

Regional Council of Mayors

December 8, 2014

PRESENTATIONS

CELEBRATING 10 YEARS OF IMPACT!

Several former mayors joined the current Regional Council of Mayors to celebrate 10 years of activity and influence. Karen Anderson, former mayor of Minnetonka, and Burnsville Mayor Elizabeth Kautz started RCM with the help of Caren Dewar. “We were all acutely aware—especially after September 11, 2001—that cities had to work together,” said Anderson. “There was no other choice.”

The group started with 14 mayors in 2004. “We saw how effective that could be and how the group was jelling, and we knew we had to grow it,” said Anderson.

Kautz said they knew that if they focused on issues that mattered to mayors, RCM could make a difference.

Several major backers supported the effort—and continue to do so today, said Dewar. “Without the Family Housing Fund, we would not have the capacity and resources to do what we do,” she said. Target, Blue Cross Blue Shield, the McKnight Foundation and MN Housing also were early supporters of RCM.

Former Minneapolis Mayor R.T. Rybak said that while bringing mayors together in a nonpartisan way sounds logical, “you have to remember the climate back then,” when there were significant tensions between the core cities and the suburbs. He recalled a low moment for the City of Minneapolis regarding local government aid—and what it meant to him to have Anderson, a suburban mayor, stand up for the city, declaring that the success of Minneapolis was important to every city in the region.

STRATEGIC PLAN FOR MINNESOTA HOUSING

Mary Tingerthal, commissioner of Minnesota Housing <http://www.mnhousing.gov>, said the agency is developing its strategic plan for 2016–2019 and is seeking help in identifying today’s key housing issues, in an economic environment that has changed substantially since the 2013–2015 plan was created.

Since September, and through January, Minnesota Housing is reviewing local housing studies and plans, analyzing housing and community data, and asking stakeholders four strategic questions. In February through April 2015, the agency will have a series of meetings around the state to discuss and assess possible priorities. A draft of the strategic plan will be presented for review by June.

Tingerthal asked for input from the RCM regarding the following questions:

Strategic Question 1: What are the biggest or most important unmet affordable housing needs in Minnesota?

- Family housing, especially for larger families.
- Finding ways to build affordable housing when the available land is expensive.
- Maintaining older home affordability and preventing teardowns.
- Senior rental housing—and issues with seniors who may want to sell their larger homes if there is another recession.
- Middle-income affordable housing.
- Ways to help those with considerable student debt buy housing and acquire equity.
- Updating 1 BR units, to include modern day amenities

Strategic Question 2: What key changes do you see happening in Minnesota over the next five years that will influence how Minnesota Housing operates and what the Agency's priorities should be?

- Increasing poverty, increasing diversity.
- More redevelopment won't make things more affordable; it may make it less affordable.
- Millennials who just don't want a house, and communities that just don't have multifamily rentals available.
- Demands of ever-increasing density, with neighborhoods that don't want more height and traffic.
- Insurance concerns that impact condo development.

Strategic Question 3: What can Minnesota Housing do better to serve low- and moderate-income Minnesotans while fostering strong communities?

Strategic Question 4: What should be Minnesota Housing's top priorities for the next five years?

For the last two questions—or for more comments on any of the questions, Tingerthal urged mayors to contact Margaret Kaplan, community development director, at 651.296.3617 or Margaret.kaplan@state.mn.us.

For more information: [See PowerPoint.](#)

TRANSPORTATION 2015 UPDATE

Minnesota's 50-year-old-plus roads and bridges are not so different from houses with holes in the roof, said Transportation Commissioner Charlie Zelle: "It's important to secure the capital to improve and repair them before it all goes to naught."

At the same time the state's transportation system is aging, more demands are being put on it, with a significant increase in freight, record harvests and robust manufacturing around the state—all of which need functioning, efficient roads. Delays caused by road problems cost manufacturers real money, which, in turn, costs the state.

The gap between what the state needs for transportation, including transit, and the funds to operate the system is growing, Zelle said. To preserve transportation investment at current

levels will cost \$7 billion for the next 10 years; to do strategic expansion at current funding for the next 10 years will cost \$1 billion—“but that \$1 billion is not going to get what most people are looking for,” Zelle said.

The gap between what is needed and current funding over the next 10 years is \$3.3 billion for preservation and \$2.5 billion for strategic expansion.

With flat funding, the transportation system performance will deteriorate. Maintenance funding will allow for keeping up road and bridge conditions as system use increases, a few spot road improvement projects and some expansion of transit. But for the state to be competitive economically, Zelle said, more is needed. It’s not enough to maintain road conditions, he said, MnDOT should improve them as needed, to complete high-priority projects across the state and to expand transit.

At the same time, MnDOT needs to be efficient in the way it uses funding, including using innovative construction methods and leveraging partnerships. Sometimes, Zelle said, what’s most efficient may not seem least expensive upfront, such as keeping a road or bridge open as long as possible while under construction, rather than shutting them down and sending drivers on long detours. Or helping a community not simply replace a road but to add space for bikers and pedestrians.

MnDOT also needs to build for the future, Zelle said. “We shouldn’t be building 50-year bridges, we should be building 100-year bridges—with the flexibility to add more capacity if needed.”

Zelle would not attempt to predict how the 2015 Legislature will respond to ideas about transportation funding. He said legislators are likely to agree that there’s a funding gap, Zelle said, but not how to fix it. “The gas tax just doesn’t keep pace with increased costs.” Minnesota—and, he said, the federal government—needs a reliable revenue source that is fair, broad-based, sustainable, user-based and multimodal.

“Transportation helps people not just get where they want to go, but to live how they want to live,” he said. “New ways to fund transportation will come from states working together, not from the federal government.”

For more information: [See PowerPoint.](#)

COMING UP

The next meeting of the Regional Council of Mayors will be Monday, January 12, 11:30am–1:30pm, at Dorsey & Whitney. This will be a joint meeting of RCM and the ULI Minnesota Advisory Board.

ATTENDEES

Mayors

Ardell Brede	City of Rochester
Chris Coleman	City of St. Paul
Bill Droste	City of Rosemount
Jo Emerson	City of White Bear Lake
Debbie Goettel	City of Richfield
Shep Harris	City of Golden Valley
Ken Hedberg	City of Prior Lake
Kathi Hemken	City of New Hope
Betsy Hodges	City of Minneapolis
Jim Hovland	City of Edina
Tim Hultmann	City of Long Lake
Marvin Johnson	City of Independence
Elizabeth Kautz	City of Burnsville
Sandra Krebsbach	City of Mendota Heights
Peter Lindstrom	City of Falcon Heights
Mike Maguire	City of Eagan
Sandy Martin	City of Shoreview
Gene Maxwell	City of Hopkins
Lili McMillan	City of Orono
Tim McNeil	City of Dayton
Duane Poppe	City of Osseo
Nora Slawik	City of Maplewood
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

Guests

Karl Batalden, City of Woodbury; Cecile Bedor, Greater MSP; John Breitinger, ULI Minnesota; Rick Carter, LHB; Mark Casey, City of St. Anthony; Erin Dady, City of St. Paul; Tom Fisher, University of Minnesota College of Design; Kevin Frazell, League of Minnesota Cities; Erick Garcia Luna, City of Minneapolis; Margaret Kaplan, Minnesota Housing; Todd Klingel, Minneapolis Chamber of Commerce; Mike Logan, Comcast; Ellen McInnis, Wells Fargo; Carolyn Olson, Greater Minnesota Housing Corporation; Serge Phillips, MnDOT; Cathy Polasky, City of Minneapolis; Elizabeth Ryan, Family Housing Fund; Emily Seddon, Family Housing Fund; John Shardlow, Stantec Consulting; Adam Schiff, Sen. Klobuchar's office.

ULI Staff/Consultants

Aubrey Austin, Cathy Bennett, Caren Dewar, Linda Picone.