

# MINNESOTA Journal

A PUBLIC POLICY MONTHLY FROM THE CITIZENS LEAGUE

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There has been a mantra that we have used for quite a long time. It's a policy mantra. By 2020, 500,000 or 600,000 people are coming. In fact, according to the recent U.S. Census figures, in the past decade some 500,000 people have already come to the state. Rather than continuing to think about who might be coming, its time to focus on the 2.9 million people who are already here.

—Bill Morrish, see page 6

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## Laying the foundation: building better housing policy

by Katherine "Kit" Hadley

Public attention to the affordable housing crisis in Minnesota has far outweighed the extent of good, substantive policy debate about how to solve the problem. Three important policy issues raised by the current crisis deserve more attention.

### How do we produce housing for the lowest wage workers?

The lowest wage-earning households, those earning less than \$18,000 annually, do not earn enough money to pay even the monthly operating costs of newly constructed or rehabilitated rental housing. Providing affordable housing to these households requires subsidizing 100 percent of the bricks and mortar costs of construction, as well as all or part of the monthly operating costs for things like sewer, water, trash collection and taxes.

The problem is no current program does this. The first two generations of federally subsidized programs to build low-income rental housing—Public Housing and Section 8 Developments—did, by both subsidizing the cost of building low-income units and by providing building owners with ongoing operating subsidies.

In the 1980s, the start of the third era of federal housing programs, Congress in effect separated federal subsidies for construction and rehabilitation from the operating subsidy program. The Low Income Housing Tax Credit Program (LIHTC) offers tax incentives to builders who agree to charge below-market rates. The Section 8 Voucher Program gives subsidies directly to residents, allowing them to shop for apartments in the private market and choose where they will live.

The change has made it more difficult for the lowest income families to find housing, especial-

ly in a tight rental market, where even below market rents are still out of reach.

The success of this two-pronged approach depends on an adequate supply of housing overall, housing available in the right locations, and on owners willing to participate. The evidence shows that since vacancy rates started declining in the mid-1990s, fewer owners have been willing to participate and the utilization of Section 8 Vouchers has fallen. Last year, there were some 3,000 Section 8 vouchers unused. If Section 8 Voucher-holders in the metro area can find housing at all, it's likely to be only in Minneapolis and St. Paul, adding to racial and poverty concentration.

Section 8 Vouchers, recently renamed Housing Choice Vouchers, appear to offer residents more choice about where to live. But would the lowest income families and the lowest wage workers have more choices in a system where operating subsidies were tied to specific developments built near jobs and transit? Wouldn't this approach better promote racial and economic integration throughout our communities?

There is a possibility that this policy debate will take place at the federal level. Congress began looking at a new federal rental production program last year. And the blue ribbon Millennial Housing Commission, appointed by Congress in 2000, is expected to make recommendations on the production of housing serving extremely low-income households and other issues by next February.

### How do we produce affordable housing that is sustainable long-term?

There are two ways to lose affordable rental housing, other than demolition. One, the owner



Your April 17 edition contained a glaring inaccuracy in an item by Phil Jenni regarding Education Minnesota and its use of interest earnings from its crisis fund.

Jenni incorrectly asserted that the delegates at Education Minnesota's representative convention in March voted to use earnings from the fund to pay "debts" owed to the National Education Association (NEA).

Contrary to Jenni's assertions, the delegates at Education Minnesota's representative convention DID NOT approve the use of this money for this purpose. In fact, the motion that was passed specifically prohibited the use of crisis fund money to pay-off "debt" to the NEA. What the delegates did approve was a motion authorizing the Education Minnesota Governing Board to use crisis fund earnings to pay any shortfall in dues owed to either of the two national organizations, should such a shortfall ever occur. To date none has, and we do not anticipate this to happen in the future. But in the unlikely event that one should occur, we would be prepared to deal with it.

Had Jenni bothered to call Education Minnesota to verify his information, he would have learned that it was inaccurate. However, he apparently made no attempt to contact what should have been his primary source as a reporter.

Such recklessly irresponsible reporting has no place in any reputable publication. It is especially inexcusable in the *Minnesota Journal*. The public should be able to count on the Citizens League to provide accurate information in its pursuit of ethical, fair and sensible public-policy debate.

And reputable organizations such as Education Minnesota should be able to count on being treated fairly and impartially by the League's public newsletter. In this instance the reporting standards and snide editorial commentaries were more akin to what one might expect from the *National Enquirer* than the journal of a respected Twin Cities institution.

We trust that this erroneous information will be corrected, and that a more exacting standard of reporting will be applied in the future. At a minimum we should be able to expect the courtesy of a call.

—Michael Dean, Manager of Communications  
Education Minnesota, phone 651-292-4850  
mdean@educationminnesota.org

*Editor's note: The Take Notes section is a compilation of information from other print and online sources. The item referred to was excerpted from the online journal, the Education Intelligence Agency, written by director Mike Antonucci.*

### Mr. Antonucci responds:

The Education Minnesota resolution authorized the governing board to "use interest earnings from the crisis fund to make up for any shortfall in national dues obligations." Apparently Mr. Dean is exercised that the word "debt" replaced "shortfall in national dues obligations." He refers to this as a "glaring inaccuracy," "inexcusable," and "recklessly irresponsible reporting." He claims Education Minnesota has not experienced such a shortfall. He is wrong.

When the Minnesota Education Association and the Minnesota Federation of Teachers merged in September 1998, they took on a financial liability to NEA for each of the former MFT members — a total of \$2.4 million, which NEA agreed would be paid over a period of 10 years. The union has spent more than two years petitioning NEA to forgive this liability, to no avail.

Hello Citizens League Members and Friends:

I hope everyone is doing well as we begin the summer season. It's been a little over a month since I left Minnesota on May 1, 2001, so I just wanted to give you an update on my activities here in North Carolina.

As you may recall, I was asked to come to North Carolina to develop affordable home ownership housing units to replace housing lost as a result of Hurricane Floyd in 1999. Our first project was to build 50 new homes in Greenville, NC. One of the major challenges for this project was the fact that nearly 50% of the \$800 million in flood relief funds allocated by the state of North Carolina had not been spent by 2001. Coupled with this was the fact that the state began this year with an estimated \$600 budget deficit. As the state legislature wrestled with this problem, this put the flood relief funds in jeopardy.

On May 21, 2001, we received notification that our Greenville project, although

meeting the need for housing, could not be funded because of lack of available resources from the state. At the last minute, the state received more applications for the funds than was available from the original \$800 million allocation.

However, the good news is that a statewide, nonprofit organization called the Center for Community Self-Help, Inc., headquartered in Durham, NC created a new position and asked me to join them as their new Director of Community Development on June 1, 2001. Self-Help's mission, which began in 1980, is to foster the goals of the civil rights movement through economic empowerment and wealth creation. Working primarily as a small business technical assistance provider and lender to small businesses and first-time homebuyers, Self-Help has recently begun to acquire commercial properties in distressed downtown areas and neighborhoods throughout the state of North Carolina.

Already the largest nonprofit secondary market lender in the country, Self-Help would now like to be able to act as a developer in these targeted markets to bring mixed use development to the commercial districts and to build or redevelop affordable home ownership units in the neighborhoods. This is where I come in.

My first project is the redevelopment of 30 houses for home ownership in the Walltown neighborhood of Durham. The Walltown neighborhood is very similar to north Minneapolis a few years ago, with high crime, drugs, several vacant and distressed properties, and absentee landlords. Its biggest asset is that it sits right next to Duke University. Working on parallel tracks, I have begun organizing the residents while simultaneously developing a relationship with Duke to help support the redevelopment efforts in the neighborhood. Thus far, both efforts have been successful.

I hope to be able to share more with you all as the work progresses. Have a great summer. I look forward to seeing many of you in the future.

—Matthew L. Ramadan

*The Minnesota Journal welcomes your letters and comments. Please include your name, address, and phone number. We reserve the right to edit letters for length and clarity. MJ*

# Viewpoint

From the Executive Director

## E-Government: From information to transactions to transformation

by Lyle Wray

I had the opportunity in March to attend the United Nations global forum in Naples, Italy which showcased a number of major developments in putting the power of information, computing and telecommunications technology to work to improve public services. "E-government" as it is being called, uses technology to improve the access and quality of government services for citizens and businesses, and to give public servants better tools in the field and in the office.

There is now enough experience, as described by participants at the UN forum, to reveal three evolutionary stages in the use of advanced information, computing and telecommunication technologies in public services. Those three stages are: information, transactions and transformation.

The first stage, information, involves using the Internet to provide basic information. About 80 percent of government websites in the U.S. are at this stage, providing information to citizens in a kind of "electronic pamphlet rack." But there are examples of promising developments that will make it much easier to access services without having to navigate a myriad of department websites. We are moving

beyond the current maze of single department or city web pages to a much more "citizen friendly" face on the Internet. A United Kingdom website, UK Online, lists major life events such as moving, dealing with crime, getting a passport or having a baby ([www.ukonline.gov.uk/online/ukonline/leHome](http://www.ukonline.gov.uk/online/ukonline/leHome)). The site does the work of weaving together the various government departments behind the scene so that the citizen doesn't have to. In Singapore, citizens can access information on everything from having a baby to opening a business by clicking through a "road of life" graphic.

The second stage of e-government, transactions, goes beyond providing information to allow citizens and companies to actually transact government business online. In the U.S., governments are just beginning to explore this opportunity. About \$1 trillion in purchases flow through national, state and local governments in this country. So far, only one percent of that business is done online, although, in terms of volume, the U.S. government is the largest public or private seller on the Internet.

Paying fines, taxes, and renewing driver licenses on line is becoming more common here and overseas, but many people continue to have concerns about the security of their information and possibility of identity theft. These concerns remain a significant barrier to the widespread acceptance of doing business on the Web. Electronic signatures and other security measures may go some way to assuaging citizen concerns, and the \$1 trillion pool of transactions suggests people are interested in the Internet for increased convenience and to hold down costs.

The third stage of e-government, transformation, involves using these technologies to dramatically restructure the way in which public services are provided. One good example is the Software Advisors program available from the Occupational Safety and Health Administration ([www.osha.gov](http://www.osha.gov)). This program responds to

employers' questions about specific activities and advises them on ways to protect worker safety and health. For example, if an employer is removing lead paint, the system asks a number of questions and suggests specific safety procedures and resources. This is a major change from a "gottcha" form of inspection.

Transformation will be aided by technology advancements that allow for more cost-effective wireless computing. Many aspects of public service, from social work to building inspections, involving fieldwork, paperwork and records handling, are ripe for a dramatic makeover using these technologies. In the future, restaurant inspectors could use a laptop to demonstrate proper food handling techniques with videos, or draw instantly on a database of violation histories.

The application of these technologies has implications for Minnesota. First by enabling the use of a smaller and more skilled public service corps at a time that coincides with a dramatic exodus of the baby boomers from the workforce over the next 15 years. E-government should be a key part of dealing with a looming labor shortage. Second, the state and local governments will have to pony up major investments in e-government to keep pace with other states and countries. A proposal before the 2001 legislature to integrate criminal justice information, CrimNet, priced initially at \$40 million and reduced to \$27 million at this writing, represents but a taste of the financial outlay that will be required. Third, we have to commit to making citizens literate and digitally literate to ensure that access to e-government for seniors and low-income people is as convenient as the telephone. Lastly, we need to press the Governor and the state legislature for an aggressive plan to provide better public services, and to begin preparing for a long drought of new state workers. If we are going to "point and click" our way to more effective and efficient government in Minnesota, we have a lot of work to do. MJ

### The Minnesota Journal

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decides to convert the property to market rate. Two, the property falls into disrepair, the ownership entity falls apart, or both. Two key issues for long-term sustainability are the nature and quality of the ownership entity and the availability of money for routine upkeep and major improvements over time.

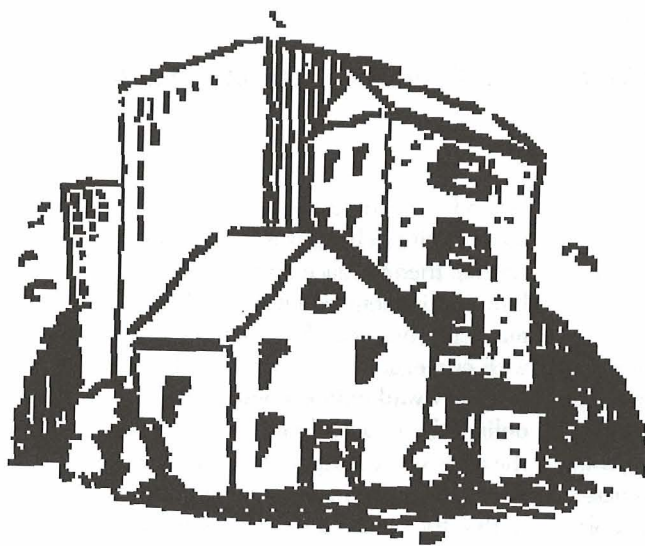
One of the biggest threats to the low-income housing market currently comes from owners of federally-assisted housing seeking to convert their units to market rate. Preserving those units for low-income residents poses a major challenge, and if we are not successful, will further exacerbate the housing crisis.

Although some argue that the lesson of the preservation crisis is non-profit ownership, there is no magic bullet on this issue. There have been spectacular successes and colossal failures with all kinds of ownership: public, non-profit, and for-profit.

The appeal of non-profit or public ownership is mission: the organization will never convert the housing to market rate. But some of the most expensive preservation projects in Minnesota and around the country have been properties owned by non-profits or public agencies where the property was so badly deteriorated that units stayed vacant, the federal subsidy was threatened, or both.

The challenge of non-profit ownership is money and long-term organizational stability. The most experienced, successful, well-run non-profit housing development organizations struggle nearly continuously to fund their on-going operations. We cannot significantly expand the non-profit housing sector without a serious increase of funding for organizational support from the public and philanthropic sectors—the same sources that also directly subsidize housing development costs.

It is also important to appreciate the role that for-profit ownership has played politically in making housing a relatively bipartisan issue over the past 30 years. Since 1970, every major affordable housing program or funding increase has been



Affordable, integrated, and choice.

in a program based on private for-profit ownership or investment: Section 8/236 Developments, Section 8 Vouchers, the LIHTC Program, and Housing Bonds. Many LIHTC developers around the state report that one of the selling points with the local community is that a private tax paying company is part of the ownership entity.

Whatever the form of ownership, the other critical question is whether money will be available decade after decade for routine upkeep, new windows, roofs, heating systems and other necessary capital improvements. Do we so fully capitalize a project at its beginning that we guarantee that money will be available in 20, 30, or 50 years? Putting this much money into projects at the outset will cut down on the amount of housing production we're currently able to fund. What is the right balance between long-term sustainability and building new units?

#### How do we achieve more unsubsidized private development?

The continuum of people who cannot buy a home or rent an apartment with 30 percent of their income has changed over the past 10 years. It is larger, more desperate on the poor end and more middle class on the higher income end. Because

it is impossible to subsidize our way out of the housing crisis, we need as much private, unsubsidized development of affordable housing as possible.

We must allow private developers to develop more housing that costs less. There is no question that the private sector can deliver more housing at the lower cost end of the market—particularly homes for ownership—without sacrificing quality. Developers can build more units per acre, smaller units, and a greater variety of housing types. They can employ smaller setbacks and alternative technologies. The approval and permitting processes can be shortened.

The City of Chanhassen recently approved a 400-plus for sale housing development that includes 150 homes that will sell for \$110,000 to \$120,000, without public subsidy. Applicants to the Minnesota Housing Finance Agency commonly request public funding to bring sales prices down to this level—and higher. We need thousands more homes selling for these prices and less.

Cities are arguably the most important policy makers in increasing unsubsidized private development. The most critical affordable housing policy issue may be the issue of how we will grow, how we will develop and redevelop. Will we allow housing to be developed/redeveloped that the workforce can afford? Will we allow our communities to be racially and economically integrated? Will we permit more choices of housing type and cost? We will not increase the supply of affordable housing without taking more seriously the critical role cities play in answering these questions. **MJ**

*Katherine "Kit" Hadley is the Commissioner of the Minnesota Housing Finance Agency. She is also a member of the Citizens League Board of Directors.*

# OnBalance

Views From Around the State

*The gloomy weather seems to be affecting editorial writers around the state*

Almost without exception, editorial writers across the state, while lamenting the necessity for a special legislative session, were encouraged by what appeared to be a workable compromise. Little did they know.

The **Marshall Independent** (5/23) writes: "While the session has not always gone smoothly at the Legislature this spring, there is almost universal agreement that work on one of the most important pieces of legislation—property tax reform—could lead to a dramatic and positive change for the state...If lawmakers deliver in overtime on the property tax reform – and reach solutions on other key issues then there will, indeed, be reasons to say it was worth the wait."

The **Pioneer Press** (5/18) says real tax reform is worth the wait. "It would be regrettable if the two houses of the Legislature and the governor need a special session to resolve their differences over proposals to overhaul the state's property tax and school finance systems...The Ventura and House tax plans would build greater accountability into the tax system. Both plans also would require homeowners to bare a greater share of the burden for future tax increases. This would give them a greater incentive to monitor local government spending decisions."

The Press notes that 30 years ago the Legislature needed a 157-day special session to hammer out a plan that became known as the "Minnesota Miracle." "If another fiscal miracle is within reach of Ventura and today's Legislature, an extra week or two would be well worth the wait."

The **St. Cloud Times** (5/22) agrees tax reform could justify legislative overtime. "The fact is Minnesota's 2001 Legislature is on the verge of crafting potentially historic property tax reform. And if it takes a few extra days/weeks to make history, then it's worth the wait...However, if legislative leaders and Gov. Ventura can't overcome their differences and pass tax bills devoid of substantial changes, then they should be voted out of office."

The **Mesabi Daily News** (5/23) notes: "This now remains a session under construction...It is easy to say all the work should have been done...But for the governor to do so ignores the fact that he tossed out a budget calling for major change in how revenues are generated and doled out in the state and then stepped back for months. He didn't get down and into the legislative fray."

The **Mankato Free Press** (5/18) was short and to the point. "Capitol stalemate is unacceptable...Minnesotans deserve a tax rebate, tax reform and adequate funding for education, nursing homes and the state's many other essential programs. All can be accomplished, but lawmakers need to put partisan politics aside."

"Lawmakers adjourned the 2001 regular session, with little to show for five months of work," lamented the **Red Wing Republican** (5/22). "The empty-handed adjournment is unfortunate, but the alternative—to close the books without seizing the opportunity for meaningful tax reform—is worse. It's worth calling lawmakers back to St. Paul if Gov. Ventura and legislative leaders can forge a package that will bring greater accountability to government spending and put money in the pockets of Minnesotans."

**Energy sources, or the lack thereof, are beginning to slip into the media consciousness across the state.**

The **Rochester Post Bulletin** (5/8) applauded the McKnight Foundation's support of a program called "Wind on the Wires" to support the expansion of wind power in Minnesota. "The project is aimed at building a market for wind power in the Upper Midwest. It could also lead to building factories, which make the wind machines in Minnesota. If the state develops a broader wind power program, it could export the power generating machinery and technology."

"There is good public support for the use of

wind power, but it is difficult to overcome the utility industry's commitment to the use of fossil fuels or nuclear plants to generate electricity."

The **Worthington Daily Globe** (5/17) notes: "America needs to develop its renewable energy sources. That won't happen until officials on both the state and national level put support behind biodiesel, ethanol, wind and other sources of renewable energy...As (traditional) energy rates increase, so do bills paid by churches, governments, school districts and homeowners. Money that normally could be spent on other projects or saved for the future."

"The electric crisis in California is but a tip of the iceberg when considering future power problems all states will face," warns the **Bemidji Pioneer** (5/17). "It means planning now for the future...We must continue to push alternative energy sources, such as wind and solar, but experts agree that alternative sources and conservation alone will not solve our energy needs in the future. We must develop 'clean' industries, even though we will still need to rely on more (traditional) power generation. It may mean coal-fired or nuclear-powered plants. They must be sited and operated in an environmentally sound manner, but they will be needed...An energy policy is needed now...We want to be prepared, and not sit in the dark as many Californians are doing."

The **West Central Tribune** (5/31) noted that "Farmers would have a much better chance of improving their income and gaining economic power by bargaining collectively rather than competing individually...Farmers and not the government or the market must take more responsibility for improving their income. They'll need to think in new ways...success will be measured in renewed hope for farmers, a greater feeling of working toward a common purpose and a larger share of the profits now reserved for more powerful (and organized) guests at the food system table." **MJ**



# Building a new metropolitan identity

by J. Trout Lowen

Minnesotans have an inferiority complex, according to Professor William Morrish. Too often, we think of ourselves as just Midwesterners, neither as edgy as New Yorkers nor as trendy as Californians. That attitude has led to accepting and expecting less than the best of ourselves, and to the belief that since we are stuck in the middle between East and West Coasts, we are sort of middling and mediocre, and that's OK.

That kind of thinking is not OK anymore, argues Morrish, who for more than a decade has been defining the cutting edge of urban design, both here and across the country, as the head of the University of Minnesota's Design Center for the American Urban Landscape. Minnesota is changing. The population is becoming more diverse, the metropolitan area is reaching maturity, and our suburbs are sliding into middle age.

To respond to those changes, Morrish says, state and local officials need to dispel some of the long-held myths about Minnesota and change the way they think about urban planning. They need to create a statewide policy and an urban design framework aimed at building livable communities. They also need to recognize that old alliances and boundaries are breaking down and new ones are forming.

Largely, they will have to do that work without Morrish, who left his post at the design center this month to take a job at the University of Virginia.

In a farewell speech in May at the James J. Hill library in St. Paul, Morrish delivered some parting advice on how to make Minnesota more competitive in the new economy. The full text of Morrish's speech is available on the design center's website [www.cala.umn.edu/dcaul-center/dcaul.html](http://www.cala.umn.edu/dcaul-center/dcaul.html)

## We are not the middle

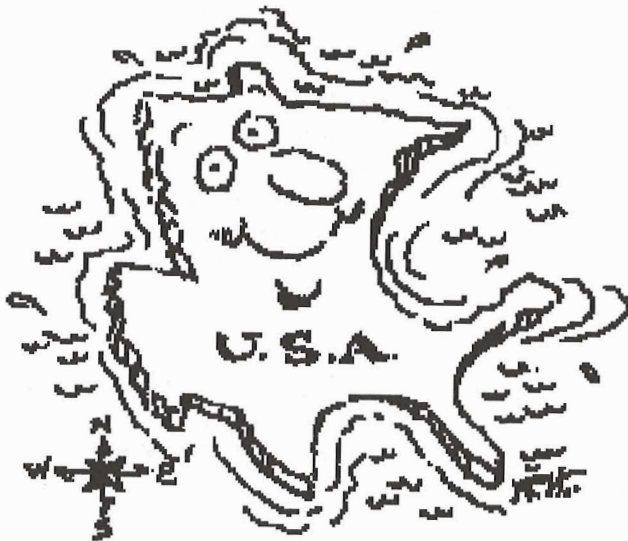
Fundamental change has come to this area, as it has come to many communities across the nation... and it's time to start dealing with it, Morrish says.

"It's time to begin to understand that

we're neither mid to west, nor even the upper Midwest anymore. In other words, you're not halfway to somewhere else."

Instead, Morrish says Minnesotans have to start seeing themselves as a wellspring of creative leadership in design innovation." I think this is something we've lost for quite a few years. We've been basically complacent, we've been sitting on our laurels and it's time to begin to understand that we are not the middle of anything. Not mediocre."

There's a myth, Morrish says, the



Midwesternia—the center of everything!... and other coastal areas.

American city is homogeneous and lacking in culture. But a close look at Minnesota and the metropolitan area reveals a great deal of diversity. In 1968, an ecologist called the metropolitan area the heart of Minnesota's "ecological tension zone." Essentially, Morrish says, the state evolved around the idea that this is a place of difference, and that difference is what attracted people: the big woods, the northern environment, the savannah, and even Lake Minnetonka. "It was difference that attracted so many people here, not sameness," Morrish says.

"If you look at the soil, the water, the ecology, and the culture, you began to understand there is quite a lot of difference in Minnesota. But what we need to do is build a statewide policy on the notion."

Once there's a statewide policy, Morrish contends, officials can begin to focus on

something he calls the infrastructure of the new social covenant, a body of research that Morrish has been developing since before he arrived in Minnesota and which he recently expanded." The idea is that infrastructure is a cultural system. If you're going to do ecology, or roads, sidewalks or street lights, then you have to think of it as a cultural system," he says.

"If you think public work, it is the true representation of our cultural values, because it is the one thing that we put all of our pennies together to build and it should represent who we are."

Morrish points to the Minneapolis Chain of Lakes as an example of that social covenant, and he urges planners to build on natural feature like wetlands, not just as an amenity to the community, but as a part of the infrastructure." It has to be part of our basic civic equation. It cannot be seen as an addendum," he adds.

One unique and surprising thing about Minnesota, Morrish says, is that the metropolitan fabric is a continuous fabric from the central city "as far out as you want to define an edge."

"That is not a normal American city. What's interesting also is that we believe we can go anywhere in the state and people are alike, like a free flow. This is very important.

You feel safe. You feel you can move.

"We have to remember that our civic identity up here, and I don't care where you live, is based on a wide range of rich public connections," Morrish continues, adding, "Without it, you are a cold Omaha."

## Planning to stay

Rather than thinking that New York or California is the place to be, the cutting edge, state and local planners need to begin to recognize that Minnesota is now a destination place for many, Morrish says. People are coming here, and they are coming to stay. When he first arrived in Minnesota in the 12 years ago, Morrish says, one of his first projects with his wife and fellow planner, Catherine Brown, was to develop a neighborhood planning guide

# Planning *continued from page 6*

titled "Planning to Stay." The guide was based on the concern the people were leaving the community and moving out to suburbs. But that trend has changed, Morrish argues. Now, not only are people planning to stay, more are coming. But the same issues addressed in his planning to stay guide are still important.

"There has been a mantra that we have used for quite a long time. It's a policy mantra. By 2020, 500,000 or 600,000 people are coming." In fact, Morrish points out, according to the recent U.S. Census figures, in the past decade some 500,000 people have already come to the state. Rather than continuing to think about who might be coming, Morrish says, it's time to focus on the 2.9 million people who are already here.

"Now what we're dealing with is a complete realignment of our system to the new economy," Morrish maintains. "And that is a completely different argument than growth. It's a livable community argument. It's about organizing the neighborhoods so they can be serviced and serviced into this large macro business system."

To do that, the Metropolitan Council needs to overhaul its database system and build a regional community database around the idea of livable communities. State agencies need to share information, Morrish says, pointing specifically to the Department of Trade and Economic Development.

Without information sharing, he says, the Metropolitan Council cannot make accurate productions of where businesses are and what they need. State local officials also need to begin to focus on a larger area, expanding the idea of "metropolitan" from seven counties to include 15 or 20 counties in Minnesota and western Wisconsin in order to find solutions for regional transportation needs and other quality of life issues. Focusing on quality of life issues, Morrish says, is key to creating regional prosperity.

## Reorganizing the Metropolitan Council around sub-regional coalitions

Morrish also advocates reorganizing the Metropolitan Council's representation and planning around sub-regional coalitions. The old model of the center cities and suburban rings is no longer serving the popu-

lation, he says. The boundaries between the cities and suburbs are disappearing, he adds. Many residents living in North Minneapolis are more concerned with the future of Brookdale than they are with downtown Minneapolis, just as residents in St. Paul's Como neighborhood have more ties to Har Mar Mall.

As those traditional boundaries are blurring and disappearing, new boundaries are forming, Morrish says. Regional community coalitions are being created around issues like roads, economic development, environmental issues, and schools. Recognizing these coalitions is important for establishing a new metropolitan agenda.

"I don't think electing people out of the county jurisdictional system, or even the city jurisdictional system is correct," Morrish says, "because it doesn't reflect the issues that the Metropolitan Council and others have to deal with in regards to livability, which are the issues that cross boundaries."

"That is the true metropolitan structure, rather than the center in the rings," Morrish adds. "So I say grab onto what the coalition is talking about, because this is the new invention of metropolitan thinking. Just as these communities created the Metropolitan Council years ago, they are the way for restructuring."

## Getting rid of our hang ups about housing

Morrish also suggested state and local officials take steps to address the affordable housing crisis by eliminating the apartment penalty tax and upgrading the existing housing stock. "We've got some real hang ups about housing," he says. "The first one we have to get over is, renting is not a sin. Therefore, why tax it as if it is a sin. The second one is, raising families in attached homes and on the second floor won't damage the children."

Where there used to be

just one or two family types in the United States, Morrish argues there are now dozens with different housing needs and planners need to adapt to meet those needs.

Any discussion of affordable housing should begin with a plan to upgrade existing stock, Morrish says, and municipal government need to legislate targets for the creation of affordable housing units. "Legislate one in five for affordable units," he says. "You've got to get housing production up and every city that started to do it on a unit-by-unit basis has failed. They've only been able to achieve it in Santa Monica and Portland by putting in a factor of one in five."

"Fill all the gray fields at a minimum of seven units per acre," Morrish suggested. "If you're going to renovate all the old Apache malls, don't put in a big box theatre, and don't put in elderly housing. That isn't the way we're going to answer the density question." MJ

J. Trout Lowen is acting editor of the Minnesota Journal.

## How Minnesota's education spending compares nationally:

Category		per capita national rank
Total per capita spending	\$1,839	9
Total as % personal income	7.1%	24
Higher ed per capita	\$431	23
Higher ed as % personal income	1.7%	34
K-12 per capita	\$1,328	5
K-12 % personal income	5.1%	14
K-12 enrollment as % of pop	18.1%	11
Higher ed enrollment as % of pop	4.4%	22
Pupil-teacher ratio	15.8	25
Per pupil spending	\$6,946	13
Average teacher salary	\$39,458	19

Source: Governing Magazine, Sourcebook 2001

Planning continued on page 7



# TakeNote

## Policy Tidbits

*A few more ingredients for spicing up the Minnesota public policy stew.*

**Here come the scanners.** The projected 20-year labor shortage will likely be met with a lot of labor-saving automation. Productivity Solutions of Jacksonville, Fla. rolled out a new self-service supermarket checkout station last July. It relies on product code scanning and precision weighing technology. At a cost of \$25-30,000 per station, it might begin to look attractive to retailers soon. — *Lyle Wray.*

**The 1999 poverty level for a family of four** was \$17,029 per year. In that year 21 percent of men and 34 percent of women earned less than the \$8.19 per hour rate needed to exceed the federal poverty standard. This is not only an issue for the newly employed as 23 percent of those between age 24 and 44 and 19 percent of those between age 45 and 64 earned less. There are a number of efforts nationally to mandate a living wage for subcontractors of government vendors. The Citizens League study on workforce skill development found that many of the "working poor" could be lifted to a family living wage with less than a four-month training program. — *L.W.*

**The Twin Cities is tied for 18th** place with Los Angeles on the list of the top 20 most-wired urban areas. Not surprisingly seven of the top 14 cities are in California, including three of the top five—San Jose, San Francisco and Orange County. Of the other states only Texas, with Austin at number three and Dallas at 17, has more than one city on the list. The list from *Yahoo! Internet Magazine* was published in *Governing Magazine*. Criteria used to evaluate cities included the percentage of households online, the proportion with high speed connections, the amount of online spending, the amount of local business presence on the web, and the number of sites for local government services. — *Phil Jenni.*

**"Virtual school" is starting to show up** around the Twin Cities area. This is on-line course work: the student perhaps (but perhaps not) actually in the school building; the teacher for sure somewhere else.

Districts like South Washington County and Hopkins are experimenting with this form of learning for remedial or advanced or specialized work. One company offering the courses now has a kiosk at the Mall of

America. And clearly this computer-based learning has significant implications for "home school": No longer do the parents have to be the only teachers.

It's at the college level, too. Michael Offerman, now head of the Learning Research Center at the University of Wisconsin/Madison, moves to Minneapolis July 1 to become president of Capella University, an on-line post-secondary institution. — *Ted Kolderie.*

**Despite the spate of negative publicity** about a few charter schools, Minnesota's charter law has again earned high marks from the Washington-based Center for Education Reform (CER). For the last five years the Center has evaluated the strength of state charter school laws based on 10 major components. Of the 38 states with charter school laws Minnesota ranks 4th in this year's report. According to CER President Jeanne Allen the first decade of study on the emerging charter school movement has illustrated that some laws work better than others "and a strong charter law is the single most important factor in creating strong charter schools." — *P.J.*

**Becky Montgomery, the chair** of the Saint Paul Board of Education, was denied endorsement for re-election June 2 by the city DFL convention.

The teachers union had earlier complained that the board had not done enough to help the 11 schools on academic probation. With scores on the eighth-grade basic skills tests in reading and math remaining flat this spring, as the *Pioneer Press* reported April 18, this looked to become a major issue.

June 6, four days after the convention, the board removed seven of the 11 schools

from "probationary" status. Scores had in fact improved enough, the board decided. — *T.K.*

**Two years ago the Chicago Transit Authority (CTA)** initiated a program that allowed full-time college students to buy unlimited ride transit passes by the semester. Called the U-PASS program, the cost of the pass is included in each student's "activity fee." This spring, at the urging of the Center for Neighborhood Technology in Chicago, the program received a big boost when the University of Illinois Board of Trustees unanimously approved the U-PASS program for full-time undergraduate students at the University of Illinois at Chicago. Students will have unlimited riding privileges on CTA buses and trains beginning next fall, paid for with a mandatory \$75 fee increase in their student activity fee. The addition of the UIC program expands U-PASS participation to 23 colleges and universities. The combined total of 54,000 students probably makes it the largest program of its kind in the country. — *P.J.*

### **Cheaper than soybean mixture.**

Researchers at Iowa's Biomass Energy Conversion facility (BECON) already know that a soybean oil/alcohol mixture makes dandy diesel fuel. Now they've gone a step further by making clean-burning fuel from animal fat. While there's a lot of research being done around the country into biomass products, BECON is taking the technology to the next level by trying to produce marketable substances and working to bridge the gap between laboratory research and real world applications. — *P.J. MJ*

*"Take Note" contributors include Minnesota Journal and Citizens League staff members.*

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