

TOPICS AND PRESENTERS

[DIRECTOR'S REPORT](#)

[GREATER MSP; PETER FROSCH](#)

[GREATER MN HOUSING FUND; WARREN HANSON](#)

Mayor Jim Hovland called the September 14th, 2020 RCM meeting to order.

RCM Leadership Announcement: Mayor Doug Anderson has agreed to serve as RCM co-chair. Mayor Hovland and others thanked Mayor Mike Maguire for his RCM co-chair leadership and expressed gratitude that Mayor Maguire will continue to serve on the RCM Executive Committee.

Link to updated [RCM Overview 2020](#), which includes Doug as co-chair.

DIRECTOR'S REPORT:

[LINK TO ULI MN'S NEXT EXECUTIVE DIRECTOR ANNOUNCEMENT](#)

ULI MN's Next Executive Director:

- After a broad and deep search a new Executive Director has been named for ULI MN: [Stephanie Brown](#). Stephanie's tenure as ULI MN ED will start on Oct 1st, 2020. Caren Dewar's final day in the role of ED is September 30th, 2020. On October 1st, Caren will continue to support the RCM on a contract basis through ULI. Mayor Hovland served on the search committee, representing the RCM.

A thank to our RCM sponsors: Blue Cross and Blue Shield, Dorsey & Whitney, Comcast, Target!

Announcement from Councilmember Molly Cummings, Metropolitan Council:

["Minnesota Received \\$928.8M Full Funding Grant Agreement to Construct Green Line Light Rail Extension"](#)

The \$928.8 million FFGA will cover nearly half of the \$2.003 billion Southwest LRT Project and is the realization of a decades old dream to construct a 21st century transportation system that will unite people and communities.

Construction of the project started in November 2018 and signs of progress can be seen throughout the project's alignment. From Eden Prairie to Minneapolis construction crews have been busy building tunnels, bridges and stations in anticipation for opening day 2023.

GREATER MSP; PETER FROSCH, CEO AND PRESIDENT: A REPORT ON THE TRANSFORMATION UNDERWAY

[LINK TO PETER'S PRESENTATION](#)

- Greater MSP Region: 15-County Metro. Regional Vision, Partnership Mission, and Partnership Values
- We can do big things together and we are doing big things together. We need to think about transformation rather than incremental change.
- Tracking the regional economy's performance: the 2020 Dashboard has not been released yet – in these times it is not as relevant as it once was. In 2020 - We have found the urgency we needed to act.
- 2020 Where We Stand Today...
 - Confluence of 3 major things: Pandemic, Racial Injustice, Economic Uncertainty (Recession)
 - Maintaining perspective is a challenge.
 - Living in virtual Zoom bubbles – it can be hard to feel sense of connectedness.
 - Context – (2013-2019) Are the Suburbs Dead? Today those headlines are completely reversed for Mpls.
- Unrest: It has been a hard summer, but we are not alone. It has been hard across the US.
- MSP COVID-19 Economic Impact January – July 2020 (Understand the challenges with data):
 - Unemployment at 8.2% in July-20, but there has been improvement even from June-20 to July-20, Drop from 9.2% to 8.2%.
 - Home sale prices continues to go up.
- The Emerging Job Challenge
 - The latest modeling suggests it will take 6-8 years for MSP to fully recoup the jobs lost in 2020.
 - Our region and state can recover faster if government & private sector take effective action in the next 12-18 months.
 - The magnitude of the job creation challenge facing our region demands bolder solutions than we've implemented since the Great Recession.
 - 350k – 370k forecasted job losses between January and December 2020
 - 290k jobs created in the region since 2010.
 - Job and wage losses in the region have affected less educated, younger, workers of color most.
- As MSP seeks return to pre-crisis employment, it faces stiff headwinds:
 - Virus resurgence
 - Most vulnerable are the most affected
 - Systemic racial disparities in the very systems needed to recover
 - Accelerating economic dislocation (automation) — jobs replaced by automation will not be back.
 - Physical damage to commercial corridors
 -
- Action, momentum and positive change is taking place.
 - The region has major strengths to build on
 - External market signals are strong
 - From talk to action on racial justice and equity

Discussion

- Is Greater MSP exceeding job creation in the area? –
 - Have created over 1000 in primary sector jobs, which is the goal.
 - A lot of interest in our region. Adding staff at Greater MSP so we are not the bottleneck.
 - International interest. Singapore, Denmark, Belgium, Australia (med tech), South Africa now some of the Ag business. Work for more international attraction.

- Business retention vs expansion during these times?
 - The 3 pieces are retention, expansion and attraction.
 - 75% created jobs have come from expansion.
 - We might need a new word– Preservation. Really focused on locally focused small businesses.
 - Post pandemic for greater MSP – Small Business is a regional issue.
 - Bend the curve down – preserve jobs and small business. We need other strategies.
 - New regional Small Business Team – actual strategy at regional level. Policies or financing. We could be doing more at a regional level to help success of small business. Executives from large banks are part of these teams – how do we solve capital.
- For companies relocating here, transportation was always high on the list of needs. Is it still a priority?
 - The Metropolitan Council news is great news! This funding is a stimulus for us and an advertisement of our region.
 - We are investing, we are growing. How to amplify this news.
 - Public Transit is still a big question mark during this pandemic. Transportation was top two until March. Peter suspects it will still be important for companies.
- National perception – hindering/impacting us?
 - Make a region that is strong and in good shape. We are not going to spin our way out. We need to make bold progress. Need to put new facts on the ground.
 - Peter hopes for a goal of having a New York Times Editorial out on the 1 year anniversary of George Floyds murder – here is what we have done, here is what we are doing and here is what we will continue to do.
 - Essentially still nobody is traveling. We need to work with urgency so that we are ready when travel rebounds. No question that there will be perception rebound, but more than ever people will be interested in what we are doing.
 - The better we do on public health, the better we will do.
- Navigating government budgets - if commercial properties struggle there is possible decreased value. That burden will flop to residential. How to navigate County budgets and School District budgets:
 - Not clear what 6 – 12 months will look like.
 - We need great places to live with amenities and quality of life. It will be a challenge if we see budgets get cut.
 - Systems not built for people of color. Think creatively. Become more innovative. Is this the best way? Expand the variables you have to work with to come to more creative solutions. Bring others into the problem solving. Who else can we pull in?
- How do we invest training for jobs that don't exist or are going away?
 - Private employers are the biggest workforce development – they train our workers.
 - Time to renew that spirit with new traditions. We need some more bold things. Human capital bonding bill? 10,000 scholarships to upskill Minnesotans?
 - Only invest in areas we know will have demand.
- Racial Equity - If you go to work everyday and I am tokenized and don't have power – I will leave.
 - Workplace inclusion – we have work to do.
 - We cannot be great and be unequal. Inability to access that quality of life.
 - A recent strategic visioning process where the city asked to specifically target communities of color about what their experience was. 43% communities of color used words like sad, lonely, isolated. The city would not have collected this data unless they had said specifically to target this community.
 - BIPOC communities know the answers – we need to listen.
 - Hidden barriers that need to be spotlighted so that they can be addressed.

- I am not doing anything because I don't have the answer.
- Create the conditions to do some listening and then get it done.
- How to you lead in new ways.
- Unity- Create the spaces that are unifying.
 - RCM – you are a potential source of that is unifying leaders – you came together with a clear voice. Write an op-ed! Bigger bolder with more people. Come together for the common good.

GREATER MN HOUSING FUND; WARREN HANSON, PRESIDENT: HOUSING PRESERVATION

[LINK TO WARREN'S PRESENTATION](#)

Often times the most affordable housing in your community is the existing older housing stock

NOAH: Naturally Occurring Affordable Housing

Greater Minnesota Housing Fund (GMHF):25 years of investments across 87 counties. 16,139 affordable homes.

GMHF's NOAH Impact Fund: \$10-\$15M impact capital invested annually.

- Focuses on market-rate, unsubsidized affordable housing.
- Preservation of Naturally Occurring Affordable Housing (NOAH) in the Twin Cities Metropolitan Area

NOAH properties: Class B/C buildings built between 1940-1990, with typical rents \$550-\$1200/month.

- NOAH Impact Fund is strictly for rental.
- Affordable to families at or below 60% AMI
- Unsubsidized
- 74% of all affordable units are unsubsidized.
- 167,100 unsubsidized NOAH units in metro area.
- With dramatic losses of these affordable units each year – 1,000s per year.
- Key Factors Causing the Loss of NOAH units:
 - National investors quickly acquiring properties
 - Aggressively raising rents
 - Losing affordable units faster than new affordable housing can be developed.
 - Higher rental demand.
 - Rents increasing faster than incomes.
 - Securing housing is hard with vacancies at 3%.
- Goals of NOAH Impact Fund:
 - Preserve Properties in Opportunity Areas (Schools, Jobs, Transit)
 - Preserve Properties at Risk of Loss of Existing Affordability
 - Prevent Displacement of Low Income Families
 - Stabilize Properties, Improve Management
 - \$25 Million Impact Capital Investments
 - 700-1,000 NOAH Units Preserved
- NOAH Fund Phase I - \$32.5M Impact Investors
- 3,200 NOAH homes have been preserved since 2017
- NOAH Impact Fund Phase II: \$33.5M Capital Raise

- In your City:
 - What are strategies to preserve existing:
 - Strong relationships with the property owners.
 - How to create new affordable?
 - Tenant protections in place.
 - Housing diversity, housing for all cycles of life.
 - Put in as many tools as you can as possible.
 - Understand your own power as a City. Developers are coming to us and that shows they are interested. They are asking for TIF – include affordability requirements in your projects.
 - Notice of sale. Gives Aeon the option to buy and preserve.
 - Discourage developers from the option to just add money to a fund, rather integrate the units mixed into the other market rate units.
 - [Aeon](#), [CommonBond](#) and [Project for Pride in Living](#) – your best bets. Aeon being the most successful.

ATTENDANCE

MAYORS

James Hovland	City of Edina (co-chair)
Doug Anderson	City of Lakeville (co-chair)
Marylee Abrams	City of Maplewood
Jim Adams	City of Crystal
Kirt Briggs	City of Prior Lake
Anne Burt	City of Woodbury
Tim Busse	City of Bloomington
Ron Case	City of Eden Prairie
Sean Dowse	City of Red Wing
William Droste	City of Rosemount
Mary Hamann-Roland	City of Apple Valley
John Keis	City of Little Canada
Chris Lund	City of Hamburg
Mike Maguire	City of Eagan
Tim McNeil	City of Dayton
Julie Maas-Kusske	City of Maple Plain
Kim Norton	City of Rochester
Rhonda Pownell	City of Northfield
Maria Regan Gonzalez	City of Richfield
Jake Spano	City of St. Louis Park
Randy Stille	City of Saint Anthony
Ken Wilcox	City of Wayzata
Janet Williams	City of Savage

GUESTS

Molly Cummings, Metropolitan Council;
 Peter Frosch, Greater MSP Partnership;
 Commissioner Debbie Goettel, Hennepin County;
 Warren Hanson, Greater MN Housing Fund;
 Andrea Inovye, Office of Mayor Jacob Frey, City of Minneapolis;
 Ron Orlando, Comcast;
 Ben Waltz, Blue Cross Blue Shield;
 Dave Higgins, McGough;

ULI MINNESOTA

Caren Dewar, Cathy Bennett, Rachel Keenan

NEXT MEETING

Monday, October 12th, 2020
 11:30 a.m. to 1:30 p.m. – Zoom Meeting