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ARNE H. CARLSON
GOVERNOR

May 18, 1993

The Honorable Dee Long
Speaker of the House
Minnesota House of Representatives
463 State Office Building
Saint Paul, Minnesota 55155

Dear Speaker Long:

I have vetoed and am returning Chapter 234, House File 671, a bill relating to affordable housing and metropolitan governance.

All Minnesotans should have access to affordable housing in the communities of our choice. We should be able to live near where we work, and we should be able to remain in our home communities despite economic changes that may occur during our lives. House File 671 does nothing to advance this ideal.

The bill requires the Metropolitan Council to adopt more rules. It directs the Council to allocate affordable housing needs among metro cities and towns, and to develop a formula for making those allocations. The Council is also directed to identify local barriers to affordable housing, to describe actions to eliminate any such barriers, and to establish procedures by which to cause the development of affordable housing. The Council currently has the statutory authority to engage in these activities.

House File 671 is unacceptable for several reasons. First, it requires the Metropolitan Council to prioritize its allocation plan in inverse proportion to the percentage of affordable housing available. The Metropolitan Council has objected to this requirement, and for good reason. Instead of focusing its housing efforts on areas where jobs and transportation are available, the bill forces the Council to direct its resources into those areas with the least amount of low-income housing, which may also have the least number of jobs. The Council must have the flexibility to concentrate its efforts where it can achieve the best results.

This bill is also premature. The Metropolitan Council is currently revising the Housing Chapter of its Metropolitan Development Guide. Local officials are actively involved in that process, which will be completed in the fall. This bill disregards that effort. In addition, the bill calls for a concurrent study of metropolitan governance (an arguably unrelated subject), which could significantly reshape the Metropolitan Council and its role in affordable housing. The Housing Chapter and any Council reorganization should be completed before the Council is directed to take on this additional authority.

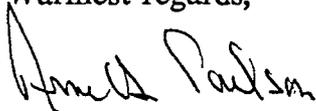
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Instead of imposing housing quotas on local government, the Metropolitan Council along with the Housing Finance Agency should work with individual communities that have identified housing problems, to design programs specifically tailored to their unique needs and identify incentives to encourage the actual development of affordable housing. All of these things can be accomplished without additional legislation.

My rejection of this bill should not be construed as a lack of support for affordable housing or the objectives identified above. In fact, I will be appointing a blue ribbon task force to study this issue over the next several months. The task force will be charged with conducting an inventory of existing affordable housing stock, analyzing unmet housing needs, identifying incentives for the development of affordable housing, and studying the interplay between housing, economic development, job creation, and transportation. Members of this task force will include representatives from the Housing Finance Agency, Metropolitan Council, local government and HRAs, building trades, Regional Transit Board, local chambers and other organizations and individuals interested in this important issue. The task force will report its findings and recommendations by January 15, 1994, so that any necessary legislation can be enacted during the 1994 session.

Finally, House File 671 would also create an advisory council on metropolitan governance. I agree that the current structure is in need of review, and possibly major overhaul. However, the bill does not require a balanced advisory council, leaving open the possibility of a report driven by party politics. This important issue must be addressed through a process that transcends any question of impurity.

Warmest regards,



ARNE H. CARLSON
Governor

cc: Senator Allan Spear, President of the Senate
Senator Roger Moe, Majority Leader
Senator Dean Johnson, Minority Leader
Representative Steve Sviggum, Minority Leader
Representative Myron Orfield
Senator Steve Novak
Senator Carol Flynn
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Edward A. Burdick, Chief Clerk of the House
Ms. Joan Anderson Growe, Secretary of State