

TOPICS AND PRESENTERS

[NEW HOUSING FOR THE MISSING MIDDLE: LOWER COSTS, DESIGN INNOVATION AND REGULATORY REFORM – ULI MN WORK GROUP: CATHY BENNETT, ULI MINNESOTA](#)

[HOUSING TOOLS, RESOURCES, PARTNERSHIPS: PATTY PANNKUK, WELLS FARGO FOUNDATION](#)

[HOUSING TOOLS, RESOURCES, PARTNERSHIPS: ALENE TCHOURUMOFF, FEDERAL RESERVE BANK OF MINNEAPOLIS](#)

[HOUSING TOOLS, RESOURCES, PARTNERSHIPS: STEPHANIE BROWN, CONSTRUCTION REVOLUTION SUMMIT](#)

[HOUSING TOOLS, RESOURCES, PARTNERSHIPS: ELLEN SAHLI, ACCESSORY DWELLING UNITS](#)

NEW HOUSING FOR THE MISSING MIDDLE: LOWER COSTS, DESIGN INNOVATION AND REGULATORY REFORM – ULI MN WORK GROUP

Cathy Bennett, Advisory Services, Urban Land Institute Minnesota

[LINK TO PRESENTATION](#)

- **Defining Missing Middle Housing:**
 - Missing Middle housing primarily consists of duplexes, triplexes, fourplexes, small unit apartments, accessory dwelling units, and bungalow courts all integrated design and scale into single family neighborhoods.
 - The work group will focus on middle incomes as households who make 60-80% area median income.
 - The definitions utilize the following parameters:
 - \$60,000 - \$75,500 annual income (60-80%) AMI is capped by HUD.
 - Ownership values limitations are from Metropolitan Council 2019 formula
 - Rent limit based on bedroom size and range limit also comes from Met Council
 - Calculations are based on people not paying more than 30% of their income for housing.
 - Numbers based on a 2 person household
 - Some additional resources:
 - Family Housing Fund has great fact sheet based on profession, [link](#)
 - ULI Attainable Housing Report, [link](#)
 - ULI MN Housing Summit, video of Tiffany Manuel on the importance of housing affordability, [link](#).
- **Why new housing is needed for missing middle:**
 - New housing for job growth. 177,000 new units needed in metro by 2023 to keep up with growth of jobs in our region. It is more of a challenge for companies to find workers.
 - New housing construction is not keeping up with household growth. Higher cost + shortage of labor.

- Housing costs are rising faster than middle incomes.
- Private sector is building higher cost housing. Public funding sources target below 60% AMI.
- **Affordable Housing Continuum, [link](#):** This graphically shows resources and strategies across different levels of AMI. Public funding sources target the lower portion of the continuum. There are minimal resources available to support the construction of new housing for those with incomes in the 60-80% AMI bracket; creating a gap or the “missing middle”.
- **ULI MN Missing Middle Focus Group:**
 - ULI MN received funding from Prosperity’s Front Door to support the work of a multidisciplinary focus group to explore missing middle housing.
 - The group will kick off in early November 2019 and plans to evaluate 2-3 case studies covering projects that have been built or was not built and why.
 - They will also identify solutions and create guidelines along with final report outputs.
 - There is hope that their work can spur the real estate industry to build more missing middle housing and inspire and encourage local code and land use changes to support new housing options for middle income workers.

HOUSING TOOLS, RESOURCES, AND PARTNERSHIPS:

Wells Fargo Foundation – Patty Pannkuk, SVP – Community Affairs Manager

- Wells Fargo Foundation recently announced new giving priorities as small business growth, financial health, and housing affordability. Wells Fargo will donate one billion dollars through 2025 to increase the availability of affordable homes and reduce the cost burden of housing for the one in six U.S. households paying half or more of their income on housing. They will seek to collaborate with nonprofits and other community partners to develop scalable solutions targeting homelessness, transitional housing, rentals, and homeownership.
- New leadership: Charles W. Scharf; CEO and President. Brandee McHale; Head of Corporate Philanthropy. Eileen Fitzgerald; Head of Housing Affordability Philanthropy.
- Wells Fargo welcomes the feedback from the RCM and would like to come back and report out with more details on their Foundation priorities in 2020.

Federal Reserve Bank of Minneapolis; Developer Roundtable Discussion – Alene Tchourumoff, SVP

- Minneapolis Fed, in partnership with ULI MN, is reaching out to developers and cities regarding inclusionary housing tools and policies; what works and what is challenging. In September, a developers roundtable was held and in late October a convening of various city staff will be held for a peer learning session.
 - Here are insights from the developer roundtable event, [link](#).
 - Minneapolis Fed will have a report and tool kit available following developers and city staff conversations.

Construction Revolution Key Learning, Next Steps – Stephanie Brown, Principal, Yellow House Ideas

[LINK TO PRESENTATION](#)

- Construction Revolution Summit was hosted in September 2019. Attendees represented a cross section of the industry including; Builders, realtors, and construction companies.

- The purpose of the event was to make the case for modular construction which is vastly different from the traditional manufactured housing. The modular housing industry is predicted to provide significant time and cost savings.
- In the US the focus for modular construction is primarily for multifamily.
- The recommendations from the [Construction Revolution Summit](#), including:
 - Develop and promote learning opportunities which showcase Minnesota's building standards and inspections process for off-site construction.
 - Launch multi-sector learning cohorts to explore the potential and challenges of offsite construction techniques.
 - Foster local collaboration to develop a fast-track or pre-approval process for modular concepts in order to reduce uncertainty in local permitting and accelerate speed-to-house.
 - Incentivize a series of pilot projects for off-site construction through a public-sector led RFP.

Accessory Dwelling Unit Toolbox – Ellen Sahli, President, Family Housing Fund

[LINK TO PRESENTATION](#)

- Accessory Dwelling Units (ADU) are defined as smaller, secondary unit with its own living room, kitchen, and entrance on the same lot as the primary house. They are known to some as granny flats, accessory apartments, in-law-suites, or carriage houses.
- ADUs can provide new housing options for families and communities within established neighborhoods. This housing option can be a source of secondary income as well as provide multigenerational options.
- Local policies allowing ADUs is an important component to the success of this housing option.
- FHF has the following tools to help cities and homeowners navigate land use codes, design and construction considerations for ADUs.
 - www.fhfund.org/adu
 - Policy Brief – outlines local and national ADU ordinances. [link](#)
 - ADU Homeowner Guide - tool to support homeowners [link](#)

ATTENDANCE

MAYORS

James Hovland	City of Edina (co-chair)
Mike Maguire	City of Eagan (co-chair)
Marylee Abrams	City of Maplewood
Doug Anderson	City of Lakeville
Kirt Briggs	City of Prior Lake
Anne Burt	City of Woodbury
Ron Case	City of Eden Prairie
Bill Droste	City of Rosemount
Jerry Faust	City of Saint Anthony
Jacob Frey	City of Minneapolis
Mary Gaasch	City of Lauderdale
Shep Harris	City of Golden Valley
Kathi Hemken	City of New Hope
Courtney Johnson	City of Carver
Marvin Johnson	City of Independence
John Keis	City of Little Canada
Jerry Koch	City of Coon Rapids
Sandy Martin	City of Shoreview
Tim McNeil	City of Dayton
Brad Weirsum	City of Minnetonka
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

GUESTS

Karen Barton, City of St. Louis Park; Karl Batalden, City of Woodbury; Matt Brown, City of Coon Rapids; Stephanie Brown, Yellow House Ideas; Bob Butterbrodt, Wells Fargo; Kevin Clarke, HKGI; Emmett Coleman, Coleman Strategic / Tunheim Public Affairs; Molly Cummings, Metropolitan Council; Lynette Dumlag; JLL; Grant Fernelius, City of Coon Rapids; Tom Fisher, MN Design Center, University of Minnesota; Alex Frank, Magnolia Homes, LLC; Kevin Frazell, Downtown Minneapolis Neighborhood Association; Tom Harmenin, City of St. Louis Park; Andrea Inovye, City of Minneapolis, Office of Mayor Frey; Judy Johnson, Prosperity's Front Door; Andrea Kajer, Comcast; Tony Kuechle, Doran Companies; Brad Larson, City of Savage; Daniel Lightfoot, League of MN Cities; Anne Mavity, Minnesota Housing Partnership; Justin Miller, City of Lakeville; Jud Murchie, Wells Fargo; Tammy Omdal, Northland Securities; Patty Pannkuk, Wells Fargo; Ellen Sahli, Family Housing Fund; Michele Schnitker; City of St. Louis Park; Jonathan Stanley, City of Eden Prairie; Libby Starling, Federal Reserve Bank of Minneapolis; Alene Tchourumoff, Federal Reserve Bank of Minneapolis; Dave Unmacht, League of MN Cities; Alyssa Wetzels-Moore, Minnesota Housing.

ULI MINNESOTA

Caren Dewar, Cathy Bennett, Rachel Keenan

NEXT MEETING

Monday, December 9, 2019

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

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