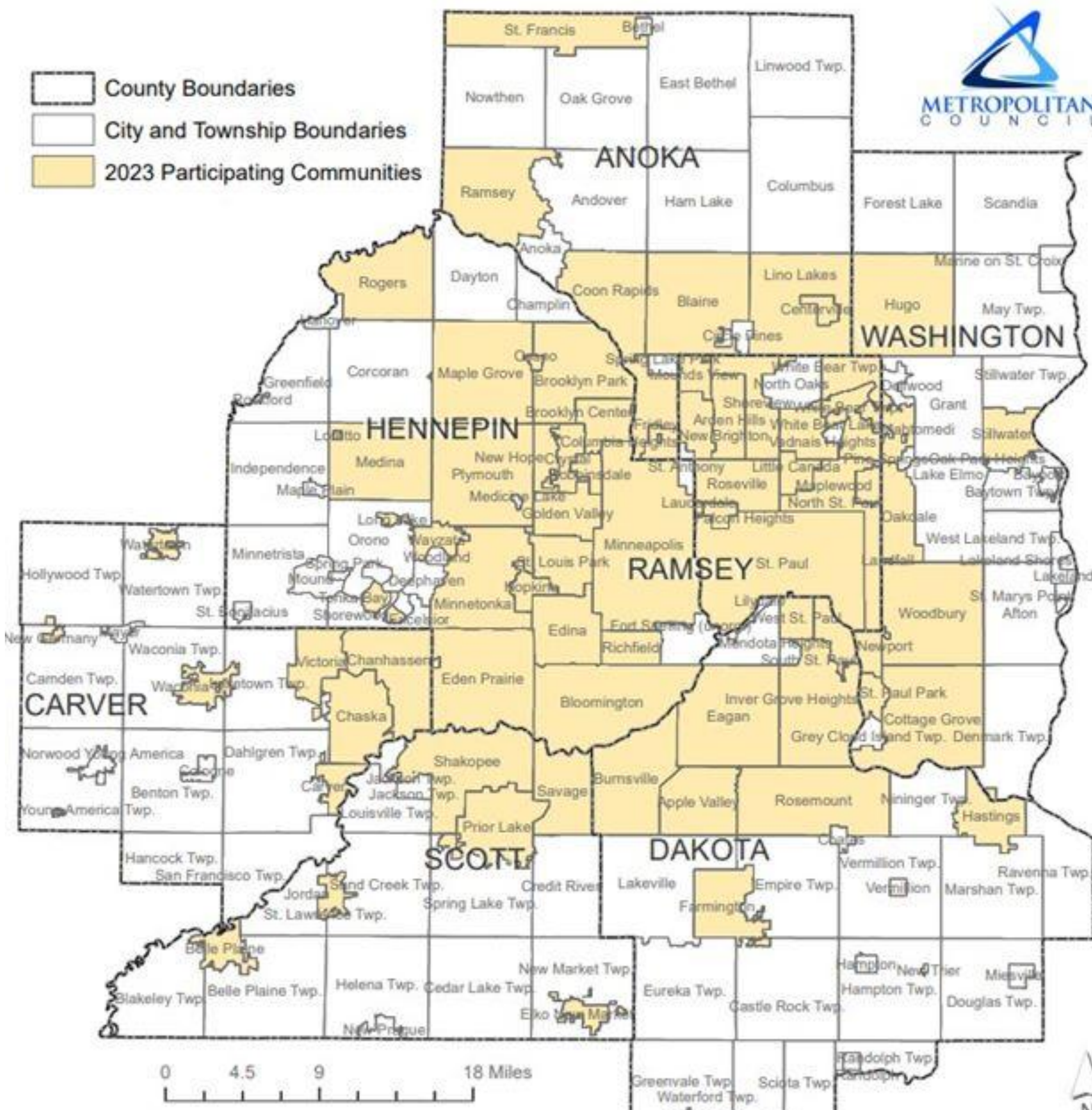
All of the FY23 PRO Housing activities will leverage $3 million in Local Housing Initiative Account (LHIA) grants to build deeply affordable housing. One and a half million dollars ($1.5M) will be awarded by the Met Council in 2025 and 2026 to Cities with development projects that include units affordable to households living on 30% of the AMI or less. LHIA grants must be spent within five years; therefore the Met Council expects new units to be available in 2030 and 2031.

Geographic Scope

As the regional planning agency for the seven-county metropolitan area – inclusive of 181 cities and townships in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington – the Metropolitan Council is responsible for guiding the growth and development of the region, including planning for housing policy and for three regional systems: the regional wastewater system, the metropolitan transportation system, and the regional parks and open space system.

The Met Council's geographic scope for the FY23 PRO Housing project is the entire seven-county metropolitan region, with a particular emphasis on Hennepin and Ramsey Counties. The counties are two of HUD's priority geographies, as well as 32 other cities in the region. Hennepin County has 45 cities, 1.26 million residents, 900,000 workers, and 40,000 businesses. Within Hennepin County is the City of Minneapolis, the largest city in the state. It has built partnerships, networks, and communication channels to connect with each audience, as well as community organizations, for profit and nonprofit developers, and other stakeholder groups. The depth and breadth of its reach would be hard for other agencies to replicate.

Ramsey County, the second most populous county in the metropolitan area, is home to more than 551,000 people; employs 320,000; and includes 18 cities and one township. It is the most densely populated and racially diverse county in Minnesota and has the highest percentage of residents living in poverty among all Twin Cities metro counties. Over 65,000 households in Ramsey County spend more than 30% of their income on housing, thus making very low income housing a top priority for the county. Within these households, most of which are renters, roughly 4% are extremely cost-burdened and spend more than half of their income on housing. Within the larger metropolitan region, Ramsey County offers some of the most affordable neighborhoods. However, much of this "naturally occurring affordable housing" (NOAH) is the result of aging, unsafe housing stock where occupants may face overcrowding, exorbitant energy costs, and exposure to health contaminants. Approximately six out of every ten affordable units are located within Saint Paul. Across Ramsey County, 61% of the NOAH rental units are in buildings that are at least 50 years old, and only 8% are in buildings that are less than ten years old. Preserving currently affordable housing while improving its condition is a key priority.



Source: Metropolitan Council, Livable Communities 2023

Fair Housing

Through the FY23 PRO Housing project, the Met Council plans to provide technical assistance and subgrant funds to jurisdictions that want to undertake planning and policy initiatives to expand affordable housing development and preservation in alignment with the region's Fair Housing Implementation Council (FHIC), as well support the development of deeply affordable housing that meets all affirmatively furthering fair housing requirements.

The FHIC is a unique regional coordination body focused on metro-wide efforts to affirmatively furthering fair housing. Ramsey, Anoka, Hennepin, Carver, Dakota, Scott, and Washington counties; the cities of Bloomington, Eden Prairie, Minneapolis, Plymouth, Saint Paul, Woodbury; and the Met Council are members. Founded in 2002, the FHIC has collaborated to conduct a regional Analysis of Impediments to fair housing choice for entitlement jurisdictions within the seven-county region.

The first goal of the FHIC is to 'Increase the supply of affordable housing in high opportunity areas.' Through this PRO Housing proposal, cities could seek technical assistance and subgrant funds to pursue programs and policies such as:

- Changing existing land use and zoning laws to allow for more types of affordable housing, such as Accessory Dwelling Units (ADUs), Single Room Occupancy (SRO) multi-family projects, or tiny homes.
- Providing additional investments affordable housing.
- Developing a program to assist community organizations in purchasing, rehabilitating, and leasing dilapidated rental properties.
- Expand bonus point offerings in RFPs to incentivize the development of large units with three or more bedrooms.

All of which would help create more affordable housing in well-resourced areas of opportunity.

The Met Council's plan for FY23 PRO Housing activities also aligns with the fair housing policy and actions outlined in the 2040 Housing Policy Plan and the draft Imagine 2050 Housing Policy Plan, which will be adopted in early 2025. Specifically, the plan states that the Met Council will 'Develop programming, provide resources and funding, and support local, regional, and state initiatives that increase the ability of households to choose where to live in the region regardless of ability, age, financial status, race, or family size.' PRO Housing will be part of the action plan to ?Provide technical assistance and convene workshops for local governments to: (1) Develop and share initiatives, policies, and programs that increase regional housing choice; (2) Help communicate the connections between affordable housing income limits and resident housing, economic, and social experience; and (3) Support "missing middle" housing (small and medium multifamily and attached single family homes) as a strategy to improve affordability and expand housing choices for cities and townships across the region.

For specific affordable housing development projects funded through the Ramsey County subgrant of the FY23 PRO Housing activities, all applicants will be required to have an Affirmative Fair Housing Marketing Plan designed to identify underserved populations and identify strategies to market the project to those populations. Projects awarded funding will be monitored for compliance with this plan as part of regular reporting requirements.

Anti-Displacement Framework for Mitigating Displacement Risk

Earlier this year, the Met Council adopted a new Anti-Displacement Framework to accompany the Imagine 2050 regional plan. It emerged as a response to the growing need for a coordinated strategy across divisions that considers the impacts of Met Council actions and investments. This will involve an active process of centering and empowering communities to protect their home, access to resources, and sense of belonging from loss due to a Met Council investment or policy, including efforts conducted as part of PRO Housing. Specifically, Met Council investments will go through an anti-displacement risk assessment, projects that support community connection and anti-displacement will be prioritized in our grant programs, and the Met Council will provide best practices and resources through engagement and collaboration with overburdened communities. The Anti-Displacement Framework calls for the development of a geographic analysis of the risk of displacement for the region. This analysis will identify risk factors beyond the urban environment, including but not limited to increases in educational attainment, home values, renter cost burden, residential and commercial development, and median year built.

Use of Funds - Method of Distribution (State grantees only):

N/A

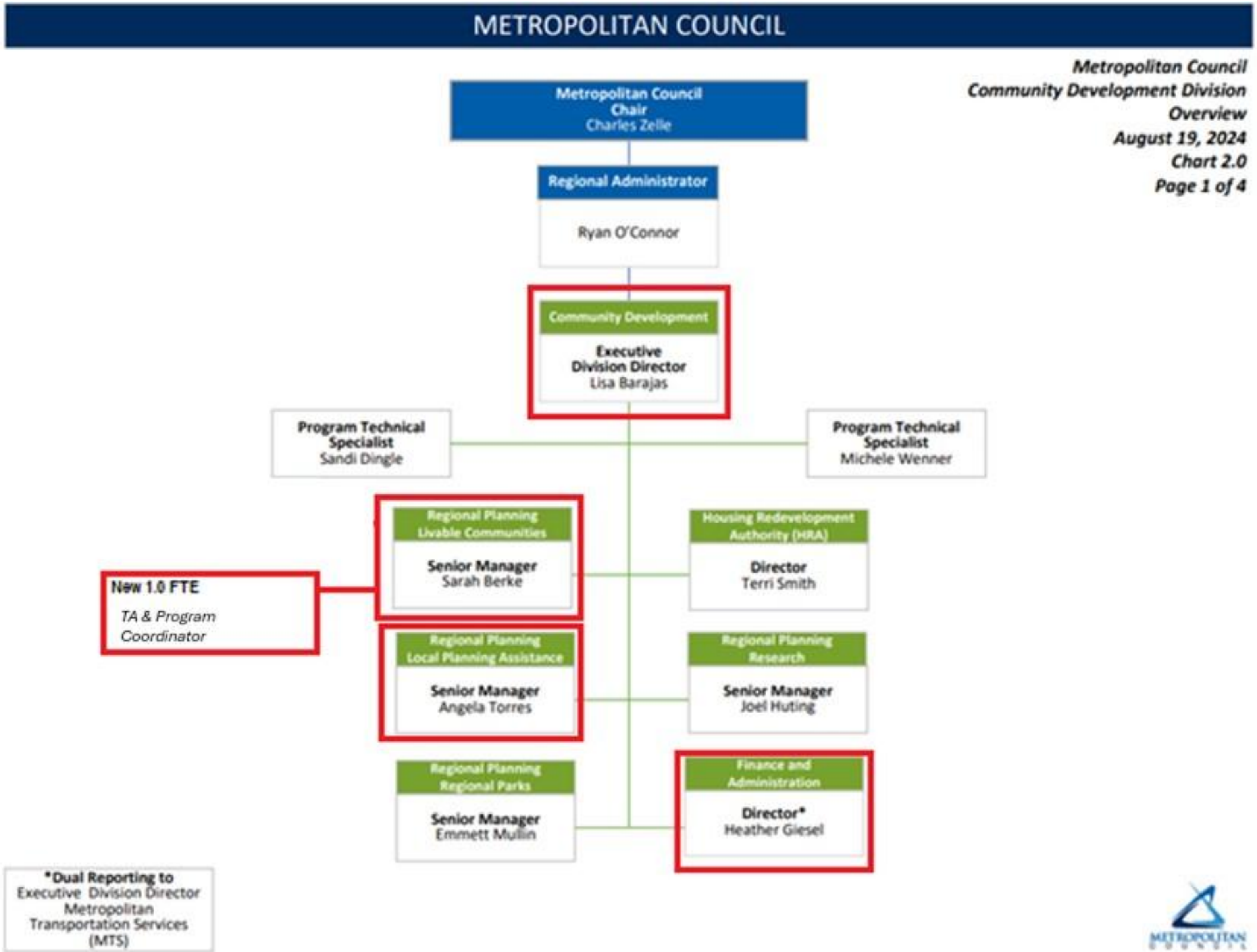
Grantee and Partner Capacity:

Metropolitan Council

The Metropolitan Council's Community Development Department will oversee implementation of the entire scope of this grant. As the regional planning body for the seven-county metropolitan area, the Met Council is responsible for and has existing capacity to guide the growth and development of the region, including planning for housing policy and for three regional systems: the wastewater system, the transportation system, and the parks and open space system. The Met Council has a total annual operating budget of $1.309 billion and deep experience managing and implementing federal grants, with the expert project management, quality assurance, financial and procurement, and internal control capacity required to quickly launch and implement a major project of this scope. Working with and coordinating among many partners is core to the Council's daily work and a core area of expertise. We do this all day, every day.

At the Met Council, a new staff position (Technical Assistance and Program Coordinator) will manage the majority of the proposed activities on a day-to-day basis and would report to Senior Manager for Livable Communities and Housing, Sarah Berke. Berke will serve as the overall lead on project direction and coordination of grant program activities across the Met Council and its subrecipient partner agencies. Berke reports to Executive Director, Community Development, LisaBeth Barajas. Barajas will provide high-level policy direction to the project. Within the Community Development division, Angela Torres, the Senior Manager for Local Planning Assistance, will be a close collaborator for outreach to ensure the activities are available to communities throughout the region. Director of Finance and Administration, Heather Giesel, leads a team of twelve (12) grant management and financial management professionals who have experience administering federal grant awards as well as supporting the administration of grants that the Council awards for housing, community development, regional parks, and transportation investments. Giesel and her team, including 0.25 FTE of an existing senior grant administrator role funded by this grant, will oversee the administration, coordination with subrecipients, and reporting responsibilities of the grant.

Metropolitan Council Community Development Division Organization Chart



Primary partners/subgrant-recipients Hennepin and Ramsey Counties provide guidance to the cities located within their jurisdictions, including policy and planning support.

Ramsey County

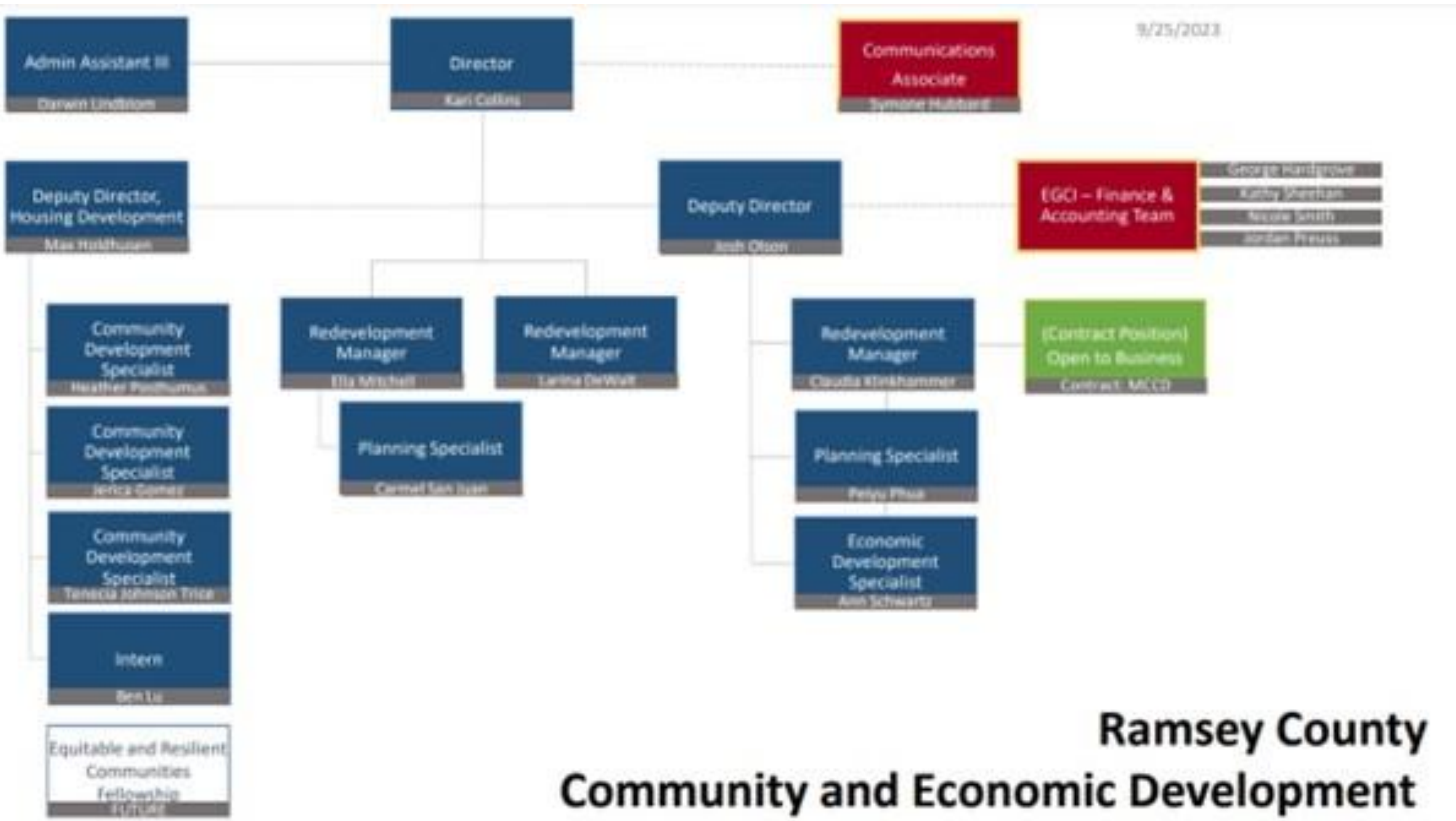
Ramsey County has staff and internal systems to award grants to development projects, through their existing annual consolidated solicitation. The consolidated solicitation aggregates multiple funding sources into one application process to make it easier for developers to access. Further, Ramsey County recently created a capacity building program for emerging and diverse developers. This program seeks to increase the supply of available low-to-moderate income housing solutions in the county by building the capacity of developers from Ramsey County to apply to Ramsey County solicitations. This process is done by sponsoring a cohort of developers through intense training to build applications for solicitation-based funding sources.

Max Holdhusen has over 10 years of experience in housing and public policy sector administration, community, and economic development, along with extensive HUD grant experience. Jerica Gomez, Community and Economic Development Multifamily Specialist oversees multifamily solicitation processes in coordination with the Deputy Director. She has over 10 years of experience in public and private sector experience, including policy and planning, community and economic development, and policy. She also builds relationships with multifamily developers to encourage applications for Ramsey County funding and successful project closings, coordinates the technical assistance program for emerging and diverse developers. This position also oversees the annual consolidated solicitation process including marketing, scoring, and evaluation that will include PRO Housing funds.

Ann Schwartz, Economic Development Specialist oversees project closings including agreement drafting, pre-closing checklists, signatures and recordings. She will coordinate closings that include PRO Housing funds. Peiyu Phua, Planning Specialist II coordinates data, reporting and outcomes for all projects across department, including outcomes for PRO Housing funding. She will lead the establishment of interagency partnerships with multiple cities in Ramsey County and ensure appropriate benchmark tracking and overall performance. She will also be responsible for communication with and reporting to Metropolitan Council and HUD.

Nicole Smith, Accountant, will provide oversight of all grant accounting, generating monthly revenue and expenditure reports, reviewing financial procedures, and managing audit requirements. Kathleen Ritter, Assistant County Director, is responsible for the creation of PRO Housing agreement templates that are in compliance with all local, state, ad federal laws. She will coordinate with the Community Development Specialist and Deputy Director and provide advisory legal advice on multifamily developments.

Ramsey County Organizational Chart



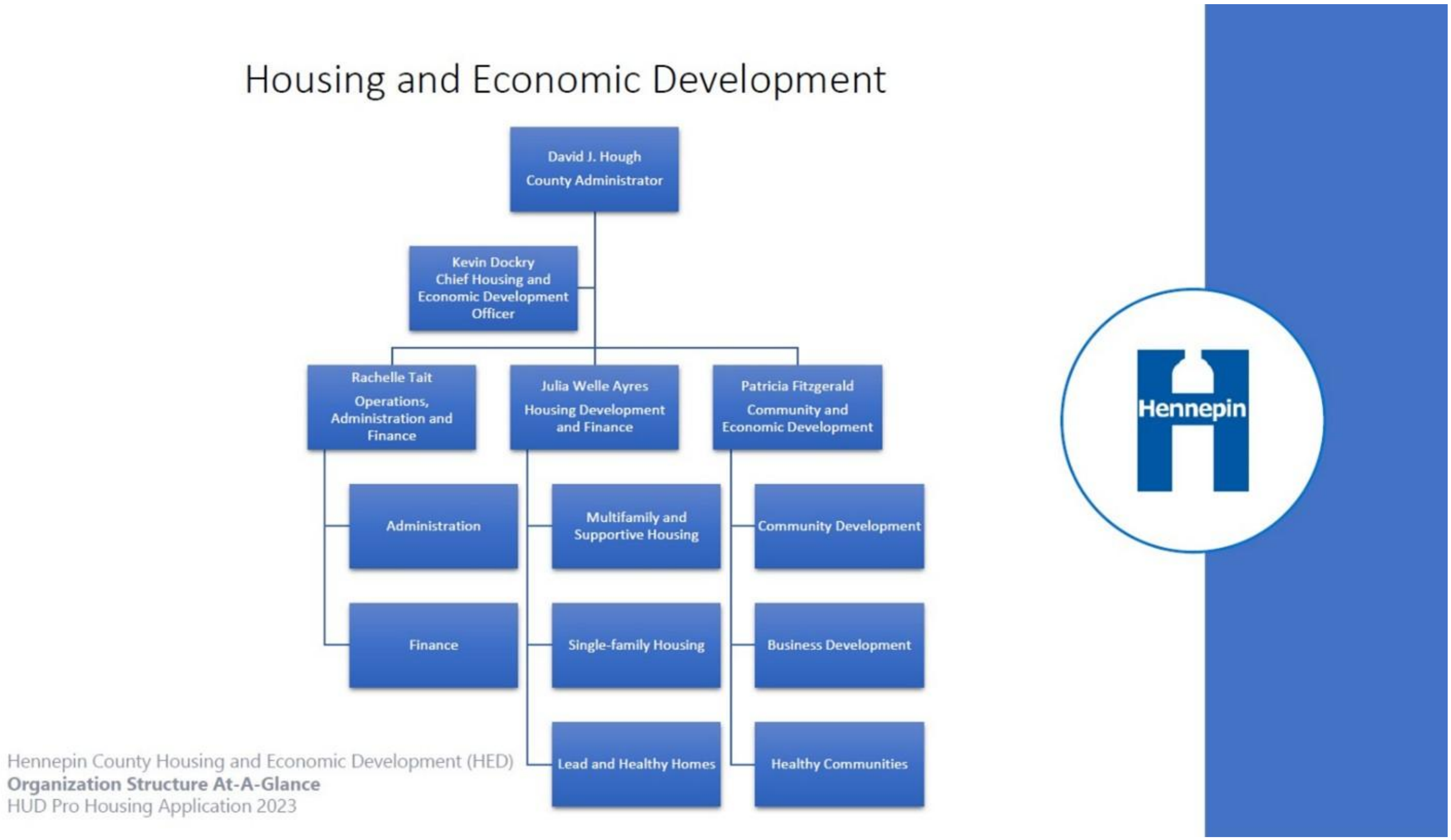
Hennepin County

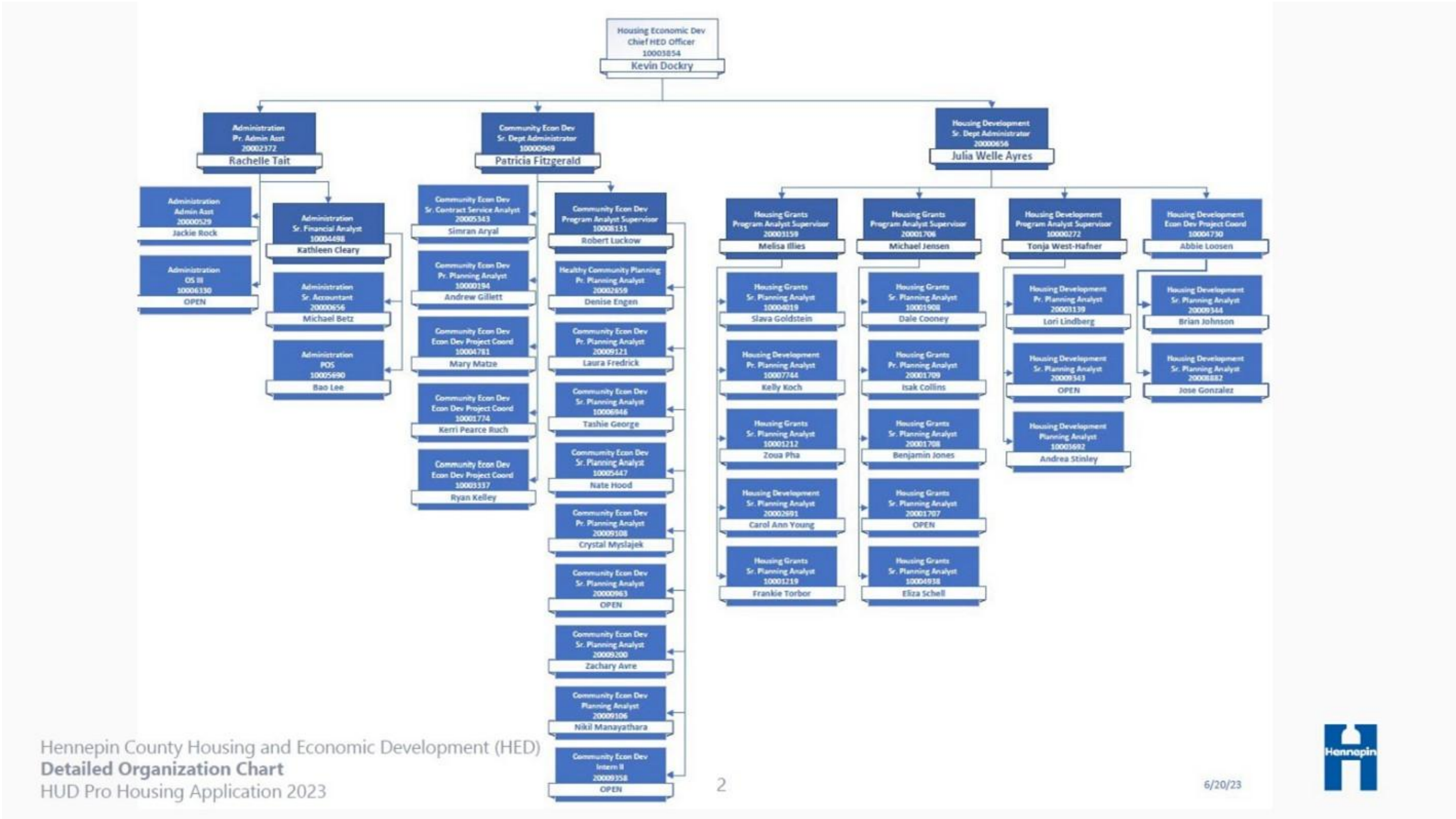
Hennepin County has the required infrastructure to quickly ramp up for the PRO Housing project. As an agency, Hennepin County is a national leader. With an annual budget of $2.64 billion and a total of 9,829 full-time employees, Hennepin County is dedicated to serving residents by working with community, delivering services, and implementing innovative changes to create opportunity for all residents. The PRO Housing project builds on past successes, and robust affordable housing funding from other sources, along with current efforts led by Hennepin County and in close collaboration with cities. For example, Hennepin has worked closely on light rail station area planning, housing analyses, and zoning code changes along both the Green Line Extension and Blue Line Extension corridors in collaboration with five cities in each corridor. In any given year, Hennepin County is actively engaging in land use planning efforts with two to five cities and coordinated planning at the corridor level in ten cities. Further, Hennepin County has the partner buy-in required for this kind of intensive, extensive engagement. Its track record and established relationships allows it to rapidly build a ‘coalition of the willing’ to advance the proposed work quickly and effectively. This includes:

- Staff and programming: Hennepin County’s Department of Housing and Economic Development leads housing and community/economic development efforts in the county.
- Outreach and communications: With 45 cities, 1.2 million residents, 900,000 workers, and 40,000 businesses, Hennepin Housing and Economic Development has built partnerships, networks, and communication channels to connect with each audience, as well as community organizations, for-profit and nonprofit developers, and other stakeholder groups. The depth and breadth of the county’s reach would be hard for any other agency to replicate.
- At Hennepin County, Julia Welle Ayres, Housing Development and Finance Director (.05 FTE) and Patricia Fitzgerald, Community and Economic Development Director (.05 FTE) will provide overarching housing policy direction for the grant, communicate with the Hennepin County Board, and assist with decision making when needed. Welle Ayres has over 15 years of experience in public sector administration, housing, and policy, along with extensive HUD grant experience. Fitzgerald has over 20 years of experience in public and private sector experience, including real estate development, economic development, and policy. Ryan Kelley, Community Development Manager (.25 FTE) will provide oversight and management of the Project Manager, ensuring coordination with complementary programs and strategies in Hennepin County. He will lead the establishment of interagency partnerships with multiple cities in Hennepin County and ensure appropriate benchmark tracking and overall performance. He will also be responsible for communication with and reporting to Met Council and HUD.
- A Lead Project Manager (1 FTE) position is vacant and contingent upon an executed grant agreement with the Met Council. The project manager role will provide overall management of the grant including contract negotiations and monitoring, reviewing and approving invoices, preparing and reviewing documentation for grant reimbursements, recruiting and managing consultants, supervising staff, and building and maintaining partnerships. The Project Coordinator (0.5 FTE) is also vacant and contingent upon an executed grant agreement. Will be responsible for overall implementation support and management of specific strategies and tasks within the grant. Additional responsibilities include public outreach coordination, event management, communication support, and administrative support for procurement, contracting, and contract management.
- Kathleen Cleary, Senior Accountant (.1 FTE, as needed) will provide oversight of all grant accounting, generating monthly revenue and expenditure reports, reviewing financial procedures, and managing audit requirements. A Housing Subject Matter Expert (.1 FTE) will be available to offer their expertise. Abbie Loosen has expertise in multifamily housing development, affordable housing finance, private sector nonprofit real estate development. Finally, three Community Development and Land Use Planning Subject Matter Experts (.1 FTE

each) will also be available. Robert Luckow has experience with federal grant administration, community development and land use policy, community development research, data analysis, evaluation, reporting, and geospatial mapping; Kerri Pearce Ruch has experience with interagency coordination, public outreach, and policymaker coordination; and Andrew Gillett has experience with interagency land use planning, infrastructure planning and development, and transit-oriented development and station area planning.

Hennepin County Organizational Charts




Housing Economic Dev
Chief HED Officer
10003854
Kevin Dockry
Administration
Pr. Admin Asst
20002372
Rachelle Tait
Administration
Admin Asst
20000529
Jackie Rock
Administration
OS III
10006330
OPEN
Administration
Sr. Financial Analyst
10004498
Kathleen Cleary
Administration
Sr. Accountant
20000656
Michael Betz
Administration
POS
10005690
Bao Lee
Community Econ Dev
Sr. Dept Administrator
10000949
Patricia Fitzgerald
Community Econ Dev
Sr. Contract Service Analyst
20005343
Simran Aryal
Community Econ Dev
Pr. Planning Analyst
10000194
Andrew Gillett
Community Econ Dev
Econ Dev Project Coord
10004781
Mary Matze
Community Econ Dev
Econ Dev Project Coord
10001774
Kerri Pearce Ruch
Community Econ Dev
Econ Dev Project Coord
10003337
Ryan Kelley
Community Econ Dev
Program Analyst Supervisor
10008131
Robert Luckow
Healthy Community Planning
Pr. Planning Analyst
20002659
Denise Engen
Community Econ Dev
Pr. Planning Analyst
20009121
Laura Fredrick
Community Econ Dev
Sr. Planning Analyst
10006946
Tashie George
Community Econ Dev
Sr. Planning Analyst
10005447
Nate Hood
Community Econ Dev
Pr. Planning Analyst
20009108
Crystal Myslajek
Community Econ Dev
Sr. Planning Analyst
20000963
OPEN
Community Econ Dev
Sr. Planning Analyst
20009200
Zachary Avre
Community Econ Dev
Planning Analyst
20009106
Nikil Manayathara
Community Econ Dev
Intern II
20009358
OPEN
Housing Development
Sr. Dept Administrator
20000656
Julia Welle Ayres
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Program Analyst Supervisor
20003159
Melisa Illies
Housing Grants
Sr. Planning Analyst
10004019
Slava Goldstein
Housing Development
Pr. Planning Analyst
10007744
Kelly Koch
Housing Grants
Sr. Planning Analyst
10001212
Zoua Pha
Housing Development
Sr. Planning Analyst
20002691
Carol Ann Young
Housing Grants
Sr. Planning Analyst
10001219
Frankie Torbor
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Michael Jensen
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Dale Cooney
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Pr. Planning Analyst
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Isak Collins
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20001708
Benjamin Jones
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Tonja West-Hafner
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Pr. Planning Analyst
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Lori Lindberg
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Andrea Stinley
Housing Development
Econ Dev Project Coord
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Abbie Loosen
Housing Development
Sr. Planning Analyst
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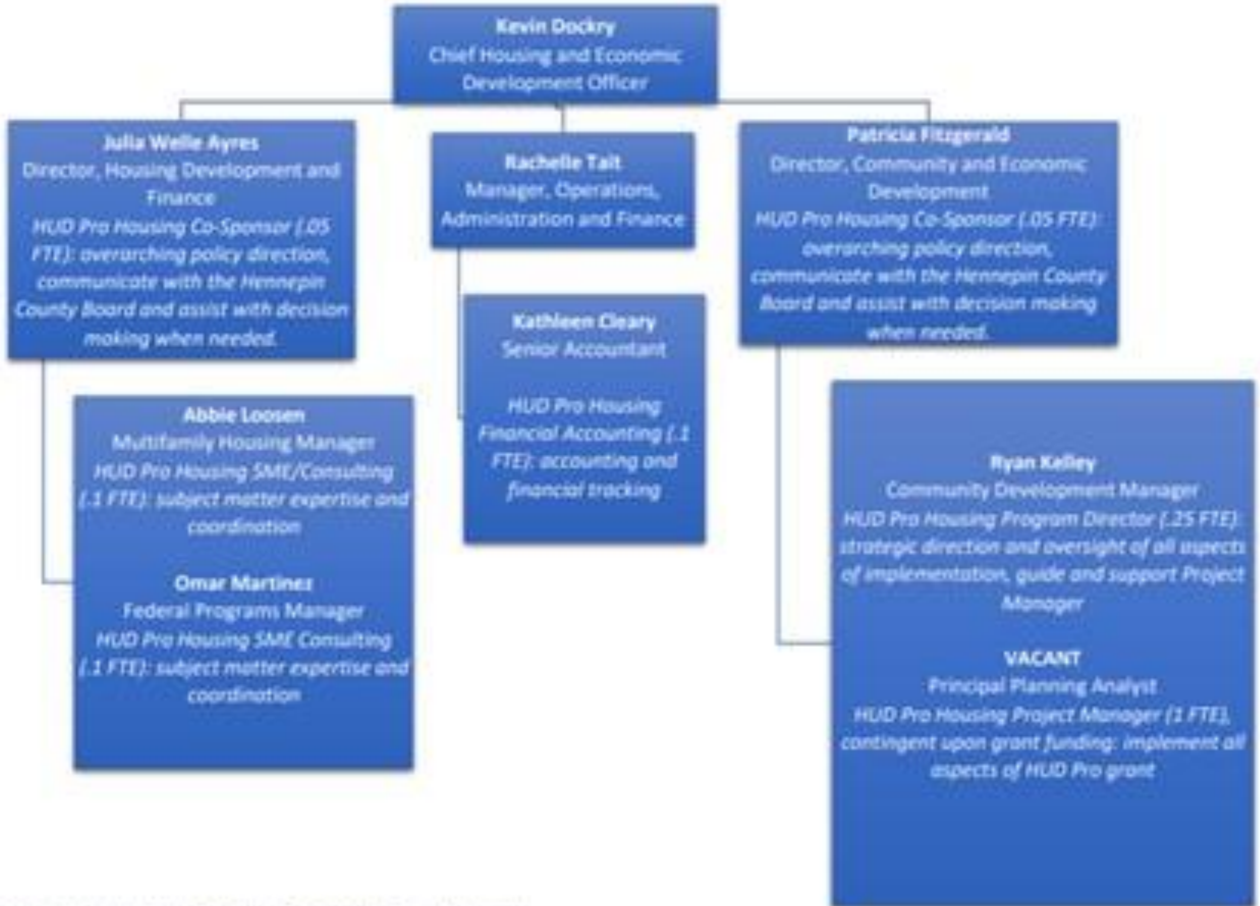
Brian Johnson
Housing Development
Sr. Planning Analyst
20008882
Jose Gonzalez
Hennepin County Housing and Economic Development (HED)
Detailed Organization Chart
HUD Pro Housing Application 2023
2
6/20/23
Hennepin



Hennepin County Housing and Economic Development
HED HUD Pro Roles
HUD Pro Housing Application 2023

The Twin Cities region is poised to benefit from the historic new funding for housing. But the new funding comes with no explicit direction and no funding to coordinate or plan for the launch of the distribution of these capital investments. While the Met Council, Hennepin County, and Ramsey County all regularly receive and respond to inquiries from city leaders seeking to update their zoning codes and housing policies, there is an opportunity to do this in a more strategic, better supported way to create a cohesive policy approach across the region. The PRO Housing project will be the start of that.

For this reason, we choose to dedicate a majority of our funding toward the staffing and subject matter consultant capacity that will be needed to ensure the new dollars are invested speedily, thoughtfully, and in coordination. This capacity investment includes:

- Planning and policy development to ensure hundreds of millions of new public dollars are invested speedily, thoughtfully, and in coordination
- Funding to provide technical assistance and build capacity to include meaningful housing policies into communities' comprehensive plans
- Funding to expand and deepen policies that break down regulatory and land use policy barriers to housing at all scales, especially affordable housing development
- Funding to support community wealth building and prosperity in areas where public investments and development pressures are highest

Our capacity to advance this work relies on an interdependent relationship between our three entities. Our size, constituencies, influence in land use and planning, and our collective taxing authorities make this partnership unparalleled by any other prospective regional partnership. We will achieve significantly more by working and coordinating together than any one of us could alone.

Stakeholder Engagement and Public Participation Summary:

The draft for the Met Council's FY23 PRO Housing application was created as a direct response to the housing needs shared at Community Exchange Meetings. The Community Exchange Meetings were an intention effort to connect with individuals with lived experience of housing instability and the service providers who directly serve them, as these are some of the people most impacted by the Met Council's housing work. Audiences for these sessions included local Native tribes, people with disabilities, the Islamic Youth Council, adult English Language Learners, and residents of affordable housing developments and manufactured housing parks. Attendees were paid a stipend for attendance and in exchange for sharing their knowledge and experience.

Additionally, Met Council staff were able to incorporate information from city partners that they had collected through the Livable Communities Act grant programs and the annual Housing Policy and Production Survey. Finally, as key partners, Hennepin County, Ramsey County, the City of Minneapolis, and the City of Saint Paul all contributed to shaping the FY23 PRO Housing project.

The draft FY23 PRO Housing application was shared for public comment during a public hearing at the Metropolitan Council Community Development Committee. It was also posted prominently on the Met Councils website for a 15-day written public comment period.

The success of the FY23 PRO Housing project depends on the Met Council and Hennepin and Ramsey Counties building on their existing relationships with cities, affordable housing providers, and builders and developers (particularly emerging BIPOC developers) and building deeper relationships with cities that have less capacity and knowledge related to housing planning. The Met Council will widely advertise the availability of subgrants with clear information about their intent and award process. Ramsey County will widely advertise its annual housing development solicitation so eligible project teams working on deeply affordable housing know how to apply. Both the Met Council and Ramsey County will stay in close contact with subgrantees to monitor progress, learn, and collaboratively solve problems. Hennepin County will build a 'coalition of the willing' cities that are interested in peer learning and deeper support for developing their housing plans and updating policy. This cohort will meet quarterly.

The Met Council's grant administration team will follow HUD's requirements for any substantial amendments. They are able to coordinate quickly with the communications team to ensure that all web posting requirements are met. The Met Council's Community Development Committee meets every other week and can quickly handle amendment activity as needed and forward to the full Council for ratification.

Ultimately, the people that will benefit from the FY23 PRO Housing project are the Twin Cities residents living on very low incomes. The Met Council and Ramsey and Hennepin Counties all have commitments to regularly engaging residents on issues that impact their lives. Partners will use existing and new information from these engagement efforts to inform the FY23 PRO Housing work.

Long-Term Effect:

Succeeding in this work will mean that the Twin Cities region is equipped to grow in a manner that ensures greater equity and that we invest in housing stock that will meet the needs of current and future residents, while reducing racial disparities and other barriers to fair housing choices.

Overall, the Twin Cities seeks to become a model region in terms of our ability to address longstanding barriers to housing production and preservation, while coordinating across jurisdictions, reducing disparities across protected classes and vulnerable populations, implementing plans that are designed with meaningful community engagement, and making the best use possible of a new infusion of public investment in housing affordability.

By the end of the grant period, partners will have:

- Improved a high-capacity system for investing public resources in affordable housing activities across the region that encourages the speedy adoption of policy and planning best practices and improves housing choice from city to city and across counties. Specifically, cities and counties throughout the region invest revenue from the new 0.25% housing sales tax revenue in a coordinated way and learn from each jurisdiction's best practices.
- Enabled cities to adopt meaningful housing plan elements in their 2050 comprehensive plans throughout the region, ensuring that local leaders at all levels of government have the capacity and resources to support housing development implementation for new policies they adopt.

Enabled cities to adopt well-coordinated land use policies in their 2050 comprehensive plans throughout the region that provide more housing choice, affordability, and flexibility for generational changes – especially for 'missing middle', mixed-use, multifamily, and denser single-family development in areas that are accessible to transit and activity centers.

- Enabled the construction of housing at all price points, and especially housing that is affordable below 100% AMI – and particularly below 50% and 30% AMI.
- Supported housing development to meet the identified need of households in a growing and changing region, closing the housing supply gap. Specifically, two to three new multifamily developments serving 30% AMI households will come online much faster with increased funding for this purpose.
- Supported cities throughout the region to adopt housing plan elements in their comprehensive plans that meet regional housing policy objectives.

Throughout the Met Council and its county and municipal collaborators, housing policy and production goals will be defined and measured not just in terms of volume, but also in terms of how development builds prosperity for all impacted communities, how the harms of development can be mitigated with a priority for those who have not benefited from past investments, and how housing and land use policies can be used to increase meaningful choices of communities and housing types for people throughout the metro region.

PRO Housing activities will complement these ongoing efforts in the region:

- Development of and commitment to anti-displacement policies/tools by Metropolitan Council
- Implementation of community prosperity framework at Hennepin County
- Implementation of Economic Competitiveness and Inclusion policies at Ramsey County
- Decisions about public infrastructure investments are coordinated with meaningful community engagement and mitigation strategies for displacement, including a specific housing strategy

All of these activities will directly affect how communities in the Twin Cities region are equipped to plan for a variety of scenarios into the future and will build the tools necessary to get closer to permanently closing the gaps in our housing stock and the racial disparities in housing in our region. Because of this long-term perspective, the bulk of the proposed activities that would be supported by this grant are related to building the capacity for communities in our region to adopt plans and policies that will pay dividends in future years and decades by helping to build and preserve affordable housing. Where we intend to invest capital in development, it is to build on the momentum of recent successes that will otherwise face timing gaps and slow progress toward meeting the most acute housing needs.

Substantial and Non-substantial Amendments (if applicable):

N/A

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