

Regional Council of Mayors: February 13, 2017

League of MN Cities (LMC) Race Equity Initiative

KEVIN FRAZELL, LMC DIRECTOR OF MEMBER SERVICES AND RACHEL WALKER, LMC MANAGER OF POLICY ANALYSIS

[Link to presentation](#)

The Race Equity Initiative was developed following several high-profile incidents between people of color and law enforcement around the country and in Minnesota. It was also a response to Minnesota having some of the largest racial disparities in the country on indicators including income, education, health, and employment. The League also recognized there are long-term economic considerations that are important for the state such as Minnesota's ability to attract, grow, and retain its skilled workforce and to enable the well-being of all citizens. Cities actively sought resources, info, and support; and the League moved to fill the gap. The National League of Cities also launched its own race and equity Initiative during this time. This initiative is a major focus for the LMC, and members of the League's staff, board, and committees have participated in the program.

To develop the program, the League partnered with an organization out of Seattle called the Government Alliance on Race and Equity (GARE). GARE focuses on institutionalized and structural racism where systems result in disparate outcomes. This approach identifies system-wide challenges and is less personal and confrontational than dealing with racial tensions at the individual level.

The initiative operates under a cohort model and began in 2016. Participants for 2016 and 2017 are listed below. The outcome is to develop a race and equity action plan that creates opportunities for all people to participate in their community, evaluates whether services are delivered in an equitable fashion, and provides implicit bias training.

The League has also polled its membership to learn more about how cities across the state are changing as Minnesota's population becomes more diverse. Here are some of the League's findings.

- **DEMOGRAPHIC CHANGES ARE NOT UNIFORM:** 57% of communities report some diversity in their community. This number was 48% for cities with fewer than 2,500 people and rose to 79% for those greater than 2,500.
- **CITIES REPORT BENEFITS OF INCREASED DIVERSITY:** These include more opportunities to learn, a wider range of perspectives, and more variety in community events.
- **CITIES ALSO REPORT CHALLENGES:** Such as different languages spoken necessitating having multi-lingual materials and translation services, communication and engagement challenges, and tensions in the community.

The following objectives shape the League's work on race and equity as the Initiative moves forward.

1. Support the LMC's network of elected officials
2. Focus on race equity at 2017 "Experienced Officials" conference
3. Continue the League's work with GARE
 - a. Support 2017 new cohort which typically consists of 8-10 participants from each entity
 - b. LMC has 13 staff participating in the cohort
 - c. Support the advanced cohort (those who participated last year)
 - d. Support a GARE position for Minnesota: Gordon Goodwin, who will be housed at the LMC
4. Develop resources and materials for all cities
5. Normalize conversation through education and awareness
6. Convene conversations with other organizations

The League's presentation concluded with mayors expressing that there is a window of opportunity now where people and organizations are motivated to confront the challenges the Initiative is designed to address. Mayor Faust of St. Anthony offered a shout and thank you to the League for being an invaluable umbrella organization that helped his community get the help and resources it needed following the Philando Castile incident last year.

Example of Service Delivery Inequity

The City of Minneapolis discovered that its impound lot was filled with a disproportionate number of vehicles from North Minneapolis, which has generally lower incomes and a greater concentration of people of color than other parts of the city.

The City wanted to know whether this was due to a truly greater number of violations or something unintended. Its investigation determined that, because the impound lot is near North Minneapolis neighborhoods, there was an economic incentive for tow truck drivers to target that area. They could tow more vehicles more quickly by staying as close the impound lot as possible.

The Race and Equity Initiative aims, in part, to help municipalities identify unintended outcomes like these and develop ways to change them.

2016 GARE cohort participants

- Bloomington
- Brooklyn Center
- Brooklyn Park
- Duluth
- Hopkins
- Mankato
- Maplewood
- Minneapolis
- Minneapolis Park Board
- Ramsey County
- Ramsey Co. Workforce Solutions
- Ramsey Co. Workforce Innovation Board
- Red Wing
- St. Louis Park
- Woodbury
- 4 state agencies

2017 cohorts (intro and advanced)

- Intro group: Bloomington, Northfield, St. Anthony, St. Louis Park, Shoreview, White Bear Lake, Woodbury, Edina, Golden Valley, Mpls Park and Rec Board, state, Three Rivers Park district, Hennepin Co Library, Met Council, Dakota Co, Hennepin Co Judicial District
- Advanced group: Bloomington, Red Wing, St. Louis Park, Hopkins, Mankato, Maplewood, Minneapolis, Mpls Park and Rec Board, state, Ramsey County, Hennepin County

Follow Up: Small-Scale Development Case Study

EDEN SPENCER, GREATER METROPOLITAN HOUSING CORPORATION

[Link to presentation](#)

In the [January RCM meeting](#), Tom Fisher with the Metropolitan Design Center gave a presentation called “What Housing Types Are We Missing and Why?” He discussed a range of housing products that are rarely produced in the MSP market, and addressed some of the barriers to getting them built including policy, zoning, and lending standards. One of his examples was the “bungalow court” concept, where several small homes are placed in close proximity, usually around a central garden or courtyard, and share access to community amenities. This housing ownership option gives residents most of the benefits of a single-family home while pooling the costs of outdoor amenities to lower the overall cost of living.

Eden Spencer with GMHC shared an example of a local bungalow court at [816 Northeast Main Street](#) in Northeast Minneapolis as a case study for the mayors to consider, particularly as the comprehensive plan update opens the window to policy changes that might make these types of products more feasible. Here are the basic details of the Main Street Bungalow Court.

- Six units built as 2b, 2ba condos on two contiguous 45 foot lots (~1 acre) that previously held rundown duplexes.
- Zoning was not a barrier in this case. Lots were already zoned R5.
- The base unit size was 1,200 sqft with an option to finish the basement for an additional 400 finished sqft.
- Built in 2006 and on the market in 2007, the timing of the project coincided with the housing market crash.
- The crash slowed down how quickly the units were purchased and lowered their sale price.
- However, since the units were filled, only two owners have left and both were due to job transfers.
- The owners have a self-managed association that covers just the common property, not building exteriors.



A sketch of the bungalow courts in Northeast Minneapolis

While the Main Street Bungalow Court was ultimately successful, Eden outlined the challenges to replicating this model in other places.

- Availability and affordability of land.
- Zoning that permits moderate density.
- Minimum lot sizes, setbacks, etc.
- Funding and financing. Risk averse banks are hesitant to underwrite projects with few comps.

To encourage these kinds of products, cities need to allow for more moderate density zoning opportunities between single-family homes and large, multifamily apartment buildings. They should also be more flexible in their building policies. When possible, city incentives can also help with financing and appraisals for skeptical banks.

ULI Minnesota Advisory Services Update

GORDON HUGHES, ULI MN

[Link to Advisory Services website](#)

ADVISORY SERVICES FLYER

[Link to Advisory Services flyer](#)

Through the generous contributions of ULI Minnesota's member-volunteers, our Advisory Services programs provide unbiased, market-based solutions and best practice advice on building resilient and competitive communities. In a rapidly evolving world, demographics, market forces, technology and aging infrastructure are impacting cities in new ways. Our Advisory Services programs can help your community navigate a competitive future and the ten guiding principles in the linked flyer above can lead the way.

NAVIGATING YOUR COMPETITIVE FUTURE UPDATES

[Link to Navigating Your Competitive Future Presentation](#)

Navigating Your Competitive Future (NCF) is a two-hour interactive ULI Minnesota workshop with policy leaders and volunteer real estate professionals to focus on the current challenges of development and redevelopment. More than 50 communities in Minnesota have held these workshops, and ULI Minnesota is able to offer them free of charge thanks to generous sponsorship from the Family Housing Fund and Minnesota Housing. The workshop contains four segments.

1. Gordon Hughes shares national, statewide, and metro trend data that share the big picture for cities. This is the portion linked above.
2. Cathy Bennett then provides targeted, local data for the community hosting the workshop.
3. Private sector leaders on the panel answer a few predetermined questions on topics of interest to the community.
4. The audience—which generally includes the mayor, city council, city manager, and sometimes others—ask the private sector leaders their own questions and an open dialogue ensues.



Gordon Hughes shared the current draft of an update to the NCF presentation content for his segment of the presentation, aimed at freshening it to keep pace with an ever-changing world and marketplace. Following valuable feedback from the mayors, ULI MN has continued to iterate, adding additional information on the bifurcation of incomes nationwide, disparities experience by Minnesota's communities of color, and more insights on commercial and industrial trends. The updated presentation is available at the link above.

TECHNICAL ASSISTANCE PANEL SCHOLARSHIPS

NCF sessions provide a good, overall grounding for communities, and ULI MN Technical Assistance Panels (TAPs) are often a valuable next step. TAPs are one-half to multi-day deep-dive analyses into a specific project, development or policy issue. Like NCF, TAPs rely on multidisciplinary panels of volunteer real estate and land use professionals who offer their time and talent to help regional communities solve problems. The Metropolitan Council is offering "scholarships" to help with the cost of hosting a TAP, and interested communities should reach out to [Gordon Hughes](#) for more information about applying.

EXECUTIVE DIRECTOR'S REPORT

2017 RCM Priorities – Updated

Minor updates were made to the 2017 RCM Priorities. The four categories of work remain as follows.

1. Full Range of Housing Choices
2. Economic Vitality
3. Healthy and Resilient Communities
4. Mobility

There are mayors already engaged and leading on the "Housing" and "Healthy and Resilient Communities" buckets, with opportunities for mayors to lead remaining in the "Economic Vitality" and "Mobility" areas. If interested, please reach out to [Caren Dewar](#).

Under the "Healthy and Resilient Communities" area, meteorologist Paul Douglas will speak at the April RCM meeting about climate and infrastructure impacts on communities. Mayors are encouraged to share their questions and thoughts on climate action plans in their cities.

Common Interest Property Reform

Condominiums and townhomes are among the types of housing types that are under-produced in our region, and a major reason why is that doing so exposes developers and builders to significant liability risks. As a result, these products can only be built at the very high end to balance the risk. The source of this risk is Common Ownership Interest Act, a well-intentioned piece of legislation that aims to protect owners in common interest properties like condos and townhomes from faulty and negligent construction. Unfortunately, as it is written the bill seems to encourage litigation and discourage mediated settlements. For example, unlike with single family homes or multifamily rentals, the Act allows for the recovery of attorney's fees, encouraging long, drawn out proceedings. In one example, a case was settled for \$100K with an additional \$250K for attorney's fees.

Rich Forschler and his colleagues Faegre Baker Daniels have written a bill that is intended to reform the Common Ownership Interest Act in a way that will continue to protect consumers while making the risks of building a common interest property much more manageable for developers and builders. HF1538 was introduced on February 22nd. Representative Dennis Smith (R, Maple Grove) is the chief author and Representative Peggy Scott (R, Andover), Raymond Dehn (DFL, Minneapolis) and Michael Nelson (DFL, Brooklyn Park) have already signed on as co-authors of the bill. The bill will be heard in the House Civil Law and Data Practices Policy Committee on Thursday, March 2.

COMING UP

The March RCM meeting is canceled. The next meeting of the Regional Council of Mayors will be Monday, April 10th from 11:30 a.m. to 1:30 p.m. in the MN Room at Dorsey & Whitney, 50 South 6th Street, Minneapolis, MN. The April meeting will feature Paul Douglas, meteorologist, along with a city panel who will discuss climate action plan best practices.

ATTENDEES

Mayors

Mary Giuliani Stephens	City of Woodbury (Co-Chair)
Mike Maguire	City of Eagan (Chair, Housing Initiative)
Elizabeth Kautz	City of Burnsville (RCM Founder)
Sandy Martin	City of Shoreview
Doug Anderson	City of Lakeville
Ardell Brede	City of Rochester
Kirt Briggs	City of Prior Lake
Bob Crawford	City of Elko New Market
Bill Droste	City of Rosemount
Jerry Faust	City of St. Anthony
Kathi Hemken	City of New Hope
Marvin Johnson	City of Independence
Peter Lindstrom	City of Falcon Heights
Dan Lund	City of Newport
Marty Schneider	City of Long Lake
Donna Schmitt	City of Columbia Heights
Mike Webb	City of Carver
Ken Willcox	City of Wayzata
Gene Winstead	City of Bloomington
Scott Zerby	City of Shorewood

Guests

Eden Spencer, Greater Metropolitan Housing Corporation; Michael Huber, Blue Cross Blue Shield MN; Gilbert Achay, Blue Cross Blue Shield MN; Ellen Sahli, Family Housing Fund; Deidre Schmidt, CommonBond Communities; Emily Goellner, City of Golden Valley; Taylor Burandt, City of Maple Plain; Jamie Verbrugge, City of Bloomington; Jennifer O'Rourke, Metropolitan Council; Debbie Goettel, Hennepin County; Mike Ericson, City of Centerville; Logan Martin, City of

Rosemount; Paul Mellblom, MSR Design; Margaret Kaplan, Minnesota Housing; Emily Nachtigal, Faegre Baker Daniels; Rich Forschler, Faegre Baker Daniels; Benjamin Mchie, African American Registry; Burke Murphy, Corporation for a Skilled Workforce; Carolyn Olson, Greater Metropolitan Housing Corporation; John Shardlow, Stantec; Nick Koch, HGA Architects & Engineers; Kevin Frazell, League of Minnesota Cities; Rachel Walker, League of Minnesota Cities; Mary-Margaret Zindren, AIA Minnesota

ULI Minnesota

Aubrey Austin, Cathy Bennett, Caren Dewar, David Baur, Gordon Hughes