



AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION
Thursday, Nov. 8, 2018
6:00 p.m.

Council Chambers
Minnetonka Community Center

1. Call to Order

2. Roll Call

Charlie Yunker
Jerry Knickerbocker
Melissa Johnston

Jacob Johnson
Jay Hromatka
Lee Jacobsohn

3. Approval of Aug. 9, 2018 Minutes

BUSINESS ITEMS

4. Doran Apartments

Recommendation: Review and provide feedback on the financing request

5. Fair Housing Policy

Recommendation: Review the Fair Housing Policy and recommend the city council approve the policy

6. Staff Report

7. Other Business

The next regularly scheduled EDAC meeting will be held on **Jan. 24, 2019**

8. Adjourn

If you have questions about any of the agenda items, please contact:
Alisha Gray, EDFP, Economic Development and Housing Manager (952) 939-8285
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Unapproved
Minnetonka Economic Development Advisory Commission
Meeting Minutes**

**Aug. 9, 2018
5 p.m.**

1. Call to Order

Chair Yunker called the meeting to order at 5 p.m.

2. Roll Call

EDAC commissioners present: Jay Hromatka, Lee Jacobsohn, Jacob Johnson, Melissa Johnston, Jerry Knickerbocker, and Charlie Yunker were present. Megan Luke was absent.

Staff present: Community Development Director Julie Wischnack, Economic Development Housing Manager Alisha Gray, and Economic Development Coordinator Rob Hanson.

Councilmember present: Deb Calvert.

Consultants present: financial consultant Stacie Kvilvang of Ehlers and Associates and legal consultant Gina Fiorini of Kennedy and Graven.

3. Approval of May 23, 2018 Minutes

Knickerbocker moved, Hromatka seconded a motion to recommend that the EDAC approve the minutes from the May 23, 2018 meeting as included in the agenda. Hromatka, Jacobsohn, Johnson, Johnston, Knickerbocker, and Yunker voted yes. Luke was absent. Motion passed.

Items four and five were switched on the agenda to allow time for the developer and consultant to arrive.

4. 2019 Preliminary Budget

Gray reported.

Knickerbocker asked where the \$287,000 for Homes Within Reach came from. Gray explained that it was part of a TIF-pooling balance. The funds would be used to acquire two additional houses and rehabilitate them. In addition, staff hopes to buy seven additional houses funded by other resources. Wischnack clarified that the funds were rolled-over from an old TIF district. Funds for Homes Within Reach are allocated a year and a half before the funds are utilized. Knickerbocker did not think it made sense to continue the program.

Gray continued the report.

Hromotka asked if it made sense to fund the housing programs at the same level if the fund was being underutilized or if there is a way to make the programs more competitive with what is

available in the market. Gray explained that the idea, historically, has been to continue to fund it because there will be years when that opportunity will not be available when interest rates start to rise. There may not be other sources to provide a similar investment in the community. The idea is to keep building the fund and make it self-sustainable to make levying for the programs unnecessary. The city receives payback on the loans.

Hanson added that he and Gray will be meeting with the administrators of the loan programs next month to go over if changes are needed to make the loans more accessible for borrowers.

Hromatka moved, Jacobsohn seconded a motion to recommend that the city council approve the 2019 preliminary budget. Hromatka, Jacobsohn, Johnson, Johnston, Knickerbocker, Luke and Yunker voted yes. Motion passed.

5. **Newport Midwest “The Mariner”**

Gray reported.

Hromatka asked how the demonstrated gap of \$556,179 was determined. Gray explained that the demand for gap assistance will be created by the affordable units in the project. The grants indicated in the original analysis were funded in the recommended amounts. Some of the other funding sources have changed over time, but the need is there because the level of the gap was higher during the last review of the project. None of the grant funds were secured at that time.

Kvilvang explained that the applicant provides a development pro forma that gives details on the sources and uses of funds. Based on the information, the financial consultant determined the amount of \$556,179. Approving the funds up front will allow the application to be competitive when it is in the nine percent tax credit allocation competition. Now that the applicant has gotten the allocation, she will relook at the size of the final mortgage and the amount of the tax allocation. Preliminary analysis of the numbers show that the gap does exist and that the recommendation is an appropriate level of assistance.

Hromatka suggested adding a column to differentiate the number of affordable and market rate units in a project.

In response to Knickerbocker’s question, Kvilvang noted that the city is benefiting from the structure enabled by the project being done in concert with a market-rate project. It is great because the TIF funds are structured as a loan and will be repaid and reused for future projects.

In response to Knickerbocker’s question, Fiorini explained that the language in the contract allowed flexibility in the event that the conditions would change. Wischnack said that the language would cover the variety of affordability in the project. Knickerbocker felt the language would make sense to address the mix of housing.

In response to Knickerbocker’s question, Gray explained that restrictive covenants regarding building management are common in agreements made with other apartment projects that utilize city assistance.

Knickerbocker asked what 60% AMI means, and what the 50 percent represents within the contract. Gray explained that the restriction on tenant income to meet affordable guidelines is equal to 60 percent of area median income. The 50 percent refers to the rent restrictions. Fiorini

said that the contract may need to be corrected to reflect 60 percent instead of 50 percent area median income.

At this time, Gray reported that Becky Landon, project developer, had arrived at the meeting.

Jacobsohn asked for the expected completion dates of this project and the SWLRT. Landon responded that SWLRT is expected to be fully functional in 2023. The affordable housing would take about a year to complete and the proposal should be open by 2020.

Knickerbocker moved, Jacobsohn seconded a motion to recommend that the city council and economic development authority approve the contract for private development. Hromatka, Jacobsohn, Johnson, Johnston, Knickerbocker, Luke and Yunker voted yes. Motion passed.

This item is scheduled for city council and EDA review on Sept. 17, 2018.

6. Staff Report

Gray gave the staff report:

- The Met Council opened bids for the revised and reissued civil construction contract for the SWLRT.
- The Southwest Project Office announced that it had settled on a freight rail agreement with Twin Cities and Western Railroad. The settlement allowed the project office to green light the application for the federal match.
- Staff continue to meet with Metro Transit on a quarterly basis to work on developing new connections and preparing for the LRT opening. There is a driver shortage that has caused route suspensions.
- Development updates provided in the staff report.
- Staff has developed "Thrive Minnetonka," a business specific newsletter sent to over 1,100 businesses in July. Businesses may sign up to receive an electronic copy.
- The Welcome to Minnetonka and Minnetonka Home Enhancement Programs are now administered through the Center for Energy and Environment.
- There is a \$199,392 surplus of CDBG funds. The city council is considering allocating \$160,000 of those dollars to assist business relocation efforts at the Shady Oak Road site and the rest of the funds for housing rehabilitation and administrative costs.
- In 2018, the funding allocation process for CDBG started receiving county-wide requests for proposals. All of the previously funded public service providers who operate within Minnetonka were funded. Additionally, the Minnetonka YMCA received \$12,000 for youth programming. They had not previously received funding through this pool of money.

7. Other Business

The next SLUC lunch entitled "The Lot Size Struggle" is scheduled for Oct. 24, 2018 at 11:30 a.m. at the Double Tree in St. Louis Park.

The SLUC lunch entitled "Impact Fee Comparison" is scheduled for Nov. 28, 2018 at 11:30 a.m. at the Double Tree in St. Louis Park.

A joint comprehensive guide plan meeting is scheduled for Sept. 4, 2018 in the community center.

The next EDAC meeting is scheduled for Sept. 13, 2018 at 6 p.m.

Jacobson noted that a good starting point would be to determine if borrowers' needs are being met by other sources or if there is an unmet need that could be met by the city with a program expansion or change.

8. Adjournment

Yunker moved, Hromatka seconded a motion to adjourn the meeting at 7 p.m. Motion passed unanimously.

**EDAC Agenda Item #4
Meeting of Nov. 8, 2018**

Brief Description	Doran Apartments (Marsh Run)
Recommendation	Provide feedback and make a recommendation to city council

Site Overview

Doran Companies is proposing the redevelopment of the properties located at 11650 and 11760 Wayzata Blvd. The site currently contains three office buildings and associated surface parking lots. The site is currently zoned PID, Planned I394 District, and guided service commercial in the 2030 comprehensive guide plan. Surrounding land uses include a mix of office, commercial and residential uses.

Concept Proposals

On Aug. 27, 2018, the city council reviewed a concept plan to redevelop the combined 2.5-acre site. The plan contemplated a removal of the existing office buildings to construct a six-story, 235-unit, apartment building. At that meeting, the city council expressed support of the residential use of the property and the plan's energy-efficiency and affordability components. The council also expressed concern related to the project's density, mass and integration into the surrounding neighborhood.

On Oct. 8, the city council reviewed a second concept plan. The revised concept plan contemplated the construction of a 190-unit apartment building. The plan indicated a varied height building, with a reduced building height near the residential properties to the north. Consistent with the previous concept plan, the plan indicated a mixture of 1-story townhomes, alcoves (studio apartments), and 1- and 2-story apartments. The plan also indicated roughly 300 interior parking stalls accommodated within two levels of structured parking. Additional parking would be accommodated within a surface parking lot on the west side of the property. The revised concept plan no longer includes a surface parking lot along the north side of the building.

Doran formally submitted an application and plans for the redevelopment of the property that will be introduced at the city council meeting on Nov. 5, 2018. As currently proposed, the office buildings would be removed in order to construct a 168-unit apartment building. The building would have a varied height with a reduced height near the residential properties to the north and would consist of underground parking, structured first floor parking, with apartments above. The building would increase from three above-ground-stories on the north to five stories on the south. Access to the parking garage would be from Wayzata Boulevard in the southeast corner of the site.



Formal application photo simulation – Oct. 2018.

Financing Request

The developer has requested that the city consider providing tax abatement up to \$1,760,000 for a term of 20 years to assist with providing nine affordable units (a mix of one alcove studio unit, six one-bedroom units, and two two-bedroom units) that would be available to households earning 60% AMI for a period of 30 years. The rents at this level of affordability would range between \$1,062 and \$1,273 with a per unit assistance per year cost of \$6,518. This request represents five percent of the 168 units that are proposed in the revised concept plan. The attached letter from the developer further explains the project evolution and financing request.

Tax abatement is the ability to capture a portion of local tax revenues within a defined area to assist with commercial or housing development. Cities typically use tax abatement versus Tax Increment Financing (TIF) for multifamily housing projects when the minimum affordability requirements are not met to qualify for a TIF housing district or the project is meeting other public benefits.

EDAC Subcommittee Review – October 15

On Oct. 15, EDAC Commissioners Luke, Jacobsohn and Hromatka met as a subcommittee to review the financing request using Council Policy 2.14, the council's policy on TIF and Tax Abatement as a guide for the assistance request. The city's financial consultant, Stacie Kvilvang of Ehlers and Associates, and Minnetonka staff Julie Wischnack and Alisha Gray were also present at the meeting.

The EDAC subcommittee reviewed the financing request and provided the following feedback on the TIF and Tax Abatement policy considerations:

- The project is compatible with the Comprehensive Guide Plan as a proposed mixed-use development;
 - The project is identified in the 2030 comprehensive guide plan as guided for service commercial. The applicant is requesting an amendment to the land use designation to mixed use (which is recommended in the draft 2040

comprehensive guide plan). Additionally, the applicant is requesting that the property is rezoned to Planned Unit Development (PUD).

- Priority will be given to projects which:
 - The project would not occur “but for” the assistance;
 - The developer has committed to providing 5% of the units affordable at 60% AMI and has requested tax abatement in the amount of \$1.76 million over a term of 20 years as the preferred financing tool.
 - The city’s financial advisor, Stacie Kvilvang, analyzed this requested and is of the opinion that no assistance is required if only 5% of the units are affordable. Additional information regarding this analysis is provided in the attached memo from Ms. Kvilvang.
 - In past projects, such as Tonka on the Creek and Chase at 9-mile Creek (Rowland), a Tax Increment Financing (TIF) District was established to provide 20% of the units at 50% AMI (the minimum amount of affordable units required to qualify for a TIF Housing District). The developer has not indicated that it is interested in this approach, however, the EDAC subcommittee favored this approach over 5% of the units affordable at 60% AMI (without assistance from the city).
 - The financing required to accommodate 20% of the units at 50% of the Area Median Income (AMI) is approximately \$4.8 million over 18 years. The total of assistance per unit per year would equal approximately \$4,705 for a term of 30 years. This amount is slightly higher than the assistance provided for Tonka on the Creek (\$3,805) and At Home Apartments (\$3,968). However, construction costs have increased over time which could explain the increased cost of construction on a per unit basis. Refer to the attached Affordable Housing Assistance Chart for project assistance comparisons.
 - Rents for units available at 60% AMI would range between \$1,062 - \$1,273 for a two person household earning up to \$45,300 annually.
 - Rents for units available at 50% AMI would range between \$885 - \$1,061 for a two person household earning up to \$37,750 annually
 - In 2004, the Economic Development Authority (EDA) for the city of Minnetonka adopted a resolution recommending the inclusion of 10%-20% of the total units in multi-family developments as affordable housing.
 - The project is in a high priority “village area” as identified in the Comprehensive Guide Plan;
 - The project is located near West Ridge Market and was identified as a site for future redevelopment in in the draft 2040 comprehensive plan.
- The project includes affordable housing units, which meets the city’s affordable housing standards;

- The request to include 5% of the units at 60% AMI with tax abatement assistance does not meet the intent of the 2004 resolution that recommends a minimum of 10%-20% of the units as affordable in multi-family housing developments.
- If the developer considered increasing the affordable units to 20% of the units at 50% AMI, the project would be eligible for TIF Housing assistance and would meet the intent of the 2004 resolution.
- The proposed project amenities will benefit a larger area than identified in the development; and
 - The developer would provide affordable housing opportunities.
- The project will maximize and leverage the use of other financial resources.

Project Schedule

- Nov. 5, 2018 – City Council Introduction of Ordinance
- Nov. 8, 2018 – EDAC provide feedback and make recommendation to council
- Nov. 15, 2018 – Planning Commission review and recommendation to city council
- Dec. 3, 2018 – City Council review of applications

Recommendation

Staff recommends the EDAC provide feedback on the financing request and make a recommendation for the city council to consider on Dec. 3, 2018.

Submitted through:

Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

Additional Information

Memo from Doran

Memo from Stacie Kvilvang - Ehlers

Draft Concept Plans

TIF Policy

2004 EDA Resolution

History of Affordability and Assistance

Minnnetonka Housing Action Plan (2011-2020 Affordable Housing Goals)



November 1, 2018

Alisha Gray
Economic Development and Housing Manager
City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, MN 55345

Re: Marsh Run Redevelopment

Dear Ms. Gray,

Marsh Development, LLC is proposing to redevelop three two-story office buildings at 11650 and 11706 Wayzata Boulevard, Minnetonka, MN 55305. The two parcels (PID #0211722130050 and PID #0211722130062) are at the northeast intersection of Wayzata Boulevard and Fairfield Road and combine to total approximately 2.56 acres. The project will consist of a concrete podium parking garage with approximately 225 parking stalls on two levels—one level of underground parking and the upper level underground on the north side and at grade on the south side. The parking garage will contain all of the resident and guest parking for the project, with the exception of approximately ten surface parking spaces along the circle drive near the main entrance for short-term guest and delivery parking. On the north side, the existing berm will be extended and will slope up to the building, creating a three-story building in height along the north side and five stories along the east and south sides. A “Birch Tree Grove” on the west side will create a focal point for entering the project and the neighborhood. Above level one of the building will be wood framed construction for the apartments and an open, elevated amenity deck and garden with several outdoor amenities. Amenities throughout the project will include spaces and features consistent with other class-A apartment communities offered by Doran Companies.

This project has been significantly revised since our original concept. We initially proposed a 6-story, 233-unit project. City Staff recommended that we include affordable units to assist with the City Council’s affordable housing goals, so that concept included a 20% affordability component, or 47 affordable units at 50% of the area median income level (AMI). It was assumed at that time that assistance for providing the affordable units would consist of creating a Tax Increment Financing (TIF) District. In consideration for the affordable units, assistance was estimated at \$3,950,000, which is \$2,801 of assistance per affordable unit (47 units) per year (30 years).

We received feedback from the City Council, Planning Commission and members of the neighborhood at multiple neighborhood meetings on our initial concept, and the consensus was that the project mass and density were too high. In response to this feedback, we scaled down the project to a 5-story building along the south and east sides, with the north side that is nearest to residential townhomes at 4 stories. That concept consisted of approximately 190 units, of which 10% (20 units) were affordable at 80% AMI. It was assumed at that time that assistance for providing the affordable units would be in the form of Tax Abatement. In consideration for the affordable units, assistance was estimated at \$2,400,000, which is \$4,000 of assistance per affordable unit (20 units) per year (30 years).

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After additional discussions with all stakeholders and additional feedback from the City Council, we scaled down the project further. The proposed project is a 5-story building (4 stories of residential units) along the south and east sides of the project, and a 4-story building along the north (3 stories of residential units). The project will consist of 168 units and include 5% of the units (9 units) at affordable rents at 60% AMI. The table below illustrates the unit statistics from the initial concept to the proposed project.

UNIT STATISTICS

Initial Concept

<u>Market Rate</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>	<u>50% AMI</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>
Townhome	9	5%	\$2,950	Townhome	0	0%	
Alcove	39	21%	\$1,539	Alcove	10	21%	\$885
1 Bedroom	86	46%	\$1,820	1 Bedroom	23	49%	\$885
2 Bedroom	<u>52</u>	<u>28%</u>	<u>\$2,490</u>	2 Bedroom	<u>14</u>	<u>30%</u>	<u>\$1,061</u>
	186	100%	\$2,003		47	100%	\$937

2nd Concept

<u>Market Rate</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>	<u>80% AMI</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>
Townhome	13	8%	\$1,880	Townhome	0	0%	
Alcove	26	15%	\$1,539	Alcove	3	15%	\$1,416
1 Bedroom	92	54%	\$1,820	1 Bedroom	12	60%	\$1,416
2 Bedroom	<u>40</u>	<u>23%</u>	<u>\$2,481</u>	2 Bedroom	<u>5</u>	<u>25%</u>	<u>\$1,698</u>
	171	100%	\$1,918		20	100%	\$1,486

Proposed Development

<u>Market Rate</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>	<u>60% AMI</u>	<u>Units</u>	<u>Mix</u>	<u>Avg. Rents</u>
Townhome	3	2%	\$2,532	Townhome	0	0%	
Alcove	27	17%	\$1,533	Alcove	1	11%	\$1,062
1 Bedroom	96	60%	\$1,785	1 Bedroom	6	67%	\$1,062
2 Bedroom	<u>33</u>	<u>21%</u>	<u>\$2,479</u>	2 Bedroom	<u>2</u>	<u>22%</u>	<u>\$1,273</u>
	159	100%	\$1,901		9	100%	\$1,109

Request

We are committed to retaining an affordable component in this project despite significant reductions in density as we worked to respond to feedback from all parties. However, including affordable units in a market-rate project requires density, and as density is compressed, so too are the number of affordable units. The financial assistance request for the proposed project is \$1,760,00 in the form of Tax Abatement, which is \$6,518 of assistance per affordable unit (9 units) per year (30 years).

Some projects in Minnetonka have been approved with 20% affordable at 50% AMI with assistance in the form of TIF. If this project were structured that way, the gap grows to nearly \$7,000,000. The City's consultant Ehlers and Associates, calculates TIF of approximately \$4,800,000 (18-year TIF district) which equates to \$4,706 of assistance per affordable unit (34 units) per year (30 years). However, this amount of TIF would not solve the entire gap and would still leave a financing gap of approximately \$2,200,000 to offset the reduced project value due to rental income loss. Although the per-unit

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assistance cost is higher relative to projects with a higher number of affordable units, our request for 20 years of Tax Abatement for \$1,760,000 is reasonable given the density proposed for this project.

Project Economics

- The project costs for this development are \$43.4 million. Tax Abatement is just 4% of the project cost.
- Estimated stabilized property taxes are \$580,000 per year. Current pay-2018 taxes for the site is \$61,602 per year. This is an increase of \$518,000 per year.
- Debt is expected to be 70% of project costs and the developer intends to defer its fee for financing purposes.
- Return on Costs of 6.01%
- Cash on Cash Return:
 - Average over 15 years is 5.1% with Assistance.
 - Average over 15 years is 4.0% without Assistance.

The City Assistance via Tax Abatement is not a significant factor to improve the cash on cash return. The Tax Abatement is instead a consideration for the project value lost on an income-approach valuation method that relates to the lost income to the 9 units being affordable at 60% AMI instead of at market rate rents.

A significant amount of work has been done by our team during this time to reach a larger consensus and support for a great project in a great location that has been unanimously identified by City Staff and the City Council as an ideal multifamily housing site. It is our hope that you recognize the investment we have made thus far as an indication of how Doran Companies will continue to invest in the City of Minnetonka. We are proud of the project design, aesthetics, massing, and density that we have presented and believe that the project conforms well with the neighborhood and advances the housing options for years to come for the residents in the City of Minnetonka.

I have provided the detailed project proforma that includes income, expenses, project costs and project returns, and I am happy to share any additional information you may need for evaluating this assistance request.

Sincerely,



Ryan Johnson
Chief Financial Officer
Doran Companies



Memo

To: Alisha Gray, Economic Development and Housing Manager
From: Stacie Kvilvang - Ehlers
Date: November 8, 2018
Subject: Marsh Run Project Proposal Review

Doran Companies is proposing to construct a 168-unit apartment complex at 11650 and 11706 Wayzata Boulevard. They have submitted two (2) public financing proposals as follows:

1. 5% of the units (9) affordable to persons at or below 60% of the area median income (AMI)
 - a. 20 years of tax abatement - \$1.76 million
2. 20% of the units (34) affordable to persons at or below 50% of AMI
 - a. 26 years of TIF – \$6 million

Analysis

We have reviewed the development pro formas based on general industry standards for construction, land, and project costs; affordable rental rates and operating expenses; developer fees; available funding sources; underwriting criteria; and, project cash flow. Overall, we have found these to fall within reasonable industry standards.

The summary sources and uses are as follows:

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	30,500,000	70%	181,548
Equity	12,885,040	30%	76,697
TOTAL SOURCES	43,385,040	100%	258,244

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	3,741,250	9%	22,269
Construction Costs	31,782,315	73%	189,180
Professional Services	3,502,999	8%	20,851
Financing Costs	2,833,476	7%	16,866
Developer Fee	1,525,000	4%	9,077
TOTAL USES	43,385,040	100%	258,244

Recommendation

Based upon our review, we are of the opinion that no assistance is required if only 5% of the units are affordable. This is based upon review of returns of a purely market rate deal that they could proceed with. The returns on a cash-on-cost basis (NOI/Total Development Costs) are nearly identical, whereas with assistance, the 5% affordable units would exceed the COC return as noted in the chart below:

Option	TDC	NOI	Stabilized Year Cash on Cost W/O TIF	TIF NOI	Stabilized Year Cash on Cost W/TIF
Market Rate	43,385,040	2,583,267	6.0%	2,583,267	6.0%
5% @ 60%	43,385,040	2,515,803	5.8%	2,667,651	6.1%

However, if the Developer provides 20% affordability in the project, we are of the opinion that the development would not reasonably be expected to occur solely through private investment within the reasonably near future.

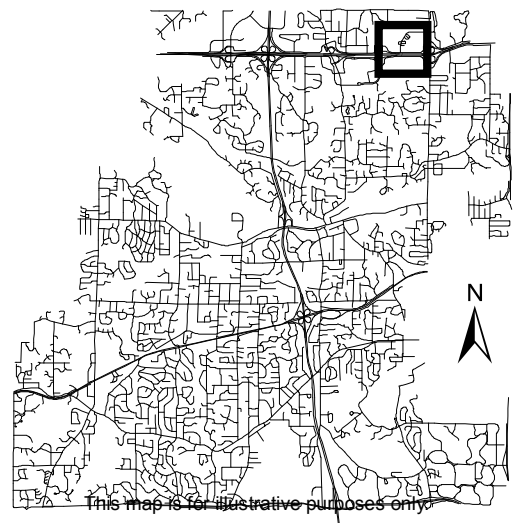
We would recommend providing TIF assistance on a “pay-as-you-go” basis in the amount of \$4.4 million to \$4.8 million over a 16 to 18-year term. This is similar in assistance on a per unit or term basis as to Rowland and Tonka on the Creek, both of which have the same affordability requirements (\$4.4 M is \$26,000/unit which is the same amount with annual 3% inflation since these received assistance in 2014 and 2015, but \$4.8M is the same term as these developments received). The developer’s preference is to have a larger note (\$4.8 million) for 18 years.

Please contact me at 651-697-8506 with any questions.

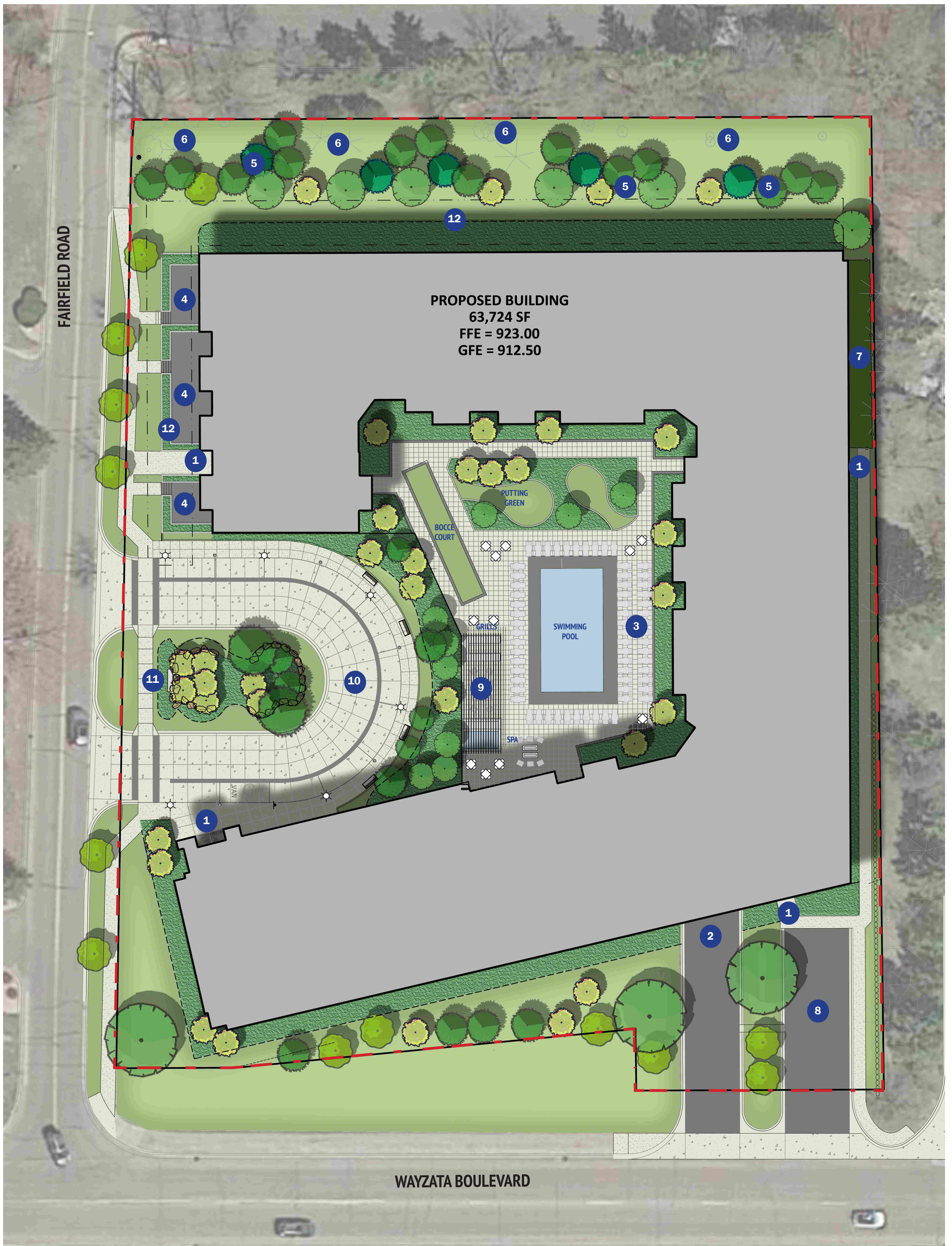


Location Map

Project: Doran - Marsh Run Apartments
Address: 11650 & 11706 Wayzata Blvd



This map is for illustrative purposes only.



CONCEPT PLAN LEGEND

- | | | | |
|---|-----------------------------------|----|----------------------------------|
| 1 | BUILDING ENTRANCE | 7 | DOG RUN |
| 2 | GARAGE ACCESS | 8 | MOVE IN/ SERVICE PARKING |
| 3 | POOL & AMENITY DECK | 9 | PERGOLA FEATURE |
| 4 | WALKUP TOWNHOMES | 10 | DROPOFF AND PARKING AREA |
| 5 | VEGETATED BUFFER | 11 | MONUMENT SIGN |
| 6 | EXISTING MATURE TREES (TO REMAIN) | 12 | SUBSURFACE STORMWATER MANGAEMENT |

FAIRFIELD ROAD AND WAYZATA BLVD. MINNETONKA, MN SITE DEVELOPMENT PLAN: OCTOBER 15, 2018

Design Narrative

Doran is proposing a new, high-quality, Class A luxury apartment project that will be the first of its kind in the 394 Corridor regional area. This project is precisely what the City of Minnetonka is seeking in both the 2030 Comprehensive Plan and its draft of the 2040 Comprehensive Plan for the 394 Corridor regional area. This project will bring life and vitality to the north side of 394, enhancing walkability, providing a new housing option for existing residents, attracting the next generation of residents to the City, and supporting the nearby commercial uses that exist in the neighborhood today. The project will contain an affordable housing component mixed with market-rate apartments and will appropriately bridge the gap between the three different uses that currently surround the proposed project site. This is a unique opportunity to redevelop a site that is underutilized to create an exceptional project that will create a housing type that does not currently exist in the 394 Corridor regional area today.

The redevelopment will include razing the three existing office buildings on the site and constructing a 168-unit apartment project with five percent of the units affordable at 60% of the area median income levels. The project will consist of a concrete podium parking garage with approximately 225 parking stalls on two levels— one level of underground and the upper level underground on the north side and at grade on the south side. The parking garage will contain all of the resident and guest parking for the project, with the exception of approximately ten surface parking spaces along the circle drive near the main entrance for short-term guest and delivery parking. Above level one of the building will be wood framed construction for the apartments and an open, elevated amenity deck and garden with several outdoor amenities. Amenities throughout the project will include: Business center; Flex work space; Clubroom and game room; Entertainment suite; Exercise facility; Group exercise room; Kids' zone; Outdoor pool; Outdoor spa; Grilling stations; Outdoor fire pits; Dog run; Pet spa; Heated underground parking; Bocce ball, putting green, outdoor seating, and/or other outdoor activity areas.

The building will contain a mix of alcove, 1 and 2 bedroom apartments and 2 bedroom townhomes with active gathering spaces for residents and guest located on the first and second levels of the building. As addressed in detail in our PUD narrative, this project site is transitional—it is bordered by three different uses on the west, north and east sides respectively and by Wayzata Blvd. and 394 to the south. This unique location presents the challenge of designing a project that is responsive to all differing neighboring uses while still furthering the overall development goals of the City. The proposed project "fits", both visually and in terms of use, massing and density, and properly addresses the goals and concerns identified by the City, residential neighbors, commercial neighbors and office neighbors.

To compliment the adjacent neighborhood, the building uses lap siding and stone for a majority of the exterior surface area. To relate to other successful City of Minnetonka projects, the project features a black metal top and prefinished black metal railings that lower the visual scale of the overall building. To differentiate the project and relate it to the surrounding natural landscape, the exterior design features natural wood cedar soffits to create a chalet look and feel. The site design features a substantial "birch grove" at the visitor entrance along Fairfield Avenue, with extensive plantings and trees to connect residents to the natural landscape. To provide privacy to the adjacent town home residents, the North landscape berm is completely preserved and added to. In addition, the North half of the building steps down to a three story mass which is lower than the adjacent town homes - to ensure a sense of privacy and seclusion that the immediate neighbors and neighborhood value.

Project Team

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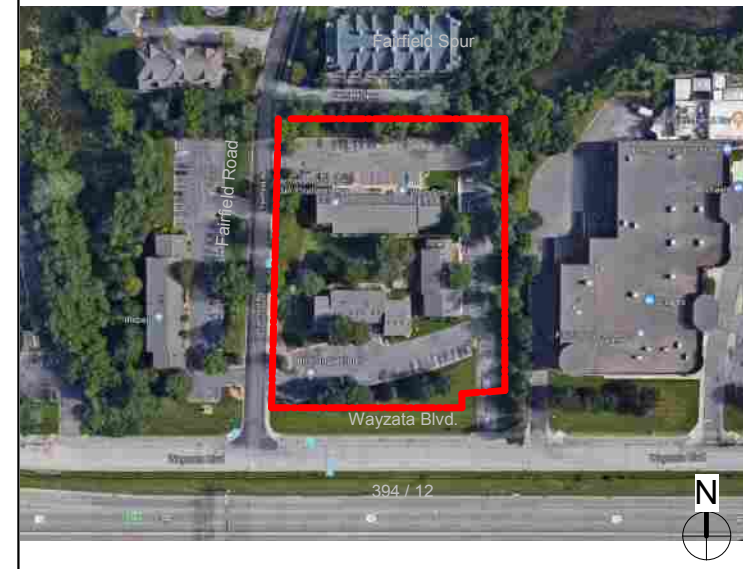
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Site Map



Sheet Index

SHEET NUMBER	SHEET NAME
T 1.0	COVER SHEET
A 1.0	SITE PHOTOS
A 1.1	NEIGHBORHOOD CONTEXT
A 1.2	SHADOW STUDIES
A 2.0	LEVEL P1 PLAN
A 2.1	LEVEL L1 PLAN
A 2.2	LEVEL L2 PLAN
A 2.3	LEVEL L3 PLAN
A 2.4	LEVEL L4 PLAN
A 2.5	LEVEL L5 PLAN
A 3.0	BUILDING ELEVATIONS
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A 4.1	EXTERIOR RENDERING
A 4.2	EXTERIOR RENDERING
A 4.3	EXTERIOR RENDERING
A 4.4	EXTERIOR RENDERING
A 4.5	EXTERIOR RENDERING
A 4.6	EXTERIOR RENDERING

Unit Count

UNIT COUNT PER FLOOR	
Name	Count
L1	
1 BED	1
2 BED	2
L1: 3	
L2	
1 BED	24
2 BED	11
ALCOVE	8
L2: 43	
L3	
1 BED	30
2 BED	11
ALCOVE	6

UNIT COUNT PER FLOOR	
Name	Count
L3: 47	
L4	
1 BED	29
2 BED	12
ALCOVE	6
L4: 47	
L5	
1 BED	21
2 BED	2
ALCOVE	5
L5: 28	
Grand total: 168	

Total sf Per Floor:

P1 LEVEL	36894 SF
L1 LEVEL	63476 SF
L2 LEVEL	46160 SF
L3 LEVEL	46172 SF
L4 LEVEL	45969 SF
L5 LEVEL	24875 SF

GRAND TOTAL: 263547 SF



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VIEW FROM FAIRFIELD AVE



LOOKING SOUTH ON FAIRFIELD AVE.



VIEW @ FAIRFIELD AVE & WAYZATA BLVD INTERSECTION



VIEW @ BUILDING ENTRANCE ON FAIRFIELD AVE.

Policy Number 2.18
Tax Increment Financing and Tax Abatement

Purpose of Policy: This policy establishes criteria which guide the economic development authority and the city council when considering the use of tax increment financing and tax abatement tools in conjunction with proposed development.

Introduction

Under the Minnesota Statutes Sections 469.152 to 469.1799, the city of Minnetonka has the authority to establish tax increment financing districts (TIF districts). Tax increment financing is a funding technique that takes advantage of the increases in tax capacity and property taxes from development or redevelopment to pay public development or redevelopment costs. The difference in the tax capacity and the tax revenues the property generates after new construction has occurred, compared with the tax capacity and tax revenues it generated before the construction, is the captured value, or increments. The increments then go to the economic development authority and are used to repay public indebtedness or current costs the development incurred in acquiring the property, removing existing structures or installing public services. The fundamental principle that makes tax increment financing viable is that it is designed to encourage development that would not otherwise occur.

Under Minnesota Statutes, Sections 469.1812 to 469.1815, the city of Minnetonka has the right to abate property taxes. A city may grant an abatement of some or all of the taxes or the increase in taxes it imposes on a parcel of property if the city expects the benefits of the proposed abatement agreement to at least equal the costs of the proposed agreement. Abatement would be considered a reallocation or rededication of taxes for specific improvements or costs associated with development rather than a "refund" of taxes.

It is the judgment of the city council that TIF and abatement are appropriate tools that may be used when specific criteria are met. The applicant is responsible for demonstrating the benefit of the assistance, particularly addressing the criteria below. The applicant should understand that although approval may have been granted previously by the city for a similar project or a similar mechanism, the council is not bound by that earlier approval. Each application will be judged on the merits of the project as it relates to the public purpose.

TAX INCREMENT FINANCING

The Economic Development Authority (EDA), as authorized by the city, will be responsible to determine that (1) a project would not occur "but for" the assistance provided through tax increment financing; and (2) no other development would occur on the relevant site without tax increment assistance that could create a larger market value increase than the increase expected from the proposed development (after adjusting for

the value of the tax increment). At the time of any application for a Comprehensive Guide Plan amendment, rezoning or site plan approval for a project, whichever occurs first, the applicant must divulge that TIF financing will be requested.

Projects eligible for consideration of tax increment financing include but are not limited to the following:

- Projects must be compatible with the Comprehensive Guide Plan (or acquire an amendment) and the development and redevelopment objectives of the city.
- Priority will be given to those projects which:
 - are within the “village areas” identified in the city’s most recently adopted Comprehensive Guide Plan;
 - are mixed use or residential in nature, and include affordable housing units which meet the city’s affordable housing standards;
 - contain amenities or improvements which benefit a larger area than the identified development;
 - improve blighted or dilapidated properties, provide cohesive development patterns, or improve land use transitions; or
 - maximize and leverage the use of other financial resources.

Costs Eligible for Tax Increment Financing Assistance

The EDA will consider the use of tax increment financing to cover project costs as allowed for under Minnesota Statutes. The types of project costs that are eligible for tax increment financing are as follows:

Utilities design	Site related permits
Architectural and engineering fees directly attributable to site work	Soils correction
Earthwork/excavation	Utilities (sanitary sewer, storm sewer, and water)
Landscaping	Street/parking lot paving
Streets and roads	Curb and gutter
Street/parking lot lighting	Land acquisition
Sidewalks and trails	Legal (acquisition, financing, and closing fees)
Special assessments	Surveys
Soils test and environmental studies	Sewer Access Charges (SAC) and Water Access Charges (WAC)

Title insurance	Landscape design
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Forms of Assistance

Tax increment financing will generally be provided on a “pay-as-you-go” basis wherein the EDA compensates the applicant for a predetermined amount for a stated number of years. The EDA will have the option to issue a TIF Note with or without interest, where the principal amount of the TIF Note is equal to the amount of eligible project costs incurred and proven by the developer. In all cases, semi-annual TIF payments will be based on available increment generated from the project. TIF payments will be made after collection of property taxes.

Fiscal Disparities

TIF Districts will generally be exempt from the contribution to fiscal disparities. Tax revenues for fiscal disparities, generated by the TIF project, will be the responsibility of properties inside the district. The exception to this policy is when MN Statutes require that fiscal disparities be paid from within a TIF District, as is the case with Economic Development Districts.

TAX ABATEMENT

The tax abatement tool provides the ability to capture and use all or a portion of the property tax revenues within a defined geographic area for a specific purpose. Unlike TIF, tax abatement must be approved by each major authority under which the area is taxed, and therefore, usually only city property taxes will be abated. In practice, it is a tax “reallocation” rather than an exemption from paying property taxes. Tax abatement is an important economic development tool that, when used appropriately, can be useful to accomplish the city’s development and redevelopment goals and objectives. Requests for tax abatement must serve to accomplish the city’s targeted goals for development and redevelopment, particularly in the designated village center areas. At the time of any application for a Comprehensive Guide Plan amendment, rezoning or site plan approval for a project, whichever occurs first, the applicant must divulge that tax abatements will be requested.

Projects Eligible for Tax Abatement Assistance

Projects eligible for consideration of property tax abatement include but are not limited to the following:

- Projects must be compatible with the Comprehensive Guide Plan (or acquire an amendment) and the development and redevelopment objectives of the city; and
- Priority will be given to those projects which:
 - increase or preserve the tax base
 - provide employment opportunities in the City of Minnetonka;

- provide, help acquire or construct public facilities;
- finance or provide public infrastructure;
- improve blighted or dilapidated properties, provide cohesive development patterns, or improve land use transitions; or
- produce long-term affordable housing opportunities.

Fiscal Disparities

Tax revenues for fiscal disparities, generated by the abatement project, will be the responsibility of properties inside the district.

REVIEW PROCESS

All applications for TIF and tax abatement will be reviewed by city's community development director. After review by the city's financial consultant, the community development director may refer the request to the EDA. The EDA will hold appropriate public hearings and receive public input about the use of the financial tools. The EDA will provide a recommendation regarding the assistance to the city council.

The city council must consider, along with other development decisions, the request for assistance and will make the final decision as to the amount, length, and terms of the agreement.

Adopted by Resolution No. 2014-074
Council Meeting of July 21, 2014

RESOLUTION 2004-002

**RESOLUTION APPROVING THE ECONOMIC DEVELOPMENT AUTHORITY'S
RECOMMENDATION ON THE INCLUSION OF 10% TO 20% OF THE TOTAL
UNITS IN MULTI-FAMILY DEVELOPMENTS AS AFFORDABLE HOUSING**

BE IT RESOLVED by the Economic Development Authority of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01. The City of Minnetonka and Metropolitan Council have worked together to create affordable housing goals for the development of new affordable housing units within the city.
- 1.02. The Economic Development Authority has been working to accomplish these goals and include affordable housing in new housing developments by recommending that 10% to 20% of the total units in a housing development be made affordable.

Section 2. Economic Development Authority Action.

- 2.01. The Economic Development Authority of the City of Minnetonka hereby affirms their recommendation that 10% to 20% of the total units in new multi-family housing developments be sold at an affordable price as set forth by the Metropolitan Council.

Adopted by the Economic Development Authority of the City of Minnetonka, Minnesota on February 3, 2004.



Peter St. Peter, President

ATTEST:



Ronald Rankin, Secretary

ACTION ON THIS RESOLUTION:

Motion for adoption: Duffy

Seconded by: Larson

Voted in favor of: Duffy, Larson, Robinson, St. Peter, Thomas, Wagner, Walker

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Economic Development Authority of the City of Minnetonka, Minnesota, at a duly authorized meeting held on February 3, 2004, as shown by the minutes of the said meeting in my possession.



Ronald Rankin, Secretary

Name of Project	Number of Affordable Units	Total Assistance	Years of Affordability	Assistance per Unit, per Year	Affordability Level
Newport Partners (Mariner)	55	\$556,179 (est)	30	\$337	60% AMI
Dominium	482	\$7,809,000	30	\$540	60% AMI
Homes Within Reach (2004-2012 grant years)	35	\$1,740,000	99	\$502	80% AMI
The Ridge	52	\$1,050,000	30	\$673	60% AMI
Shady Oak Redevelopment	49	\$1,209,000 (est)	30	\$822	60%AMI
West Ridge Market (Crown Ridge, Boulevard Gardens, Gables, West Ridge)	185	\$8,514,000	30	\$1,534	<i>Crown Ridge</i> —60% AMI Boulevard Gardens—60% AMI Gables—initially 80% AMI, now no income limit West Ridge—50% AMI
Beacon Hill (apartments)	62	\$2,484,000	25	\$1,602	50% AMI
Ridgebury	56	\$3,243,000	30	\$1,930	Initially--80% AMI income limit Now no
Glen Lake (St. Therese, Exchange)	43	\$4,800,000	30	\$3,721	60% AMI
Cedar Point Townhomes	9	\$512,000	15	\$3,792	50% AMI
Tonka on the Creek	20	\$2,283,000	30	\$3,805	50% AMI
At Home (Rowland)	21	\$2,500,000	30	\$3,968	50% AMI
Applewood Pointe	9	\$1,290,000	Initial Sale/Ongoing maximum %	\$4,777	80% AMI
Doran (Marsh) - Developer request	9 (5% of units)	\$1,760,000 - estimate	30	\$6,518	60% AMI
Doran (Marsh) - TIF Housing Eligible	34 (20% of units)	\$4,800,000 - estimate	30	\$4,705	50% AMI

updated 11/1/2018

**MINNETONKA HOUSING ACTION PLAN
FOR THE YEARS 2011-2020
METROPOLITAN LIVABLE COMMUNITIES ACT**

Introduction

In 1995, the Minnesota Legislature created the Livable Communities Act (LCA) to address the affordable and life-cycle housing needs in the Twin Cities metropolitan area. When the LCA was established, Minnetonka was one of the communities to sign up to participate in the program, negotiating a series of affordable and lifecycle housing goals with the Metropolitan Council for 1996-2010.

In August 2010, the Minnetonka City Council passed a resolution electing to continue participating in the LCA for the years 2011-2020. As part of that resolution, the city agreed to the following affordable and lifecycle housing goals:

New Affordable Units (rental and ownership)	246 to 378
New Lifecycle Units	375 to 800

The purpose of this Housing Action Plan is to outline the steps and tools that the city may use between the years 2011-2020 to help meet its LCA goals.

Overview of Minnetonka Housing Trends

Development Conditions

Minnetonka is a desirable community in which to live. Its natural environment, good schools, and homes on large lots contribute to the attraction of Minnetonka as a great place to live, work and play. As such, the demand for these community attributes has led to increased home values that have risen to the point that most single-family homes, despite their age, are not affordable to low and moderate income families. Land values, in particular, have increased substantially, making it difficult for developers to build affordable and mid-priced single-family homes.

Additionally, Minnetonka is a fully developed city with little vacant or underdeveloped land available for new housing development. With the combination of increasing land values and little developable land, most of the affordable homes in the community are rental units and for-sale condominiums and townhomes.

Aging of the Population

One of the biggest demographic shifts affecting this nation is the aging of the “baby boomer” generation (the large generation of people born between 1946 and 1964). This trend is already apparent in Minnetonka, where the median age in 2007 was 52 years old and 44% of the households were age 55 and older. As the population continues to

age, housing location, types, and proximity to public transit or transit alternatives will become increasingly important.

Preservation and Rehabilitation of the Existing Housing Stock

Much of Minnetonka's single-family housing stock was built between 1950 and 1970 while most multi-family housing was built in the 1970s and 1980s. As the housing stock continues to age, additional maintenance and repairs will be needed in order to keep homes in adequate condition and to preserve neighborhood character. Older homes may need to be updated in order to attract younger families to the community. Also, as both Minnetonka's population and housing age, older residents may require increased support through funding and in-kind service programs that will help them to maintain and make necessary repairs to ensure that their homes are safe, accessible, energy efficient, and habitable.

While not all older homes are affordable, older homes tend to be the more affordable housing stock in Minnetonka. The preservation of these homes is critical to providing homeownership opportunities for those who could normally not afford to live in the community.

Current Housing Conditions

In 2007, there were approximately 22,500 housing units in Minnetonka, of which 76.6% are owner-occupied. The housing stock includes a mix of the following types:

- 57% single-family
- 20% condominium/townhome
- 18% general-occupancy rental
- 5% senior (including independent and assisted living facilities)

Land values in Minnetonka continue to greatly influence the cost of housing. In Minnetonka, land accounts for about one-third of a home's total value, thus making up a large proportion of the home value. For a single-family home, the median value is \$326,850, with only about 1% of the single-family homes valued under \$200,000. The median value of Minnetonka's multi-family for-sale homes (i.e. condominiums and townhomes) in 2007 was \$200,000. Multi-family homes contribute to the bulk of the city's affordable for-sale housing stock because they are generally more affordable than Minnetonka's single-family detached homes.

The average monthly rents at Minnetonka's market-rate multi-family apartments are much higher than other market-rate apartments in the metropolitan area. In the 1st Quarter 2007, Minnetonka's average apartment rents were \$1,106 compared to the metropolitan area's average apartment rental rate of \$876. Additionally, only about 20% of Minnetonka rental units are considered affordable under the Metropolitan Council's definition.

Housing Goals

In addition to the city's agreement to add new affordable and lifecycle housing units as set out in the 2011-2020 affordable and lifecycle housing goals with the Metropolitan Council, the city's 2008 Comprehensive Plan update also provides a series of housing goals that the city will be working towards achieving. These goals include:

1. Preserve existing owner-occupied housing stock.
2. Add new development through infill and redevelopment opportunities.
3. Encourage rehabilitation and affordability of existing rental housing and encourage new rental housing with affordability where possible.
4. Work to increase and diversify senior housing options.
5. Continue working towards adding affordable housing and maintaining its affordability.
6. Link housing with jobs, transit and support services.

More details on these goals as well as action steps are provided in the 2008 City of Minnetonka Comprehensive Plan Update.

Tools and Implementation Efforts to Provide Affordable and Lifecycle Housing

Housing Assistance Programs

The purpose of housing assistance programs is to provide renters or homeowners help in obtaining a housing unit. These programs can be federal, state, or local programs. For the years 2011-2020, Minnetonka anticipates the following programs will be available to Minnetonka residents.

Section 8 Voucher Program

The Section 8 Voucher Program is funded by the U.S. Department of Housing and Urban Development (HUD), and administered by the Metro HRA on behalf of the city. The program provides vouchers to low income households wishing to rent existing housing units. The number of people anticipated to be served depends on the number of voucher holders wishing to locate in Minnetonka as well as the number of landlords wishing to accept the vouchers.

Shelter Plus Care

The Shelter Plus Care program is another federal program administered by the Metropolitan Council and sometimes the City of St. Louis Park. This program provides rental assistance and support services to those who are homeless with disabilities. There are a small number of these units (less than 10) in the city currently, and it is unlikely there will be any more added.

Minnesota Housing Finance Agency Programs

The Minnesota Housing Finance Agency (MHFA) offers the Minnesota Mortgage Program and the Homeownership Assistance Fund for people wishing to purchase a

home in Minnetonka. The Minnesota Mortgage Program offers a below market rate home mortgage option, while the Homeownership Assistance Fund provides downpayment and closing cost assistance. It is unknown how many people are likely to use these services as it seems to depend on what the market conditions are.

Homes Within Reach

Homes Within Reach, the local non-profit community land trust, acquires both new construction and existing properties for their program to provide affordable housing in the city. Using a ground lease, it allows the land to be owned by Homes Within Reach and ensures long-term affordability. Additionally, if rehabilitation is needed on a home, Homes Within Reach will rehabilitate the home before selling the property to a qualified buyer (at or less than 80% area median income). It is anticipated that approximately three to five homes per year will be acquired in Minnetonka as part of this program.

City of Minnetonka First Time Homebuyer Assistance Program

In 2010, the city levied for funds to begin a first time homebuyer assistance program. The program is anticipated to begin in 2011. General program details include funds for downpayment and closing costs of up to \$10,000, which would be structured as a 30 year loan and available to those at incomes up to 115% of area median income or those that can afford up to a \$300,000 loan. The number of households to be assisted depends on the amount of funding available for the program. Currently, this program is anticipated to be funded with HRA levy funds.

Employer Assisted Housing

Through employer assisted housing initiatives, Minnetonka employers can help provide their employees with affordable rental or home ownership opportunities. There are several options that employers can use to both increase the supply of affordable housing, as well as to provide their employees with direct assistance by:

- Providing direct down payment and closing cost assistance
- Providing secondary gap financing
- Providing rent subsidies

No employer assisted housing programs have been set up to date; however, it is a tool that the city has identified in the past as an opportunity for those who work in Minnetonka to live in Minnetonka.

Housing Development Programs

Housing development programs provide tools in the construction of new affordable housing units—both for owner-occupied units as well as rental units.

Public Housing

There are currently 10 public housing units, located in two rental communities, which offer affordable housing options for renters at incomes less than 30% of area median income. The Metropolitan Council and Minneapolis Public Housing Authority administer

the public housing program on behalf of the city. It is not anticipated that more public housing units will be added to the city.

HOME Program

HOME funds are provided through Hennepin County through a competitive application process. The city regularly supports applications by private and non-profit developers that wish to apply for such funds. Homes Within Reach has been successful in the past in obtaining HOME funds for work in Minnetonka and suburban Hennepin County.

Other Federal Programs

The city does not submit applications for other federal funding programs such as Section 202 for the elderly or Section 811 for the handicapped. However, the city will provide a letter of support for applications to these programs.

Minnesota Housing Finance Agency Programs

The Minnesota Housing Finance Agency (MHFA) offers a variety of financing programs, mainly for the development of affordable rental housing. Similar to federal programs, the city does not usually submit applications directly to MHFA; however, it will provide letters of support for applications to the programs.

Metropolitan Council Programs

The Metropolitan Council, through participation in the LCA, offers the Local Housing Incentives Account and Livable Communities Demonstration Account programs to add to the city's affordable housing stock. Over the past 15 years, the city has received nearly \$2 million in funds from these programs, and will continue to seek funding for projects that fit into the criterion of the programs.

Twin Cities Habitat for Humanity

The Twin Cities Habitat for Humanity chapter has had a presence in Minnetonka in the past, completing four affordable housing units. At this time there are no projects planned for Minnetonka, as land prices make it significantly challenging unless the land is donated. The city is willing to consider projects with Habitat for Humanity in the future to assist those with incomes at or below 50% of area median income.

Tax Increment Financing

Minnetonka has used tax increment financing (TIF) to offset costs to developers of providing affordable housing in their development projects. The city will continue to use TIF financing, as permitted by law, to encourage affordable housing opportunities. Unless the state statutes provide for a stricter income and rental limit, the city uses the Metropolitan Council's definition of affordable for housing units.

Housing Revenue Bonds

The City has used housing revenue bonds for eight rental projects since 1985. Housing revenue bonds provide tax exempt financing for multi-family rental housing. The bond program requires that 20 percent of the units have affordable rents to low and moderate income persons. The city will continue to use housing revenue bonds for projects that

meet housing goals and provide affordable units meeting the Metropolitan Council's guidelines.

Housing and Redevelopment Authority (HRA) Levy

By law, the city's Economic Development Authority (EDA) has both the powers of an economic development authority and a housing and redevelopment authority (HRA). It can use these powers to levy taxes to provide funding for HRA activities, including housing and redevelopment. The city first passed an HRA levy in 2009 to support Homes Within Reach, and now uses the funds to support its own housing rehabilitation and homeownership activities for those at 100-115% of area median income.

Community Development Block Grant (CDBG) funds

CDBG funds are allocated to the city by HUD each year. Based upon the needs, priorities, and benefits to the community, CDBG activities are developed and the division of funding is determined at a local level. CDBG funds are available to help fund affordable housing.

Livable Communities Fund

In 1997, special legislation was approved allowing the City to use funds remaining from Housing TIF District No. 1 for affordable housing and Livable Communities Act purposes. The city can use these funds to help achieve its affordable housing goals.

Housing Maintenance and Rehabilitation

As the city's housing stock continues to age, a number of programs are already in place to help keep up the properties.

Minnesota Housing Finance Agency Programs--Rental

The Minnesota Housing Finance Agency (MHFA) offers a variety of financing programs, for the rehabilitation of affordable rental housing. The city does not submit applications for these programs as the city does not own any rental housing; however, it will provide letters of support for those wishing to apply.

Minnesota Fix-up Fund

The Minnesota Housing Fix-Up Fund allows homeowners to make energy efficiency, and accessibility improvements through a low-interest loan. Funded by MHFA, and administered by the Center for Energy and Environment, the program is available to those at about 100% of area median income.

Community Fix-up Fund

The Community Fix-Up Fund, offered through Minnesota Housing, is similar to the Fix-Up Fund, but eligibility is targeted with certain criteria. In the city, Community Fix-Up Fund loans are available to Homes Within Reach homeowners, since community land trust properties cannot access the Fix-Up Fund due to the ground lease associated with their property.

Home Energy Loan

The Center for Energy and Environment offer a home energy loan for any resident, regardless of income, wishing to make energy efficiency improvements on their home.

Emergency Repair Loan

Established in 2005, the City's Emergency Repair Loan program provides a deferred loan without interest or monthly payments for qualifying households to make emergency repairs to their home. The amount of the loan is repaid only if the homeowner sells their home, transfers or conveys title, or moves from the property within 10 years of receiving the loan. After 10 years, the loan is completely forgiven. This loan is funded through the City's federal Community Development Block Grant (CDBG) funds in order to preserve the more affordable single-family housing stock by providing needed maintenance and energy efficiency improvements. The program is available to households with incomes at or below 80% of area median income. On average, 10 to 15 loans are completed each year.

City of Minnetonka Home Renovation Program

In 2010, the city levied for funds to begin a home renovation program. The program is anticipated to begin in 2011. This program would be similar to the existing federal community development block program (CDBG) rehabilitation program. The challenge with CDBG funding involves the maximum qualifying household income of 80% of AMI, Use of HRA funds, would allow the City of Minnetonka Home Renovation Program more flexibility to include households up to 115% AMI, which equates to 82% of all Minnetonka households. The program would be geared toward maintenance, green related investments and mechanical improvements. Low interest loans would be offered up to \$7,500 with a five year term.

H.O.M.E. program

The H.O.M.E. program is a homemaker and maintenance program that is designed to assist the elderly. The H.O.M.E. program assists those who are age 60 and older, or those with disabilities with such services as: house cleaning, food preparation, grocery shopping, window washing, lawn care, and other maintenance and homemaker services. Anyone meeting the age limits can participate; however, fees are based on a sliding fee scale. Nearly 100 residents per year are served by this program.

Home Remodeling Fair

For the past 17 years, the city has been a participant in a home remodeling fair with other local communities. All residents are invited to attend this one day event to talk to over 100 contractors about their remodeling or rehabilitation needs. Additionally, each city has a booth to discuss various programs that are available for residents. Approximately 1,200 to 1,500 residents attend each year.

Local Official Controls and Approvals

The city recognizes that there are many land use and zoning tools that can be utilized to increase the supply of affordable housing and decrease development costs. However, with less than two percent of the land currently vacant in the city, most new projects will be in the form of redevelopment or development of under-utilized land. New infill development and redevelopment is typically categorized as a planned unit development (PUD), which is given great flexibility under the current zoning ordinance.

Density Bonus

Residential projects have the opportunity to be developed at the higher end of the density range within a given land use designation. For example, a developer proposing a market rate townhouse development for six units/acre on a site guided for mid-density (4.1-12 units/acre) could work with city staff to see if higher density housing, such as eight units/acre, would work just as well on the site as six units/acre. This is done on a case by case basis rather than as a mandatory requirement, based on individual site constraints.

Planned Unit Developments

The use of cluster-design site planning and zero-lot-line approaches, within a planned unit development, may enable more affordable townhome or single-family cluster developments to be built. Setback requirements, street width design, and parking requirements that allow for more dense development, without sacrificing the quality of the development or adversely impacting surrounding uses, can be considered when the development review process is underway.

Mixed Use

Mixed-use developments that include two or more different uses such as residential, commercial, office, and manufacturing or with residential uses of different densities provide potential for the inclusion of affordable housing opportunities.

Transit Oriented Development (TOD)

TOD can be used to build more compact development (residential and commercial) within easy walking distance (typically a half mile) of public transit stations and stops. TODs generally contain a mix of uses such as housing, retail, office, restaurants, and entertainment. TODs provides households of all ages and incomes with more affordable transportation and housing choices (such as townhomes, apartments, live-work spaces, and lofts) as well as convenience to goods and services.

Authority for Providing Housing Programs

The City of Minnetonka has the legal authority to implement housing-related programs, as set out by state law, through its Economic Development Authority (EDA). The EDA was formed in 1988; however, prior to that time, the city had a Housing and Redevelopment Authority (HRA).

**EDAC Agenda Item #5
Meeting of Nov. 8, 2018**

Brief Description	Fair Housing Policy
Recommendation	Review the draft Fair Housing Policy and recommend the city council approve the policy

Background

In 2014, the City of Minnetonka and other regional cities and counties, operating through the Fair Housing Implementation Council (FHIC), sponsored the creation of an Analysis of Fair Housing Impediments (AI) and subsequent Addendum to the 2014 AI in 2017. The Addendum specifically addresses housing discrimination, gentrification and displacement, barriers to housing choice, and the conditions of segregation and integration in Metropolitan Council service area. The report recommended that cities identify goals and strategies to mitigate impediments to fair housing. In addition, in 2019, the Met Council will require all recipients of Livable Communities Act funding to have an adopted Fair Housing Policy as a component of eligibility for projects that were awarded funding through its grant programs in 2018. Dominionium apartments recently received \$2 million in assistance through the Met Council's Livable Communities' Transit Oriented Development program. The Met Council is requiring that a Fair Housing Policy is established prior to releasing any grant funding for the project,

In response to the barriers identified in the Addendum to the 2014 Regional AI, community development staff has crafted a draft Fair Housing Policy that re-affirms the city's commitment to fair housing. The draft policy is based upon a model policy developed by Housing Justice Center for the Metropolitan Council. The cities of Bloomington and Golden Valley have recently adopted similar policies. This policy meets the Met Council Requirements for Livable Communities Eligibility.

Overview

This policy will ensure that fair and equal housing opportunities are available to all person in all housing opportunities and development activities funded by the City regardless of race, color, religion, sex, sexual orientation, marital status, status with regard to public assistance, creed, familial status, national origin, or disability. This is done though external practices to provide access to all constituents as well as fair housing information and referral services, and through internal practices that promote fair housing.

This policy covers real property (homes, apartments, lots, etc.) rented or sold; boarding houses; public housing; mobile home parks; condominiums; homeless shelters and sober housing. In some limited circumstances, housing operated by religious organizations and private clubs that limit occupancy to members may be excluded.

The following actions are prohibited forms of housing discrimination:

- Denying or refusing to rent or sell housing
- Refusing to negotiate for housing
- Providing false information about availability of housing for inspection, sale, or rental

- Persuading owners to sell or rent in order to make a profit
- Denying anyone access to (or membership in) a facility, community (such as a homeowners association or mobile home park), or service related to housing
- Having different terms, conditions, rules or privileges based on protected class
- Imposing different terms or conditions for purchasing or renting; constructing, improving, repairing, insuring, appraising, or maintaining a home; or for loans secured by housing
- Retaliation for bringing a complaint about discrimination

External Practices

The following external practices will be deployed in response to the fair housing policy.

- The Fair Housing Policy will designate a staff liaison from the Community Development Department as the responsible authority for the intake of all fair housing complaints. (This practice has been conducted prior to this policy as well.)
- The city will continue to display information about fair housing on its website including:
 - Links to Department of Housing and Urban Development
 - Minnesota Department of Human Rights
 - Mid-Minnesota Legal Aid
 - Access to complaint forms and procedures
 - State of Minnesota's Olmstead Plan
- The community development director will designate staff to provide in-person fair housing information whenever requested. Information to be shared is outlined in the attached web resources document.
- The city will make an effort to reasonably accommodate translation services when needed.

Internal Practices

The policy establishes several internal practices to promote the awareness and competency regarding fair housing issues.

- Staff will undergo training on fair housing considerations as it becomes available.
- The city will periodically review its housing stock to examine the affordability of rental and owner occupied units to inform future city actions.
- The city will periodically review its municipal code, with specific focus on ordinances related to zoning, building, and occupancy standards to identify any potential for disparate impact.
- City planning functions and development review will consider housing issues, including whether potential projects may perpetuate segregation or lead displacement of protected classes.
- The city will continue to support the Fair Housing Implementation Council.

Budgetary Impact

The budgetary impact of this policy is minimal. Budgetary impacts could include staff time for training, informational handouts, and translation services. Any budget impacts could be covered through funds from the Development Account.

Timeline

Pending feedback and a recommendation from EDAC, staff will present the Fair Housing Policy to the City Council in December 2018.

Recommendation

Staff is recommending that the EDAC review the draft Fair Housing Policy and recommend the city council to approve the policy.

Submitted through:

Corrine Heine, City Attorney

Originated by:

Julie Wischnack, AICP, Community Development Director

Alisha Gray, EDFP, Economic Development and Housing Manager

Rob Hanson, EDFP, Economic Development Coordinator

Attachments

Draft Fair Housing Policy

Web Resources Document

Supplemental Material

[Metropolitan Council Fair Housing Policy Guide](#)

[Addendum to the 2014 Regional Analysis of Impediments](#)

Policy Number X.X
Fair Housing Policy Draft

Purpose of Policy: The City of Minnetonka strives to advance its commitment to inclusion and equity by developing this Fair Housing Policy to further the goal of creating a vibrant, safe, and healthy community where all residents will thrive.

Introduction

Title VIII of the Civil Rights Act establishes federal policy for providing fair housing throughout the United States. The intent of Title VIII is to assure equal housing opportunities for all citizens. The City of Minnetonka, as a recipient of federal community development funds under Title I of the Housing and community Development Act of 1974, is required to certify that it will affirmatively further fair housing.

Policy Statement

It is the policy and commitment of the City of Minnetonka to ensure that fair and equal housing opportunities are available to all persons in all housing opportunities and development activities funded by the city regardless of race, color, religion, sex, sexual orientation, marital status, status with regard to public assistance, creed, familial status, national origin, or disability. This is done through external policies to provide meaningful access to all constituents as well as fair housing information and referral services; and through internal practices and procedures that promote fair housing and support the city's equity and inclusion goals.

External Practices

- **Intake and Referral**

The city council designates the community development director as the responsible authority for the intake and referral of all fair housing complaints. At a minimum, the community development director will be trained, or will designate community development staff to be trained, in state and federal fair housing laws, the complaint process for filing discrimination complaints, and the state and federal agencies that handle complaints. The date, time, and nature of the fair housing complaint and the referrals and information given will be fully documented. The community development director will advise the city council on city programs and policies affecting fair housing and raise issues and concerns where appropriate.

- **Meaningful Access**

- **Online Information:** The city will display information about fair housing prominently on its website. The website will include links to various fair housing resources, including the Department of Housing and Urban Development, Minnesota Department of Human Rights, Mid-Minnesota Legal Aid, and others as well as links to state and federal fair housing complaint forms. In addition, the city will post the following documents on its website:
 - The State of Minnesota's Olmstead Plan.

- **In-Person Information:** Upon request, the city will provide in-person fair housing information including
 - A list of fair housing enforcement agencies;
 - Frequently asked questions regarding fair housing law;
 - Fair housing complaint forms for enforcement agencies
- **Languages:** The city is committed to providing information in the native languages of its residents. Upon request, the city will make every effort to provide translation services.

Internal Practices

The city commits to the following steps to promote awareness and competency regarding fair housing issues in all of its government functions.

- **Staff and Officials Training:** The city will continue to train its staff and officials on fair housing considerations as training opportunities become available.
- **Housing Analysis:** The city will review its housing periodically to examine the affordability of both rental and owner-occupied housing to inform future city actions.
- **Code Analysis:** The city will review its municipal code periodically, with specific focus on ordinances related to zoning, building, and occupancy standards, to identify any potential for disparate impact or treatment.
- **Project Planning and Analysis:** City planning functions and development review will consider housing issues, including whether potential projects may perpetuate segregation or lead to displacement of protected classes.
- **Affirmatively Furthering Fair Housing:** As a member of the Urban Hennepin County CDBG Consortium the city agrees, through the consortium, to participate in the Regional Analysis of Impediments. Through the consortium, the city will continue to support and participate in the Fair Housing Implementation Council (FHIC), an ad hoc coalition of jurisdictions and others working together to affirmatively further fair housing. The city will review the recommendations from the analysis for potential integration into city planning documents, including the, the comprehensive plan, and other related documents.

Federal Housing Act, and the Minnesota Human Rights Act

What is the The Federal Fair Housing Act and The Minnesota Human Rights Act?

The Federal Fair Housing Act prohibits discrimination in housing because of:

- Race or color
- National origin
- Religion
- Sex
- Familial status
- Handicap (disability)

Find out more on the Federal Fair Housing Law by visiting:

hud.gov/program_offices/fair_housing_equal_opp

The Minnesota Human Rights Act is similar to the federal legislation in that it prohibits discrimination based on:

- Race or color
- National origin
- Religion
- Sex
- Familial status
- Handicap (disability)

Additionally, it prohibits discrimination based on:

- Sexual or affectional orientation
- Marital status
- Creed
- Status with regard to receipt of public assistance

See revisor.mn.gov/statutes/cite/363A for more information on Minnesota State Statutes on Human Rights.

Fair Housing Policy Documents

Reasonable Accommodations in Housing - lawhelpmn.org/resource/reasonable-accommodations-in-housing

Minnesota's Olmstead Plan

dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=opc_home



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The Olmstead Plan is a broad series of key activities our state must accomplish to ensure people with disabilities are living, learning, working, and enjoying life in integrated settings.

Minnetonka ADA Policy or Statement:

Fair Housing Videos Courtesy of Housinglink.org

English: housinglink.org/HousingResources/FairHousing/English

Hmong: housinglink.org/HousingResources/FairHousing/Hmong

Somali: housinglink.org/HousingResources/FairHousing/Somali

Spanish: housinglink.org/HousingResources/FairHousing/Spanish

Complaint Procedures:

Where can I file a complaint?

Fair Housing Enforcement Agencies

Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

Minnesota Department of Human Rights

mn.gov/mdhr/

Federal Housing Complaint Form: hud.gov/program_offices/fair_housing_equal_opp/online-complaint

State of Minnesota Housing Complaint Form: mn.gov/mdhr/intake/

Before you contact any of the above organizations to file a discrimination complaint, it would be beneficial to have the following information available:

Your name and address;

The name and address of the person your complaint is against;

The address of the housing involved;

A short description of the event that caused you to believe your rights were violated; and

The date(s) of the alleged violation

Legal Aid

Where can I get legal advice?

Several agencies are available to help victims of fair housing violations including:

Housing Link

housinglink.org/

HOME Line Tenant Hotline



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homelinemn.org/e-mail-an-attorney/

Mid Minnesota Legal Aid

mylegalaid.org/get-help/

Volunteer Lawyers Network

vlnmn.org/

Law Help MN

lawhelpmn.org/

Housing FAQ

What is Housing Discrimination?

Housing discrimination is treating people differently than others are treated under the same or similar circumstances.

This is illegal if it is done because of one's protected class status, or because of the protected class of those s/he associates with.

Housing discrimination also includes refusal to make reasonable accommodations or modifications for people with disabilities, or failure to build certain multi-family housing so that it is accessible to people with disabilities.

What kind of housing is covered?

Covered housing includes real property (home, apartments, lots, etc.) rented or sold; boarding houses; public housing; mobile home parks; condominiums; homeless shelters and sober housing.

In some limited circumstances, housing operated by religious organizations and private clubs that limit occupancy to members may be excluded from complying.

What is a "protected class?"

The term "protected class" refers to a group of people whom the law protects against illegal discrimination. A protected class is named for the characteristic that these people share, such as race or religion.

The Fair Housing Act, which is the federal law governing housing discrimination, includes seven protected classes: race, color, religion, national origin, sex, disability, and familial status. In addition, the Minnesota Human Rights Act considers sexual orientation, marital status, status with regard to public assistance and creed to be protected classes.

What does "familial status" cover?

"Familial status" protects families with children (under 18) from housing discrimination. This protection is broad, and also covers women who are pregnant and people who are in the process of adopting or fostering a child.

What is a disability under the law?

A disability is defined as any physical or mental impairment that substantially limits one or more major life activities such as walking, seeing, hearing, thinking, self-care, or a chronic condition



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(such as mental illness, AIDS, blindness, hearing impairment, mental retardation, mobility impairment, etc.). In addition, those who have a record of an impairment or are regarded as having an impairment, are also covered. Recovering alcoholics and drug addicts may also be considered to have a disability and covered by the law.

Is sexual harassment covered by fair housing law?

Yes. Courts have held that the law's ban on housing discrimination based on sex includes sexual harassment.

Courts have recognized two types of violations of the law based on sexual harassment.

The first type of sexual harassment is called "quid pro quo" - that's when a housing provider, janitor, manager, caretaker, etc, offers or requires you to exchange sexual acts or favors for rent.

The second type of sexual harassment is a hostile environment. This is when the housing provider (or employees') sexual comments, requests for dates, unauthorized entrances into your apartment or other behavior of a sexual nature is so severe or pervasive that it changes the nature of your tenancy.

Who must obey the law?

Everyone, including

- Landlords
- Real estate operators, brokers and agents
- Savings & loan associations, mortgage lenders, banks, or other financial institutions
- Apartment managers
- Rental agents
- Builders, contractors and developers
- Owners of building lots
- Advertising media
- Homeowners advertising and selling their own home
- Caretakers and janitors
- Condo and townhome owners associations
- Neighbors
- Government Agencies

What are some examples of housing discrimination?

The following are examples of acts or practices are illegal if based on someone's protected class:

- Denying or refusing to rent or sell housing
- Refusing to negotiate for housing
- Providing false information about availability of housing for inspection, sale, or rental
- Persuading owners to sell or rent in order to make a profit ("blockbusting")

- Denying anyone access to (or membership in) a facility, community (such as a homeowners association or manufactured home park), or service (such as a multiple listing service) related to housing
- Having different terms, conditions, rules or privileges based on protected class
- Advertising a discriminatory preference or limitation
- Harassing, coercing or intimidating people from enjoying or exercising their rights under fair housing laws
- Imposing different terms or conditions for purchasing or renting; constructing, improving, repairing, insuring, appraising, or maintaining a home; or for loans secured by housing
- Denying use of or participation in real estate services, e.g., brokers' organizations, multiple listing services, etc.
- Neighbor-on-neighbor harassment
- Retaliation for bringing a complaint about discrimination

Are there additional protections if you have a disability?

Besides not discriminating, housing providers may be required to make exceptions to rules, policies, and practices for people with disabilities in order for them to be able to gain full use and enjoyment of their housing. This comes in the form of a "reasonable accommodation" or a "reasonable modification" request.

The Fair Housing Act requires that housing providers must "make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling."

One example of a common reasonable accommodation is the waiver of a "no pets" policy for an individual with a disability who requires an animal because of his / her disability. There are narrow and specific reasons that a request for reasonable accommodation may be denied. See our section on Disability Rights for more information.

What are requirements for housing to be accessible?

The Fair Housing Act requires all "covered multifamily dwellings" designed and constructed for first occupancy after March 13, 1991 to be accessible to and usable by people with disabilities. Covered multifamily dwellings are all dwelling units in buildings containing four or more units with one or more elevators, and all ground floor units in buildings containing four or more units, without an elevator.

What about housing opportunities for families?

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

- A parent
- A person who has legal custody of the child or children, or
- The designee of the parent or legal custodian with the parent or custodian's written permission.

Does “Senior Housing” fall under the prohibition against familial status discrimination?

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
- It is occupied solely by persons who are 62 or older or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.

What are Fair Housing Acts design and construction requirements for buildings?

The Fair Housing Act lists seven basic standards that must be met to comply with the access requirements of the Act. Those requirements are:

Requirement 1: An accessible building entrance on an accessible route.

Requirement 2: Accessible common and public use areas.

Requirement 3: Usable doors (usable by a person in a wheelchair).

Requirement 4: Accessible route into and through the dwelling unit.

Requirement 5: Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

Requirement 6: Reinforced walls in bathrooms for later installation of grab bars.

Requirement 7: Usable kitchens and bathrooms.

Can a landlord deny my housing because I have a Section 8 voucher?

It depends. Although "status with regard to public assistance" is protected under Minnesota laws, the Minnesota courts have found that a private housing provider can choose to not participate in the Section 8 Housing Choice Voucher Program. However, some buildings with tax credits and other government funds may not reject vouchers used by qualified tenants.

If a landlord has a “No Pets” policy, can he/she refuse to rent to me if I need a guide dog/companion animal?

NO. A landlord may have a 'no pets' policy and enforce that policy, however, a guide dog, service animal or companion animal is not a pet. If its purpose is to assist a person with a disability, acceptance of the animal could be considered a reasonable accommodation. No pet fee or additional deposit may be charged to a person with a disability for having a service animal.

****Source: Fair Housing MN Resource Guide***

**EDAC Agenda Item #6
Meeting of Nov. 8, 2018**

Brief Description

Staff Report

General Updates

EDAC Commissioner Megan Luke was reassigned to Planning Commission in October. Staff would like to thank Commissioner Luke for her service on the board and wish her the best in her new role serving on the Planning Commission!

Residents that are interested in serving on the EDAC may submit an application that is available on the city website at <https://eminnetonka.com/boards-commissions>.

Transit Updates

Green Line Extension (Southwest LRT)

- There is one responsible bidder remaining on the project, and the bid is valid through November 15th.
 - Lunda/C.S. McCrossan, \$799,514,338.22
- Construction can be expected to start once the council receives a “Letter of No Prejudice” from the Federal Transit Administration
- Once the letter is received, some site preparation and demolition work can move the project forward.

- SWLRT Anticipated Milestones
 - Awaiting “Letter of No Prejudice” from FTA
 - Nov. 15, 2018 – Metropolitan Council Awards Civil Construction Bids – Once Letter of No Prejudice is issued.
 - December 2018 – Civil Construction Begins
 - 2023 – Service begins

Metro Transit

- Community Development staff continue to meet with Metro Transit on a quarterly basis. Most of the time has been devoted to new development connections and preparing for the LRT opening.

- Metro Transit staff is considering cuts for Minnetonka Routes 614 and 671. Route 614 is a suburban local service route that travels from Ridgedale Mall to Minnetonka Heights. If service is cut, Minnetonka Heights could be served by Transit Link, which is a dial-a-ride service paid for by Metro Transit that serves areas not currently served by transit. Route 671 is an express route that runs from Lake Minnetonka, along Minnetonka Boulevard, and terminates in Downtown Minneapolis.

- Metro Transit continues discussions on the long term viability of the Steele St. Park and Ride (along Minnetonka Blvd.) Potential issues include the fate of existing bus routes that service the Park and Ride, and the total cost of the upgrades.

Development Updates

Project	Description	Location	Plans	Status
French Academie	CUP for school in PUD	12301 Whitewater Dr	https://tinyurl.com/12301WhitewaterDr	Under Review
Highcroft Meadow	Concept Plan for residential development	14410 Orchard Rd	https://tinyurl.com/14410OrchardRd	NA
Sign Ordinance	Ordinance Update	City Wide	NA	Under Review
Mariner	249-unit apartment building	10400, 10500, 10555 Bren Rd E	The Mariner	Under Review
Williston Heights	PPL for four-lot subdivision	4716/4724 Williston Rd	https://tinyurl.com/WillistonHeights	Under Review
Public Safety facility update and expansion	Fire and police station	14600 Minnetonka Blvd	https://eminnetonka.com/current-projects/planning-projects/2029-police-and-fire-facilities-14600-and-14550-minnetonka-blvd	Under Review
Marsh Run (Doran)	Market rate apartments	11706 Wayzata Blvd	https://tinyurl.com/11650WayzataBlvd	Under Review
Villas of Glen Lake	Multiple items for a five lot townhome development	5517/5525 Eden Prairie Rd	https://tinyurl.com/5517edenprairierd	Under Review
Renneke Property (Ron Clark)	Market rate apartments	14317 Excelsior Blvd	https://tinyurl.com/14317ExcelsiorBlvd	NA
Dominium	Apartment buildings	11001 Bren Rd E	dominium	Grading and building permit under review
Ridgedale Executive Apts	Apartment building	12501 Ridgedale Drive	Ridgedale Executive Apts	Grading permit

				under review
Ridgedale Active Adult Apts - Trammel Crow	Apartment building	12421 Wayzata Blvd	Ridgedale Active Adults Apts	Grading and building permit under review
Solbekken Villas	Condo buildings	5740/5750 Shady Oak Rd	https://tinyurl.com/5740ShadyOakRd	Grading permit under review
Minnetonka Hills Apts	Apartment building	2828 & 2800 Jordan Ave	http://tinyurl.com/MtkaHillsApts2nd	Under Construction
Havenwood of Minnetonka (Formerly Mesaba Capital)	Apartment building	17710/17724 Old Excelsior Blvd	http://tinyurl.com/MesabaCapitalMtka	Nearing Completion
Crest Ridge Senior Housing	Apartment building	10955 Wayzata Blvd	https://tinyurl.com/10955WayzataBlvd	Nearing Completion
RiZe at Opus	Apartment building	10101 Bren Road East	http://tinyurl.com/lecesse	Under Construction

County Road 101, LISC Corridor Development Initiative

The city purchased 5937 County Road 101 in 2013 due to a road relocation project. Staff is planning to partner with Local Initiatives Support Corporation (LISC) on conducting a visioning process for the property through the Corridor Development Initiative (CDI) process. The CDI process is a nationally award winning process designed to help cities, neighborhoods, and developers work together more proactively in planning and development along major corridors.

The process brings together a group of experts, consultants, residents, and facilitators to explore development options with city and community stakeholders over a series of four interactive workshops.

Once completed, the city will establish a set of development objectives or criteria for the property, which will be presented as recommendations to the Minnetonka City Council, Planning Commission, and EDAC. These recommendations will be used to help staff in the development of a Request for Information, in which to solicit proposals from developers.

The LISC CDI process was previously used by the City of Minnetonka for the Minnetonka Mills development site in 2009, and again in 2014 for the Glen Lake West redevelopment site.

Housing Updates

Center for Energy and Environment

The Welcome to Minnetonka and Minnetonka Home Enhancement Programs are now administered through the Center for Energy and Environment. Minnetonka residents can apply online at www.mnlendingcenter.org or call 612-335-5884 to receive a paper application.

There are currently five City of Minnetonka Loans in process, and CEE has closed on two Minnetonka Home Enhancement loans valued at \$23,000 total through September 10th.

Staff facilitate minor changes to the program to increase accessibility and reduce loan processing time. Starting in 2019, many interior projects will now be eligible for funding, and the number of required bids on a project has been reduced from two to one, as long as CEE has familiarity and confidence with a contractor. If a bid is outside of the standard range, CEE can work with the homeowner to obtain an additional bid.

CDBG

Hennepin County is managing the small projects loan rehabilitation program on behalf of the city. The 2018 rehab amount is \$105,600. For the first quarter that Minnetonka is participating in the urban county election, one loan has been approved for \$15,000. Five additional people have been pulled from the waitlist, and are in the loan application process. We currently have an uncommitted balance of \$15,600 and 73 people on the waitlist.

Upcoming Events

Wednesday, November 28

SLUC
Harstad vs. City of Woodbury: What's Next
316 Brookview Parkway South - 11:30 a.m.
1500 Park Place Blvd
Golden Valley, MN 55426

Friday, December 14

ULI MN
10th Annual Housing Summit – 8:00 -11:00 a.m.
Dorsey and Whitney
50 S. 6th Street, Suite 1500
Minneapolis, MN 55402

Thursday, January 24

EDAC Meeting
City Council Chambers
6:00 p.m.

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager
Rob Hanson, EDFP, Economic Development Coordinator
Julie Wischnack, AICP, Community Development Director