

5937 Cty. Road 101 – Resources for 10.24.2019 Meeting



What is affordable housing?

The Area Median Income (for a family of 4) for the Twin Cities Metropolitan Region in 2019 is \$100,000. This means that half of the households in the Twin Cities Metro make less than \$100,000, and half of the households make more than \$100,000.

How much do people pay for affordable housing?

Affordability based on a family of four

Monthly Rent	AMI	Annual Income
\$750	30%	up to \$30,000
\$750 - \$1,250	30%-50%	\$30,000 - \$50,000
\$1,250 - \$1,500	50%-60%	\$50,000 - \$60,000
\$1,500 - \$2,000	60%-80%	\$60,000 - \$80,000
\$2,000 - \$2,500	80%-100%	\$80,000 - \$100,000

Affordable rents, based on sample occupations and their average salaries

Salary information obtained from indeed.com

Occupation	Average Salary	Affordable Rent
Home Health Aide	\$29,450	\$736
Nurse	\$73,320	\$1,833
High School Teacher	\$35,235	\$880
Line Cook	\$32,364	\$810

The Metropolitan Council Defines affordable housing as housing that is affordable families where they spend no more than 30% of their income on housing. A family is considered to have “low-to-moderate income” if they earn between 50%- 80% of the Area Median Income or \$50,000 to \$75,500 annually. Under this definition, a family of four can afford a house up to \$254,500 or rent priced between \$1,250 and \$2,000 per month.

Affordable Housing Need in Minnetonka

Between 2010 and 2015, the number of housing units affordable to households earning less than 80% AMI decreased by more than 2,200 units. Minnetonka continues to see considerable increases in rental rates, which is continuing to affect the amount of affordable housing that is available in the community. More information on projected housing need can be found in the city’s draft 2040 Comprehensive Guide Plan under the “Housing” Chapter:

<https://eminnetonka.com/planning/comprehensive-guide-plan/2040-comprehensive-guide-plan>

What is a land trust?

Community Land Trusts (CLT), are a type of shared-equity homeownership, run by non-profit organizations, which are established by communities or public entities to create and preserve long-term affordable housing for low-to moderate-income residents. CLT’s purchase or build homes and create a long-term ground lease under which families can become homeowners (ie: the family owns the house but the underlying land is placed in a trust). Local examples of CLT’s include West Hennepin Affordable Housing Land Trust (Hennepin County), and City of Lakes Community Land Trust (Minneapolis). The trust allows the property to remain affordable for family after family into the future.

What are the next steps in the process?

- The city will request development interest from developers which will reference the Development Guideline Recommendations from this process (Estimated to be released in Summer 2020) - This process is called a "[Request for Developer Interest](#)".
- Developers will submit ideas on how they would approach developing the property.
- Staff will review/analyze the ideas and summarize the information for city council to review.
- Developers will be invited to present to the city council (presentation only, not negotiation)
 - Council will consider the approaches and whether or not to move forward with a developer.
- Developer will sketch a drawing of the potential project.
- Developer will host a neighborhood meeting to obtain feedback from the community. – Notification sent to property owners.
- Planning Commission will review the concept plan, identify any challenges, and provide additional feedback (public is invited to ask questions and provide feedback) – No action
- Economic Development Advisory Commission (EDAC) would review any request for financial assistance – EDAC provides feedback on financial request – No action
- City council will then review concept and notes from the Planning Commission meeting and EDAC, and receive additional feedback (public is invited to ask questions and provide feedback) – No action

This is all done BEFORE a formal application is filed.

- Following a formal application, with detailed information, a notification is sent to area property owners. Property owners are encouraged to view plans (online) and provide feedback.
- The formal application is introduced at a council meeting. At this time, the council reviews the issues to be researched.
- Planning Commission holds an official public hearing and recommends action to city council. – Opportunity for property owners to provide feedback.
- City Council Action: Based on input from the aforementioned steps, the city council takes final action to approve or deny the proposed development.

Entire process estimated to take 3-4 months from concept to approval. There will be 7 check in points to provide feedback on a proposal.

- Our role is to provide information in a timely manner that is easy to understand, that is accurate and transparent.
- It is the role of residents to engage with the process and stay informed through participation in meetings and provide feedback.