



COUNCIL INITIATIVE: ADMINISTRATIVE STREAMLINING

H.F. 3882 (Virnig)

Why the Met Council is pursuing this legislation

This proposal would make administrative modifications to streamline processes that will improve program administration and also simplify processes for our local government partners.

1. Eliminate the Met Council's role to review municipal housing bonds programs
2. Clarify inconsistent and obsolete statutory references
3. Streamline metropolitan significance review and reporting
4. Streamline Livable Communities Act reporting
5. Clarify enrollment for Livable Communities Act programs
6. Clarify auditing processes for parks operations and maintenance funding
7. Remove conflicting language about the Agricultural Preserves program

Section 1 – Metropolitan housing program review

- Minnesota Statutes, section 462C.04, requires cities in the metropolitan area to submit their housing bond programs to the Met Council (as the designated regional development commission) for review and comment, related to the consistency of those plans with the Metropolitan Development Guide.
- Currently, staff in the Met Council's Community Development division review each housing program and submit a letter back to the local government. The Met Council doesn't have specific expertise on housing bond programs, nor does the review provide any value for local governments or regional systems.
- This section removes that requirement for metropolitan area cities. Cities must still conduct public hearings related to their programs, but they would no longer need to submit bond program information to the Met Council for review.

Sections 2 and 3, and 11 through 14 – Clarify requirements and language

- There are several instances in statute that say the Met Council and other government agencies "shall" perform certain responsibilities. This proposal would follow drafting standards by inserting the word "must."
- In addition, several references in statute inconsistently identify the Met Council's role over "orderly and economic" or "orderly and economical" development in the Twin Cities region. This proposal would make all references consistent with "orderly and economical" development as is outlined in Chapter 473, which explicitly governs the Met Council and its responsibilities.
- Several references in this section also recommend removing obsolete references to specific years and dates that are no longer relevant given updates to statutes. For example, Minnesota Statutes, section 473.864 includes language that references a specific year rather than just referencing the system plans in effect at the time a local government request is being considered.

Section 4 – Metropolitan Significance rules

- Minnesota Statutes, section 473.173 requires the Met Council to review the Metropolitan Significance rules every two years, as detailed in Minnesota Rules, Chapter 5800. These rules establish standards, guidelines, and procedures for determining whether any proposed matter is of metropolitan significance.
 - While the Metropolitan Significance rules are important, they are not frequently invoked. The last matter of Metropolitan Significance that the Met Council considered happened in 2001.
- The revisions proposed in Section 4 would streamline the review process, requiring review and assessment of the rules by the Met Council and its Land Use Advisory Committee every 10 years rather than biennially.
- Less frequent review of the rules would lessen the possibility of changes impacting local units of government and other agencies when determining whether a proposed project is of metropolitan significance.

Section 5 – Annual reporting to the legislature

- Minnesota Statutes, section 473.245 establishes an annual report to the Legislature that includes summary information about changes and reviews from local governments. The references are redundant and the proposed change clarifies that the report include plans from local governments, plan amendments, environmental reviews, and other permit and plan reviews conducted by the Metropolitan Council.

Section 6 – Livable Communities Act reporting

- This section recommends inserting subdivision headings to clarify and better organize requirements in Minnesota Statutes, section 473.25 for the Livable Communities program. New headings clarify the elements already in state law identifying the funding criteria, guidelines, priority applications, and annual funding plan for the Livable Communities program.
- The proposal also clarifies that the annual report to the Legislature about the Livable Communities program be submitted by April 1 each year.

Section 7, 8, and 9 – Livable Communities Act funding and participation

- Sections 7, 8, and 9 include clarifications that municipalities and governments in the Twin Cities region that elect to participate in the Livable Communities Act program are eligible for funds from any of the four fund accounts: the Tax Base Revitalization Account, the Livable Communities Demonstration Account, the Local Housing Initiatives Account, and the Inclusionary Housing Account.
- These sections also provide that municipalities may elect to participate or revoke participation by Dec. 31 of any year, effective for the following calendar year. The proposed language also removes a requirement for the Met Council to conduct a public hearing related to local government's choice to participate in the program or to revoke participation. Communities electing to participate in the program will still be required to adopt local affordable and life-cycle goals by resolution, which in practice is typically done by holding a local public hearing prior to adopting goals.
- The proposal removes a requirement that local governments receiving grants from the Local Housing Initiatives Account provide a one-to-one local match, which makes the program more supportive and affordable for local governments.
- The proposal identifies Tribal governments as eligible development authorities to participate in the Livable Communities program.

Section 10 – Regional parks auditing procedures

- The Metropolitan Council distributes state operations and maintenance funds to the 10 regional parks implementing agencies.
- Current statute requires parks implementing agencies to submit the previous year's actual expenditures by July 1. Met Council staff are required to review all submissions by July 15 with initial payments made by Aug. 1.
- The proposal would amend the process and clarify that operations and maintenance reimbursements will be based on the most recent audited financial statements rather than reported actual expenses from the most recent year.
- This would ensure that adequate time is provided for a complete review of data and expenditures to ensure accuracy of operations and maintenance funding distribution.

Section 15 – Metropolitan Agricultural Preserves Program

- The Metropolitan Agricultural Preserves Program statutes have a conflict between land use authorities and the responsibilities of the Met Council and the order of process steps when a local authority initiates the expiration of a property from the program.
- The proposed revision to the statute would clarify the relationship and process steps between when a local authority initiates expiration and when they need to amend their comprehensive plan.
- Currently, the Agricultural Preserves statute (Minnesota Statutes, section 473H.08, subdivision 3) directs the local authority to amend its comprehensive plan prior to initiating expiration, showing a land use other than long-term agriculture on the site. To amend the comprehensive plan, an application for an amendment must be authorized by the Met Council.
- However, unless there is already a request to initiate expiration, the Met Council is unable to process the land use re-guiding due to the land use provision within the Agricultural Preserves statute (Minnesota Statutes, section 473H.17, subdivision 1), directing the specific land use requirements for properties already in the program.
- The proposed revisions would have the initiation of the expiration completed first, followed by an amendment to re-guide the land to a land use that exceeds the maximum density of 1 unit per 40 acres. The expiration from the program would not change the restrictive covenant, which would remain in place for the duration of the term (8 years) in accordance with the original enrollment documents.

Section 16 - Repealers

- This proposal repeals Minnesota Statutes 2024, sections 473.254, subdivisions 1, 2, and 9 which relate to the Livable Communities Local Housing Incentives Account streamlining found in Sections 7 through 9 of this bill. The proposal also repeals section 473.859, subdivision 2a which is part of report streamlining found in sections 5-6 of this bill.

Contact

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