

INVESTMENTS FOR A COMPETITIVE AND HEALTHY MINNESOTA



Downtown Faribault, MN. Photo: Faribault Chamber of Commerce



BWCA. Photo: Minnesota Environmental Partnership



Cathy Cruz Gooch of Catalia Mexican Foods in Eagan.
Photo: Metropolitan Economic Development Association



Marquette Avenue, Minneapolis.
Photo: Transit for Livable Communities

A PLAYBOOK FOR MINNESOTA'S NEW GOVERNOR



1000 Friends of Minnesota promotes development that enhances the best of Minnesota: thriving small towns and cities, healthy natural resources and a growing economy. Our mission is to advocate for development that creates healthy communities while conserving natural areas, family farms, woodlands and water. We accomplish this through advocacy, education and implementation.

To download the report and learn more about our work, please visit our website at www.1000fom.org.

The following organizations contributed to the content of this report:

1000 Friends of Minnesota	Minnesota Center for Environmental Advocacy
Alliance for Metropolitan Stability	Minnesota Brownfields
Fresh Energy	Minnesota Housing Partnership
Growth and Justice	Preservation Alliance of Minnesota
ISAIAH	Transit for Livable Communities
Metropolitan Economic Development Association	Trust for Public Land

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A Playbook for Minnesota's New Governor

Where and How We Invest Will Shape Minnesota's Future

From the State Capitol to City Hall, decreased revenues and stubborn unemployment are squeezing budgets. New projects are often put on hold and old programs are being cut back. But even in this austerity, state government will still spend billions of dollars on transportation, economic development, housing, agriculture, conservation, energy, water supply and treatment, and a host of other programs.

These investments need to pull together. It is imperative for state government to coordinate and align its approach to growth and development. Too often, program silos created 50 years ago dictate how and where funding goes. This makes little sense in the 21st century, especially in the current fiscal environment where every dollar counts.

Our next Governor will be able to ensure that Minnesota makes smart and strategic investments so we remain economically competitive, prosperous, fair, and good stewards of the environment. State government will shape development and our natural landscape as Minnesota adds over one million new people in the next twenty years. We must do it better.

State Investments Succeed When They Pull Together

Minnesota's next Governor will have broad authority over much of the state's investment budget. We need a structure in state government that yields multiple "wins" — in cleaner air, job creation, physical activity, and expanded opportunity — with each state investment. We need every dollar to accomplish more than one goal. Can the dollar spent on transportation also leverage new housing opportunities, jobs for low-skilled workers, enhanced broadband capability, or innovative ways to reduce water pollution? Yes, but only if guided well.

Leadership is needed to ensure that smart and strategic investments will pull together and succeed. This requires a commitment from the Governor and all his top officials to coordinate and align capital spending to produce high returns.

Better targeted investments can yield multiple benefits. For instance, such an approach would:

- Create jobs and economic development by helping communities repair and maintain the assets they have such as roads, bridges, water and sewers systems, schools, and transit systems. *Investments in road and bridge maintenance, for instance, create 16 percent more jobs compared to highway expansion¹.*
- Save families money by expanding and creating new choices for how Minnesotans get where they need to be, when they need to be there. *In places with few choices, transportation can claim up to one-third of a family's monthly income.*
- Produce new housing opportunities demanded by dynamically changing and growing population needs. *Coordinating transportation and housing investments not only makes transportation more efficient, but creates opportunities to meet the different housing demands of an older and more diverse state.*

¹ *Spending the Stimulus*, Smart Growth America: www.smartgrowthamerica.com.

- Avoid expensive new infrastructure by targeting scarce public resources to enhance and rehabilitate what is already in place. *Municipal service costs typically increase with spread out development induced by new roads and sewers.*
- Reduce racial and economic disparities by creating new and broadly shared opportunity with a commitment to fairness and inclusion of populations that have too often been left out. *The business-led Itasca Group has identified our growing racial disparities as a key impediment to Minnesota's economic competitiveness.*
- Clean up and protect our air, water and natural lands, and ensure a cleaner energy future for ourselves and future generations. *Clean air and water are critical to public health, and continuing Minnesota's proud legacy of parks and open spaces preserves our quality of life.*

**MINNESOTA IS CHANGING.
OUR INVESTMENTS MUST TOO.**

Minnesota is a changing state. Like most places in America, seniors are the fastest growing segment of our population. In fact, by 2020 Minnesotans over 65 will outnumber children in the K-12 education system. New immigrant communities are transforming — and often revitalizing — urban neighborhoods, older suburbs and small towns. Communities of color are projected to make up over 25% of our state's population by 2035. Households are shrinking with empty nesters, smaller families, and people staying single longer. Families with children are now less than one quarter of all households (down from nearly half in 1960). Minnesota's investments and development decisions must respond to this new reality.

² *Mind the Gap*, Brookings Institution: http://www.brookings.edu/reports/2005/10/cities_sohmer.aspx

³ *Uneven Pain: Unemployment by Metropolitan Area and Race*, Economic Policy Institute: <http://www.epi.org/publications/entry/1b278/>

Needs Improvement

In the Twin Cities region, the dispersal of jobs outside the metropolitan core has limited the ability of people to access jobs, worsened traffic congestion, and made efficient transit service more difficult. Over the last decade, 38,630 jobs were added in the region's developing suburbs and rural areas while job growth in the central cities and inner ring suburbs remained stagnant. This pattern helps explain why, by 2007, the average Twin Cities' rush hour commuter was stuck in traffic for 39 hours per year, resulting in 39 million gallons of excess fuel being consumed regionally.

This pattern of development has inevitably led to a dramatic increase in driving as well. Between 1983 and 2003, the amount Minnesotans drive, what transportation planners call vehicle miles traveled or VMT, increased more than 80 percent. This has inevitably lead to more pollution in the air and in our state's most iconic and valuable natural assets, our lakes and rivers, 40 percent of which are already unsafe for swimming and fishing.

Minnesota has some of the worst race-based disparities in education, homeownership, and household income as documented by the Brookings Institution². Just recently, the Economic Policy Institute³ reported that Minnesota has the nation's greatest disparity in unemployment between blacks and whites. This is where the state can, and has begun, to show leadership and help to alleviate these disparities. The Minnesota Department of Transportation (MnDOT) has failed to meet its hiring goals for women and people of color for the past 18 years. As part of a stakeholder process, several reform initiatives have been identified including investments in workforce development and training programs, transparent reporting requirements, and accountability measures. A new Governor must ensure these succeed.

THE FEDERAL GOVERNMENT WILL REWARD A CONSISTENT INVESTMENT STRATEGY.

Minnesota is positioned to seize national opportunities to fund the coordinated development of transportation systems, energy development, housing investments, environmental policies, and public health outcomes. This opportunity is most explicit through the federal government's Sustainable Communities Partnership between the U.S. Department of Housing and Urban Development (HUD), Department of Transportation (DOT) and the Environmental Protection Agency (EPA). This partnership has created several competitive funding programs for projects that implement an integrated investment strategy across transportation, land use, and environmental protection. Several Minnesota projects that support integrated investment have been funded; those that don't have not been. We can expect to see further such funding opportunities. The more projects that Minnesota develops consistent with this strategy, the better we can expect to do.

The state also needs to maximize the return on existing applications. On October 14th it was announced that two Minnesota regional consortiums, one based in the metro area and the other in rural, central Minnesota, received funding from a new, highly-competitive HUD grant program that supports regional sustainable planning.

The regional consortium in the metro area, which is being led by the Metropolitan Council, received \$5 million, one of the nation's largest awards. Additionally on October 28th, Living Cities, which is a consortium 22 of the world's largest philanthropic and financial institutions, selected the Twin Cities region as one of five where it will invest nearly \$16 million. Both of these funding programs have as their goal the integration of several different disciplines — such as workforce, environment, housing, and transportation — to achieve equitable and sustainable development goals. But the ultimate success of these efforts depends, in part, on the leadership and support of a new Governor.

HOW TO USE STATE INVESTMENTS TO SUCCEED: COORDINATE, ALIGN, AND IMPLEMENT CAPITAL SPENDING THROUGH A STRATEGIC INVESTMENTS SUB-CABINET

To effectively address the challenges and maximize the return from opportunities posed by growth and development, state government needs to be structured in ways that foster collaboration as well as respond to the "big picture" of statewide development patterns and needs. Many specific policies must be administered on a department-by-department basis, but Minnesota must unify these efforts by adopting a comprehensive approach that integrates across agencies while supporting individual department goals and policies.

Critical to getting control of investments is accountability within the administration. A sub-cabinet composed of commissioners from the full range of relevant agencies or some other subset of the cabinet can bring interagency focus to the key changes facing Minnesota. A sub-cabinet can share information, encourage interagency

The Critical Role of Philanthropy

Many of the country's (and Minnesota's) most influential foundations are reforming their own funding guidelines to reflect this new federal emphasis around cross sector collaboration. These new sources of revenue can bring significant resources, and leverage new public resources, to support reform if the state pursues a more integrated development strategy.

collaboration, and jointly target development and infrastructure-related state spending and investment. Sub-cabinet members might include the commissioners from the Minnesota Departments and Agencies of:

- Transportation
- Natural Resources
- Commerce
- Economic Development
- Education
- Health
- Administration
- Management and Budget
- Housing
- Water and Soil Resources
- Pollution Control
- Revenue

and the chair of the Metropolitan Council.

These agencies control the majority of capital spending, but too often operate independently of each other. At best, their capital spending fails to pull in the same direction. At worst, they compete with each other. A more balanced and equitable pattern of development can be achieved if a subcabinet existed to ensure information sharing, cross-departmental cooperation, and coordinated spending decisions across state agencies.

The sub-cabinet should have clear goals. Specific goals for each agency should be defined through a process in which agencies propose how to implement the vision and principles. The Governor should appoint a head of the sub-cabinet and grant that person the authority to modify decisions. The chair of the sub-cabinet should answer directly to the Governor. The chair should have authority to press individual departments to coordinate their implementation efforts. The sub-cabinet must also designate senior staff from within member agencies that are responsible for follow-up actions.

A STRATEGIC INVESTMENTS SUB-CABINET SHOULD GUIDE—AND FOLLOW—THE MONEY

The first two tasks of the sub-cabinet should be to develop the principles and goals that will guide state spending, including bonding.

To make sure everyone in a state administration is pulling in the same direction, a governor should define a broad set of development principles. For instance, the state of Massachusetts has ten Sustainable Development Principles through which *all* discretionary spending and bonding funding is filtered, such as “protect land and ecosystems;” “advance equity;” and “concentrate development and mix uses.” A shared set of development principles establishes a solid basis for determining how a state can most effectively deploy its leadership, investments, incentives, and partnerships to achieve desired development objectives.

Massachusetts’ Commonwealth Capital Program

In 2008, \$500 million in low interest funds and \$50 million in discretionary grants were distributed through the Commonwealth Capital Program using the commonwealth capital scorecard to evaluate funding requests against a set of growth criteria. The resulting score counted for 30 percent of the decision on whether applicants got a grant or loan in the Commonwealth Capital “family” of grants and loans. The checklist was kept as simple as possible and was filled out electronically.

These principles should guide capital spending decisions. Local governments and private entities receiving state funds should be expected to support and implement programs based on those principles. Once developed, these principles could be issued via executive order or codified in state statute. All state agencies should incorporate the development principles into their program planning, spending and permitting decisions.

In coordination with the development of principles, state officials should establish a set of specific goals that logically follow the principles. This list of goals could include specific actions that each state agency is expected to take or an assessment of changes in land use patterns (e.g., growth inside cities and towns vs. growth outside cities and towns) or behavior (e.g., reductions in the number of vehicle miles traveled per capita per year). It is important that these goals be ambitious, yet achievable. Above all, they must be measurable. Without a method of tracking progress, Minnesota will have no way to determine if its policies are having the desired effect.

In order to be successful, the state's development vision, principles, and goals must be institutionalized and implemented at every level within the state's agencies. Each state agency should conduct an evaluation of all its programs to determine if they are consistent with the state's development vision, principles, and goals. The analysis should review and propose changes to all actions — administrative, organizational, regulatory, budgetary, or statutory — that are affected by or that can be used to support the state's strategic investments agenda. Each agency should be required to align all investments and regulatory actions to support the investment agenda.

CONCLUSION: WE DON'T HAVE ENOUGH MONEY IF ALL OUR CAPITAL SPENDING PULLS IN DIFFERENT DIRECTIONS

The bursting of the housing bubble, the fiscal crisis for state and local governments, the so-called Great Recession, and an uncertain energy future all require us to think anew about the form and function of government needed to address future challenges. Program silos created fifty years ago to benefit specific issues — for example, transportation, housing, or economic development — make little sense in the 21st century. The number one recommendation of this playbook is: *create a structure within state government that yields multiple "wins" — whether in cleaner air, job creation, physical activity, and expanded opportunity — per each state investment.*

A Word About the Metropolitan Council

Particular attention should be given to the role of the Metropolitan Council. Established by the state legislature in 1967, the Council was created to plan for the orderly and economical development of the seven county metropolitan area, and to coordinate the delivery of services that could not be effectively provided by any one jurisdiction. Its jurisdiction, however, is very limited in areas in which coordination is now seen as critical. The Governor should consider whether and how the Council can better facilitate coordinated investments in housing, natural resources, education and economic development. The Twin Cities is a major growth engine for the entire state, and its growth has a major impact on the state's economy.

The Metropolitan Council is a unique entity in the country. Only one other region, Portland, Oregon, has another regional government with real powers, and the Council here is the only one whose leadership is completely appointed by the Governor. As such, the Governor's appointments to the Council should be carefully considered. The Council's policy direction and investment decisions have enormous consequences for the economic, social and environmental health of the region.

PART II: Immediate Actions

To effectively meet the challenges — and maximize the return on opportunities — created by growth in population and jobs in our state, Minnesota should put in place a structure (programs and policies) that allows it to see and respond to the big picture of statewide development patterns. State government needs to operate in ways that foster collaborative policies and investments instead of inhibiting them. Many specific policies must be administered on a department-by-department basis, but the state must unify these efforts by adopting comprehensive approaches that not only integrate, but add value to individual department actions.

This work of aligning state investments is critical to the long term economic, environmental and social health of Minnesota. Policies and programs can be put in place in the short term. What follows are a set of recommendations that the new administration should consider for different issue areas as it begins to move on an integrated investment strategy. Some of these only require executive authority, while others may require legislative approval. Some are new programs, but most require only a change of emphasis in current programs.



Rice Street in St. Paul, MN, before and after redevelopment. Photo: MN Department of Employment and Economic Development

Economic Development Recommendations

Successful businesses, good jobs, and a strong economy stand out as ongoing priorities for the State of Minnesota and its communities. Economic development initiatives and policies can spur opportunities and results for Minnesota’s residents and businesses. And economic development efforts also help shape how and where development occurs. Sustainable economic development puts the emphasis on boosting growth where its benefits are likely to have their greatest impacts – offering job opportunities to Minnesotans who are unemployed or underemployed and expanding prosperity in lagging areas, often where the public and private sectors have invested in infrastructure in the past and that infrastructure is now underutilized. A sustainable focus for economic development – when combined with policies for housing, transportation and other public-sector concerns – can help increase the economic vitality of established communities and business districts.

In the past, economic development and sustainability were not considered synonymous. There is now increasing recognition that sustainability and economic development can and should be mutually reinforcing. By pursuing sustainability, such as utilizing existing infrastructure, encouraging the reuse of brownfield sites, and encouraging businesses to locate in the developed areas of our communities, the state and its businesses will save money, freeing investment for more production and more jobs.

Recommendation	Issue	Action Steps
Use economic development programs to better support existing communities.	Economic development initiatives are more efficient when they support areas where infrastructure already exists. When economic development efforts target undeveloped areas, often additional public services are needed to serve the new growth.	<ul style="list-style-type: none"> • Modify state economic development grants, loan programs, tax incentives and technical assistance to expand economic development in established communities with dense industrial, commercial, or residential development or in established, older communities that have infrastructure capacity. • Produce a guide, or toolbox, listing these types of state economic development initiatives. • Guidelines should be established, based upon input from the private sector and other stakeholders, for substantially revised development regulations and review processes that provide predictability to the development process. If it makes the process more streamlined, something like a redevelopment readiness certificate, which has been used in other states, may make sense.

Recommendation	Issue	Action Steps
<p>Use land assembly tools, sometimes called “land banks,” to speed redevelopment of vacant properties.</p>	<p>The ability to acquire and assemble multiple properties is critical to successful redevelopment projects. State law often hinders the ability for a state-sponsored non-profit entity to hold onto land for redevelopment purposes.</p> <p>Land assembly is undertaken by public economic development entities at the local level of government and, sometimes by non-profit entities. The important work of assembling and holding land for development includes acquisition of distressed real estate and tax-forfeiture properties, removal of obsolete uses, remediation of soil contamination, installation of infrastructure, and sale for development that yields value-added uses that achieve local development goals.</p>	<ul style="list-style-type: none"> • Revise land bank regulations so they can respond more quickly to redevelopment needs and opportunities. • Change state laws as appropriate to encourage land banks and spur their success in quickly acquiring vacant and foreclosed properties within Minnesota’s cities and assembling these properties for redevelopment in keeping with local comprehensive land use plans.
<p>Continue redevelopment and remediation grant funding to support Minnesota’s successful brownfield redevelopment track record.</p>	<p>Reclaiming brownfields into productive, tax-producing properties is critical for sustainable regional development. However, due to real and perceived contamination issues, their redevelopment requires higher levels of public support because the private sector is typically unwilling to incur the risk and cost.</p> <p>The Department of Employment and Economic Development’s (DEED) Contamination Cleanup Grant Program has produced economic development and created thousands of jobs and has increased the tax base in areas that need it most. Yet the program has suffered significant budget cuts, and it remains over-subscribed since its inception 17 years ago. Fully funding this crucial program, and the Metropolitan Council’s successful Tax Base Revitalization program, are the first steps to redeveloping brownfields across Minnesota.</p>	<p>Expand state and regional government programs and initiatives that support the redevelopment of brownfield sites and vacant properties.</p>

Recommendation	Issue	Action Steps
<p>Expand the public finance tools available to communities for redevelopment.</p>	<p>Over the last decade many of the public finance tools that cities have used to promote redevelopment, such as tax-increment financing (TIF), have been severely curtailed by the state legislature. The realities of redevelopment—multiple property owners, perceptions of contamination and weaker markets—often require public finance tools to make these projects a reality.</p> <p>On a more fundamental level, the state’s redevelopment and zoning statutes need to be updated to recognize the public benefits that can accrue from well-planned redevelopment such as energy efficiency, land recycling, transit-oriented development, reduced vehicle miles traveled, etc.</p>	<ul style="list-style-type: none"> • Create a new form of TIF district, the transit oriented district, that could be expended for a menu of options, including any of the purposes allowed in redevelopment and housing districts, constructing and improving transit stations, transit-related streetscape improvements and green space acquisition. The tax increment could also be used for operating circulators, supporting streetcar lines, making transit area improvement loans and funding the social and economic mitigations related to transitway corridors. • Modernize the state’s redevelopment and zoning statutes to allow for “public purpose” to include a broader set of goals beyond public health and sanitation.
<p>Encourage environmental policies that allow for and encourage sustainable development.</p>	<p>The regional environmental, economic, and social benefits of redeveloped brownfields should be considered along with the fiscal opportunity costs of a particular site clean-up.</p> <p>While maintaining the integrity of our environmental rules, allow innovative approaches to redeveloping our brownfield sites in order to encourage—and get—more cleanups. Utilizing the best and newest technologies, such as soil blending, will maintain environmental safety on Brownfield sites and ensure that landfills are used only when warranted.</p>	<ul style="list-style-type: none"> • Direct Minnesota Pollution Control Agency (MPCA) to require area-wide assessments of contamination on sites for redevelopment. • Direct MPCA to err on the side of approving innovative ways to re-use soil (e.g. utilizing new technologies such as soil blending.) • Revise cleanup rules to reward redevelopment with a regional focus, and collaboration to develop in a planned, strategized way.

Recommendation	Issue	Action Steps
<p>Promote entrepreneurship and business development among Minnesotans of color.</p>	<p>Persistent racial and economic disparities exist within Minnesota’s entrepreneurial profession.</p> <p>In response to growth in Minnesota’s minority population, the state should foster entrepreneurship assistance to Minnesotans of color in order to tap this now underappreciated economic asset and to support economic development in the communities where they live.</p>	<ul style="list-style-type: none"> • Expand financing programs such as the Urban Initiative Program. • Increase the availability of effective venture capital investment networks. • Continue support for local business development resource organizations. • Enforce purchasing and contracting programs that are intended to spur the growth and development of minority business.
<p>Expand brownfields program eligibility to include financial support of sites that lack a direct economic development component.</p>	<p>Sites with no direct economic development potential can still greatly increase property values by being “redeveloped” into parks and/or watershed projects. This is currently prohibited.</p>	<p>Support programs that would fund the cleanup or redevelopment of brownfield or underutilized sites that do not have an economic development component.</p>
<p>Increase state government support for the Minnesota Main Street Program.</p>	<p>Main Streets are the backbone of successful small towns, but like urban downtowns, they have suffered from newer development outside of town.</p> <p>Minnesota Main Street is now coordinated by the Preservation Alliance of Minnesota to offer comprehensive commercial district revitalization strategies for historic communities. This economic development program integrates strategies to capitalize on historic buildings as assets and coordinate design, community organization, promotion and heritage tourism, and business development strategies.</p>	<p>Increase coordination and support with state agencies like DEED and Explore Minnesota Tourism, as well as with state-offered incentives, to allow Minnesota Main Street to increase the number of communities served.</p>

Education Recommendations

Ensuring that every child in Minnesota achieves a world-class education is critical for the state to remain economically competitive. Public schools from the elementary level through high school play a vital role in preparing Minnesotans for post-secondary opportunities and for life-long careers. These schools are a focal point for neighborhoods and communities. For sustainable development, schools should be centrally located to allow for easy access by students and their families. And our schools should help break down—not contribute to—the economic, racial, and ethnic segregation that can undermine quality education and divide us.

Recommendation	Issue	Action Steps
Help school districts renovate existing school buildings rather than construct new ones.	<p>The 2009 legislature passed a bill that prohibits the Secretary of Education from using minimum acreage requirements or restrictive renovation rules when deciding on school construction funding decisions. These rules often had prohibited the reuse and renovation of existing schools. The new revisions are helpful, but more work is needed.</p> <p>Land values and the complexity of densely developed areas can make school construction or renovation in such locations more expensive.</p>	<ul style="list-style-type: none"> • Communicate the rule changes to local school districts. • Provide technical assistance on renovation and re-use policies, including biking and walking access. • Offer financial assistance for school districts building or renovating schools in older cities with dense development.
Seek a more equal distribution of affordable housing across the metro region to facilitate integration of schools.	Housing policy and schools are closely related in ways that exacerbate vicious cycles in the housing markets, resulting in segregation and rapid transition. If poverty rates increase in a neighborhood, the housing becomes less and less attractive thereby fueling more economic and school segregation.	Affordable housing strategies must require that all parts of the region provide their fair share of affordable housing and current residents in neighborhoods of concentrated poverty must have schooling options beyond the often struggling schools in their neighborhoods.
Expand multi-district school programs like the Choice Is Yours that promote integration by income and race.	These programs work, but are not reaching enough students in highly segregated districts who may need them the most.	Grow these programs in size and geographic scope to increase options for students in highly segregated districts.

Health Recommendations

Public health challenges like obesity and type 2 diabetes are a growing epidemic in Minnesota and across the country, and there is increasing evidence that how we develop our communities and how we build our roads has an impact on physical activity rates and access to healthy foods. The Minnesota Department of Health and the U.S. Centers for Disease Control and Prevention agree that we can reduce obesity by adopting transportation and land-use policies that support more walking and biking as a part of everyday life and provide for more opportunity to access healthy food. In addition, there is overlap with other sections of this report that support walking and biking through land-use policies such as mixed-use Transit-Oriented Development and transportation policies such as Complete Streets.

In addition to obesity, local air quality is also a concern because of the impact of particulate matter, ozone, and other pollutants on rates of asthma—especially for children—and cancer. Freeway corridors have a large negative impact on the air quality of adjacent housing, and proactive steps need to be taken to mitigate that impact.

Recommendation	Issue	Action Steps
Fully incorporate public health considerations into planning for major infrastructure investments.	The public health community is often not included in the decision-making process about the infrastructure investments that affect the built environment.	<p>Continue the Minnesota Department of Health's Statewide Health Improvement Program (SHIP), which provides much-needed community-based planning support for work to reduce obesity by increasing walking, biking, and access to healthy food. To maximize the return from this program, steps should be taken to better connect the planning work of SHIP with the implementation work of the Minnesota Department of Transportation (Mn/DOT), Minnesota Housing, Department of Employment and Economic Development, the Department of Education, and other entities that have resources to turn plans into projects.</p> <p>Additionally, the Metropolitan Council should require communities to incorporate health and active living considerations into comprehensive planning. Mn/DOT and the Metropolitan Council should also begin using Health Impact Assessments when undertaking large projects like highway expansions and new rail lines. To better understand the impact of planning on physical activity. Mn/DOT and the Metropolitan Council should be directed to collect data related to bicycle and pedestrian projects and public health outcomes.</p>

Recommendation	Issue	Action Steps
Expand opportunities for children to walk and bike to school.	Within a generation we went from more than half of K-12 children walking and biking to school to less than 10 percent.	<ul style="list-style-type: none"> • Direct Mn/DOT to expand their successful Safe Routes to School program. • Direct Mn/DOT to work with Minnesota Housing and the Department of Health to ensure that future schools are located in locations that kids can access by walking and biking and that they are built to maximize that potential. • Create a state Walk and Bike to School week, encourage schools to participate, direct the Departments of Health and Education to promote and support those events, and have the Governor be a public face promoting the event. • Direct the Department of Education to promote pedestrian and bicycle safety as a regular part of the physical activity curriculum.
Increase coordination between pollution and transportation agencies.	As air pollution is one of the primary affects of increased driving, MPCA should play a more active role in transportation planning.	The MPCA's work to reduce local air pollution must be better coordinated with the planning work of Mn/DOT, Metropolitan Council, and other agencies as applicable.

Housing Recommendations

The security and prosperity of every neighborhood and town depends on having a range of places to live, that families of different needs and different incomes, circumstances and life stages can afford. As demographics change, Minnesota’s small towns, suburbs, and cities must constantly make decisions about what, where and how their stock and variety of housing should be built and re-developed, to improve their social and economic vitality.

In Minnesota we now have increased homelessness, foreclosures, and ever more families paying so much of their income for housing that they often don’t have enough left over for food and other necessities. Children need a safe and secure home to be able to succeed in school. Retiring citizens need smaller, less expensive homes that allow them to remain engaged and active members of their community. New families need affordable opportunities to establish roots and become part of the community. The changing housing market we have in 2010 clearly shows that there will be a growing need for a wider variety of housing than has been built over the past forty years.

Recommendation	Issue	Action Steps
<p>Create a State Housing Plan.</p>	<p>Housing is often thought of as a series of funding silos for particular populations, but not articulated as a statewide need that requires executive level attention. Further, lawmakers are unsure of the extent of the need for affordable housing and the appropriate role of the state in helping to meet that need. Legislators believe that they would be more supportive of housing investment if they were part of a planning process and there was consensus regarding the state’s role in addressing housing needs.</p> <p>A state housing plan would address what is required to:</p> <ul style="list-style-type: none"> • end homelessness; • affordably house Minnesota’s work force; • house those unable to work; and • preserve Minnesota’s existing affordable housing. <p><i>(continued)</i></p>	<ul style="list-style-type: none"> • Declare the need for the plan and call out the importance of housing as a state concern, review effective housing planning accomplished in other states, and outline the objectives and parameters of the planning. • Identify participants in the planning team: the planning process must be broadly inclusive, with participation from the governor’s administration (including non-housing agencies that impact the built and natural environment), the legislature, local governments, citizen advocates, business and labor. • Assign Minnesota Housing (or another agency) to staff the planning. • Budget for and implement the planning process. • Promote the plan’s findings, and assign responsibility for carrying out plan recommendations. • Monitor plan implementation and adjust objectives and strategies on a regular basis.

Recommendation	Issue	Action Steps
	<p>A state housing plan should identify specific strategies and the state's role to ensure adequate housing in urban and rural areas across the state. The plan would support both community revitalization and more racially and economically integrated schools and neighborhoods. A plan should offer state, regional and local government agencies clarity in their role in expanding housing opportunity choice.</p> <p>Because of the compelling need to integrate state functions, the state housing plan should correlate with other state objectives, including those related to transportation, employment and economic development, the environment, and education.</p> <p>The planning process must be dynamic, part of the operating responsibilities of Minnesota Housing, allowing for future modification due to changes in the economy.</p>	
<p>Identify a strategy to secure additional grant funding and deferred loan capital for housing.</p>	<p>The gap between income and the cost of housing is the most significant barrier facing lower income Minnesotans seeking to find a decent home that they can afford. In addition, communities hoping to treat dilapidated properties and expand housing opportunities have identified the lack of housing grants and deferred loans as being the chief obstacles to meeting their housing objectives.</p> <p>For progress to be made in meeting state housing goals, there must be new sources of housing funding.</p>	<ul style="list-style-type: none"> • Identify an initial funding target and strategies for securing sources of capital. • Develop expert teams to identify the utility and limitations of various funding alternatives, such as bonding, and other vehicles to attract private capital, and to ensure that housing capital is accessible throughout the state. • Identify the preferred options and funding targets and create an advocacy support group to promote those options.

Recommendation	Issue	Action Steps
<p>Clarify and strengthen the role of the Metropolitan Council in affordable and fair housing.</p>	<p>The Metropolitan Council has responsibility for ensuring that communities address a portion of regional housing goals in their comprehensive plans. It also distributes modest levels of project funding to communities that have negotiated housing strategies with the Council.</p> <p>While the Twin Cities serves as a unified housing market, fair housing goals are primarily under the purview of individual communities. Fair housing activities in the Twin Cities are largely enforced through testing and pursuit of individual complaints. There is no overarching fair housing plan under the jurisdiction of a single agency, nor is there a coordinated effort to achieve racially integrated housing patterns across the metro area.</p> <p>Outside of its designated “systems,” the Council does not have the ability to coordinate investment in support of housing and other regional goals. Nor does it have a significant fair housing role. Because the Council’s authority is so limited and there is no other regional housing agency, housing efforts in the Twin Cities are fragmented, with some communities taking on significant housing responsibilities while others are doing far less. This patchwork puts unfair financial burden on some communities and excludes low income residents from communities with substantial opportunity for employment or quality education.</p>	<ul style="list-style-type: none"> • Seek to have housing declared a “system” responsibility of the Metropolitan Council, and enable the Council to link funding for transportation and other resources to the plans and successes of communities to accommodate their fair share of the region’s housing need. • Recruit a Chair and commissioners to the Metropolitan Council who embrace fair housing and the importance of locating housing for low income people and people of color throughout the region, particularly in high opportunity locations. • Complement the enforcement powers of the Council by providing communities technical assistance and support (including planning assistance, fair housing education, and funding entities like community land banks, that can help communities carry out their housing goals).

Natural Resource Recommendations

Each of us breathes air and drinks water, which means that each of us depends on nature daily to sustain ourselves. To ensure a future with clean air and water, the State of Minnesota and its residents must steward its natural resources. By directing development toward existing communities, the state makes more efficient public investments, and relieves the pressure to develop in and around the open space, parks and natural areas that filter our water, grow our food, protect our wildlife and provide recreation for our citizens and visitors. The state should provide state-level leadership and guidelines for protecting Minnesota’s natural resources.

Recommendation	Issue	Action Steps
Monitor the Clean Water Land and Legacy Act (CWLLA) — Minnesota’s dedicated funding for land and water conservation — to ensure that established benchmarks in these plans are met or exceeded.	Ten and 25-year planning efforts are being developed to guide expenditures of the Outdoor Heritage Fund, Clean Water Fund and Parks & Trails Fund. These plans are intended to ensure that dedicated funds are used as constitutionally intended to protect and restore the state’s natural habitats and cultural resources rather than for operations and maintenance.	The Legislative Auditor’s office should monitor CWLLA to ensure these new funds benefit communities and ensure that funds are not supplanting normal levels of state funding for natural resources.
The Statewide Conservation and Preservation Plan provides an up-to-date guidance document that should be used to identify next steps in statewide land and water protection and restoration.	As a result of growth and development, most of Minnesota’s natural habitats and associated ecosystem services, have been fragmented, seriously diminished, or totally lost.	Direct MPCA, Department of Natural Resources (DNR) and all other relevant agencies to review and institute the best practices in the Statewide Conservation and Preservation Plan
Enact the Alternative Shoreland Standards developed by DNR.	Shoreline development pressure has diminished water quality, which can decrease property values.	The Governor should sign the Alternative Shoreland Standards into law.

Recommendation	Issue	Action Steps
Review the recommendations from the Minnesota Climate Change Advisory Group (MCCAG).	In order to meet the state’s greenhouse gas reduction goals as stated in the Next Generation Energy Act (80 percent by 2050), Governor Pawlenty created the MCCAG, which was a broad stakeholder group charged with recommending the specific policies that would meet the goal.	Implement the recommendations from the MCCAG’s final report, especially those recommendations that are focused on the built environment’s affect on greenhouse gas emissions.
The Environmental Quality Board (EQB) should use its existing authority to connect the state’s environment and energy goals.	The State lacks a vision and plan to pursue that ensures Minnesota’s natural resources continue to provide ecosystem services, recreation, and economic opportunities.	Direct and enable the EQB to undertake an existing directive to complete a statewide environment and energy plan.
Enact the three key recommendations in Minnesota Environmental Initiative’s (MEI) Land and Water Policy report that direct state agencies to develop a shared vision, collaboratively plan, and coordinate in the delivery of assistance to local governments.	Protection of the State’s natural resources is divided among many state agencies that require better coordination, collaborative planning, and outcome tracking.	Direct all agency commissioners to review the findings of the MEI Land and Water Policy report and implement the findings.

Recommendation	Issue	Action Steps
<p>Expand Metropolitan Council's regional natural resource responsibilities to ensure local governments plan for and protect sensitive lands and waters from impacts of development.</p>	<p>The Metropolitan Council has adopted a narrow interpretation of its responsibility to protect the region's green infrastructure, restricting itself to parks and park reserves.</p>	<p>Within the seven-county Twin Cities metropolitan area, elevate natural resources to a "system" in the Metropolitan Council review process and integrate that system into local plan reviews to ensure that the Metropolitan Council integrates their infrastructure decisions – wastewater collection and treatment, transportation planning, and MUSA expansions – to support natural resource protection goals. Alternatively, broaden the interpretation of state statute to include natural resources protection under its responsibility to protect the region's green infrastructure, instead of restricting purview to just parks and park reserves.</p>

Transportation Recommendations

Minnesota needs a transportation system that is safer, enhances and preserves communities, and saves families and businesses money through greater reliance on public transit, bicycling, and walking, and better maintenance of the infrastructure we already have. Transportation is about much more than getting from A to B. It is not an end, but it should be a means for a community to achieve broader goals of economic development, neighborhood revitalization, and environmental sustainability.

Recommendation	Issue	Action Steps
Direct the Metropolitan Council and the Transportation Advisory Board to develop a Transportation Improvement Program consistent with its Transportation Policy Plan.	The Metropolitan Council has produced a very forward-looking Transportation Policy Plan and it should be aligned more closely with its transportation funding program.	Fund projects on the TIP that are consistent with the TPP including: <ul style="list-style-type: none"> • Bring regional streets and highways to a state of good repair before building new roads and adding new highway lanes. • Invest in the public transportation system necessary to reach the goal of doubled ridership by 2020. • Include in the regional transportation plan an adopted bicycle and pedestrian system (with a map) that will help to target federal funding into the most needed and cost effective corridors. • Lead in addressing the oversupply and high costs to the region (and our water) of off street parking. • Reassess and develop new roadway classifications that take land use and economic use into account and are more consistent with the new roadway classifications in other US regions.
Use the flexibility that the federal programs provide.	Metropolitan Council spending of the significant federal transportation funding at its disposal (\$150 million every other year), has been at odds with its own TPP and with regional needs.	The Metropolitan Council has developed transportation and land use plans and priorities that save the region money and improve regional mobility. The Council should spend flexible federal money only on projects that advance regional goals.

Recommendation	Issue	Action Steps
Fully implement the state Complete Streets law.	The policies, protocols, and standards of Mn/DOT do not ensure that streets are built to consider the needs of walkers, bikers, transit riders, or people with disabilities.	<ul style="list-style-type: none"> • Mn/DOT should use the state Complete Streets law and current efforts on Context Sensitive Solutions as the base for creating a detailed agency policy on the implementation of Complete Streets and support with training for agency engineers and planners. • Mn/DOT should work with cities and counties to update the Municipal State Aid and County State Aid design standards to provide more flexibility in design to support Complete Streets implementation at the local level. • Mn/DOT should update its cost-participation policy to align with Complete Streets. Mn/DOT should ensure that local land use and context are considered in the design of new roads.
Increase transparency and accountability of transportation expenditures.	It is very difficult to determine how transportation funds are being spent, or toward what goals. The process is neither transparent nor accountable.	Require the Metropolitan Council (for the seven-county metro) and Mn/DOT (for the rest of the state) to post annually on their websites a succinct summary of transportation expenditures that include: total public spending, relative spending on roads vs. transit and non-motorized modes, relative spending on road expansion vs. maintenance, and key trend data.
Require all the relevant transportation entities meet their women and people of color hiring goals.	One of the most critical benefits from transportation investments is job creation. These employment benefits, however, have not been equally shared by all Minnesota communities. It is critical that the beneficiaries of these jobs reflect the diversity of the state.	<ul style="list-style-type: none"> • Ensure MnDOT meets its goals to hire 6 percent women and 11 percent people of color. That would amount to around 200 jobs/month for people of color and 109 jobs/month for women during the construction season, based on 2009 estimates provided by MnDOT. • Ensure the Metropolitan Council meets its goal to hire 18 percent people of color as the light rail line is constructed. The Met Council projects that 800 construction and construction management jobs will be created by the Central Corridor, which should create almost 150 jobs for people of color over a period of several years.

Recommendation	Issue	Action Steps
Reform the current metropolitan planning organization structure for the Twin Cities.	The hybrid structure of the Metropolitan Council and its affiliated Transportation Advisory Board, when it comes to setting transportation policies, is confusing to the public, and it creates a voting system that tends to under-represent urban and inner-suburban residents.	In the short run, Metropolitan Council membership should consist primarily of city and county elected officials, thereby eliminating the need for the Transportation Advisory Board. In the longer term, the next administration should carefully assess different governance options.
Locate state agencies in regional centers.	Locating public sector facilities sends a signal to the market about where growth should happen. As such, the placement of these facilities away from downtowns and main streets can exacerbate urban and rural disinvestment.	State agencies should locate, when feasible, in transit-accessible and/or walkable downtowns and regional centers. These developments can often help catalyze community or municipal redevelopment efforts by bringing a stable supply of office workers into a community and spark transit usage. And this approach leverages private sector development as well.