



**AGENDA**  
**CITY OF MINNETONKA**  
**ECONOMIC DEVELOPMENT ADVISORY COMMISSION**  
Thursday, June 25, 2020  
6:00 p.m.

Council Chambers  
Minnetonka Community Center

1. Call to Order

2. Roll Call

Charlie Yunker  
Maram Falk  
Melissa Johnston  
Ann Duginske Cibulka

Steven Tyacke  
Jay Hromatka  
Lee Jacobsohn

3. Approval of May 14, 2020 minutes

**BUSINESS ITEMS**

4. 2021-2025 Economic Improvement Program (EIP)

*Recommendation: Review the draft EIP and make a recommendation to council.*

5. Staff Report

6. Other Business

The next regularly scheduled EDAC meeting will be held on July 16 at 6:00 p.m.

7. 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

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

**May 14, 2020  
6 p.m.**

**1. Call to Order**

Chair Yunker called the meeting to order at 6 p.m.

**2. Roll Call**

EDAC commissioners present: Ann Duginski-Cibulka, Maram Falk, Jay Hromatka, Lee Jacobsohn, Melissa Johnston, Steven Tyacke and Charlie Yunker were present.

Hromatka was present at the start of the meeting, but was having technical difficulties for a few minutes.

Tyacke was listening and participating in the meeting, but was not visible for a few minutes.

Councilmember Deb Calvert was present.

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

Attorney Julie Eddington of Eddington and Associates and financial consultant Keith Dahl of Ehlers and Associates were present.

Hromatka joined the virtual meeting.

**3. Approval of EDAC Jan. 9, 2020 Meeting Minutes**

Johnston motioned, Jacobsohn seconded the motion to approve the Jan. 9, 2020 meeting minutes with modifications provided in the change memo dated May 14, 2020. Duginski-Cibulka, Jacobsohn, Johnston, and Yunker voted yes. Falk, Hromatka, and Tyacke abstained. Motion passed.

**4. The Pointe at 801 Carlson Pkwy.**

Gray and Ms. Eddington reported.

Tyacke asked how it would be determined that the entity receiving transfer of the proposal would be a credit-worthy party. Ms. Eddington explained that the applicant would like the ability to transfer ownership to an affiliate that would be required to have United Properties as a majority owner. These types of contracts typically do allow transfers to affiliates. The loan would be paid at the closing of a transfer. The city's

financial consultant from Ehlers would review the proposal to make sure that the pro forma has a financial gap before issuing the loan and review the pro forma after the project is completed to make sure that the \$400,000 was needed for the project.

Wischnack confirmed with Ms. Eddington that a disbursement agreement would outline when funds would be issued.

Hromatka asked if administrative costs would be limited to \$5,000. Gray felt that amount would be sufficient. Any unused balance would be returned to the developer.

Hromatka asked how the affordable units would remain affordable if they would be converted into condominiums. Wischnack noted that there would be additional land use approvals necessary to go along with financial restructuring. The loan would have to be renewed or restructured and new covenants implemented. Long-term thinking is positive.

Hromatka asked if consent from the city would be required for a sale. Ms. Eddington clarified that a transfer is the same as a sale. As the contract is written now, any transfer would require approval from the Minnetonka Economic Development Authority (EDA). The applicant is requesting that language be changed so United Properties would be able to transfer ownership to an affiliate that has United Properties as a majority owner without the city's consent.

Duginski-Cibulka asked if a trigger was identified to determine when residents under 55 years of age would be allowed.

Rick McKelvey, of United Properties, applicant, thanked staff and the city's consultants for their assistance. He stated that:

- The project has been improved and includes some nice, sustainable features.
- The market has changed since the project's inception. The long-term plan is being reconsidered. Now, residents may be delayed from moving out of a single-family house for some time.
- A transfer would equal a sale of ownership. The loan and interest would be paid at that time. United Properties, LLC does commonly sell a completed development to another entity. If United Properties would transfer to a United Properties affiliate, which would require a majority of the entity to be owned by United Properties, then the developer would not have to receive approval from the city because United Properties would still be the owner. It would streamline the process to complete the transaction.
- The affordability requirements would be in place for 30 years. Having the flexibility to decrease the age restriction; allow ownership rather than rental of units; and, or, converting affordable units to market-rate units may become necessary in the future if the market changes. He believes the proposal would thrive as a 55-years-of-age-and-up, rental-apartment building for the next 30 years, but the applicant would like to have

contingency plans in place to handle unforeseen circumstances.

- The affordability obligations would be honored whether the building would have rental units or individually-owned condominiums in the future.

Tyacke asked how changing the units from rental to owner-occupied units would occur. Wischnack stated that commissioners could recommend that the city council include a condition of approval that would outline a process that would require the city's approval for United Properties to change the units from rental to owner occupied. Johnston agreed. It is very early to discuss changing the use from rental units to owner-occupied condominiums.

Jacobsohn did not see an issue with the contract allowing residents of any age. If a unit would be sold rather than rented, then requiring the unit to be sold for 80 percent AMI would meet the affordable housing guidelines.

Calvert emphasized that if the proposal would be converted to condominiums, then there would be a different threshold regarding the number of affordable units. She imagined that councilmembers would like to explore those numbers and compare the differences.

Wischnack identified that commissioners were more comfortable with allowing more flexibility regarding the 55-years-of-age restriction than the applicant potentially being allowed to change the use from rental units to owner-occupied units.

Hromatka has no problem with the contract having no age restriction. Chair Yunker acknowledged that commissioners were nodding their heads in agreement.

Hromatka asked if the 10-day turnaround would be appropriate. Ms. Eddington explained that she was comfortable with a 10-day turn around for action to be taken by the city's EDA since the building permit approval process would be a separate approval that would be required before the project could begin. If the EDA did not act within 10 days, then the proposal would be considered to have the EDA's approval, but it would not have building permit approval.

In response to Tyacke's question, Wischnack explained that the future phases of the proposal do not impact the EDAC's decisions.

In response to Tyacke's question, Mr. Dahl confirmed that this would be an appropriate use for TIF funds. It is common practice.

Hromatka noted that the \$400,000 amount was calculated a while ago. He asked if that should be updated. Mr. Dahl stated that real estate is a long-term investment. Construction would begin in 2021. The pro forma would be looked at one more time before any funds would be disbursed.

Chair Yunker asked for commissioners' comments regarding the applicant's requested changes to the contract. Tyacke would like to add a conditional of approval that would

require approval by the city council before the units could be changed from rental units to owner-occupied condominiums.

Hromatka stated that staff and the consultants answered his questions. He was satisfied.

Jacobsohn agreed with the requested changes and general structure of the contract if clarity would be added regarding conditions to allow the units to go from rental to owner-occupied units.

Gray asked commissioners to comment on the amount of funds.

Hromatka was comfortable with the amount of the financing request. This project seems to be well in line with what would be adequate resources for the amount of dollars.

Duginski-Cibulka felt this would be a good investment for the city's funds. She was happy to see that the developer worked hard to get the amount of money down. The original request was for \$3 million. She was glad that the 10-percent-of-affordable-units policy would be followed.

Tyacke felt that the request is reasonable and is a reasonable use of funds. The proposal would benefit the city.

Chair Yunker agreed with commissioners.

Hromatka motioned, Tyacke seconded the motion to recommend that the city council adopt a resolution approving items for The Pointe at 801 Carlson Pkwy as submitted by Ms. Eddington with the addition of stipulations that must be met if the units would be converted from rental units to owner-occupied condominiums in the future. Duginski-Cibulka, Falk, Hromatka, Jacobsohn, Johnston, Tyacke and Yunker voted yes. Motion passed.

## 5. Staff Report

Gray and Wischnack gave the staff report:

- The Green Line Extension (SWLRT) is working on the tunnel excavation north of Hwy. 62. Grading and paving continue to connect loops of Red Circle Drive. The Opus Station foundation will be poured later in May. Smetana Road from Feltl to Nolan will continue to be closed for 2020. Red Circle Drive is closed. Bren Road West is closed through the 2020 construction season. Construction updates are available at [www.swlrt.org](http://www.swlrt.org).
- There is a construction information work group made up of Opus business owners hosted by Metro Transit that meet routinely.
- Metro Transit began a reduced schedule for all routes on March 25<sup>th</sup>. Weekday service levels through the region are based on Saturday schedules. The current Metro Transit Cooperation Agreement will expire August 1<sup>st</sup>. Staff will propose the extension of the current agreement for an additional two years.

- Developments in progress include Taco Teresa's, Dairy Queen, The Pointe, Avidor, The Luxe, Doran (The Burke), Shady Oak Crossing, Legends, Ridgedale Drive, and the Minnetonka Police and Fire project.
- The city received a grant for the Shady Oak project from the transit oriented fund from Hennepin County.
- The Emergency Business Loan Program was created and funds issued within six weeks. The city received 60 applications and provided funds to 36 businesses. The city utilized \$225,000 of the existing HRA Levy fund balance to provide forgivable loans up to \$7,500 to cover business expenses. The county opened its program as the city used up its funds to assist additional Minnetonka business owners.
- Staff established an Emergency Rental Assistance Program in conjunction with ICMA. The city utilized \$150,000 of the existing Development Fund balance to provide a one-time payment of up to \$1,500 to assist with rent and utility expenses. To qualify, residents may earn up to 120 percent of AMI. Hennepin County is assisting residents who meet lower income requirements. Residents may call ICMA for assistance at any time.
- The city continues to provide COVID-19 related updates at [www.minnetonkamn.gov/coronavirus-response](http://www.minnetonkamn.gov/coronavirus-response).

## 6. Other Business

Commissioners indicated that they would be able to attend the next EDAC meeting which will now be moved from June 11, 2020 to June 25, 2020 at 6 p.m.

## 7. Adjournment

Jacobsohn moved, Hromatka seconded a motion to adjourn the meeting at 7:35 p.m. Motion passed unanimously.

**EDAC Agenda Item #4  
Meeting of June 25, 2020**

**Brief Description**                      2021-2025 Economic Improvement Program (EIP)

**Background**

The city's first Economic Improvement Program (EIP) was developed in 2012, making this the eighth iteration of the document. The purpose of the EIP is to provide a detailed five-year plan of the city's economic development activities. The document is updated annually.

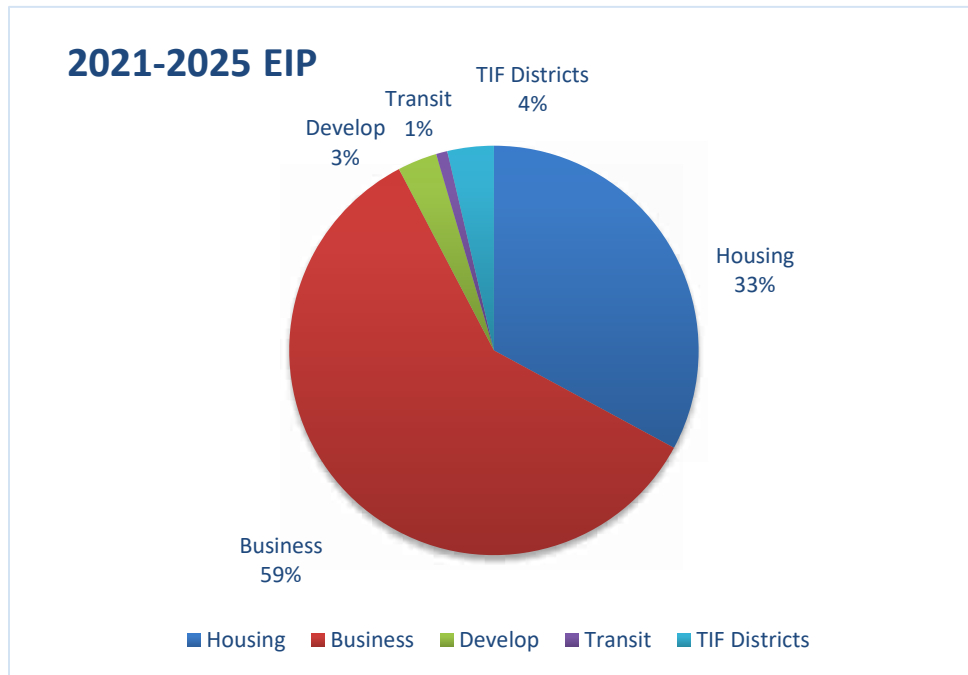
**Economic Improvement Program**

The draft EIP has been prepared based upon the comments by the city council received during previous EIP reviews, as well as the Economic Development Advisory Commission's (EDAC's) feedback from the March 14, 2019 unofficial EDAC meeting.

- **Chapter 1 Policy** — defines what funding categories programs will fall under, and also details the funding principles.
- **Chapters 2 through 7** — provides program pages for each of the city's existing and potential future economic development efforts. The program page details the description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it outlines the funds needed to develop or sustain the program over a period of years.
- **Chapter 8 Funding Sources and Expenditure Projections** — provides summary tables including the first table which is a one-year (2019) summary of total expenditures by category and by fund. The second set of tables presents 10-year funding sources and expenditure projections. The final table summarizes the 10-year projection of all funds.
- **Chapter 9 Affordable Housing Goals** — itemizes how the city has and will meet its 1995-2010 and 2011-2020 affordable housing goals, including any EIP programs used to assist the project and the affordable housing income limits.
- **Glossary** — Glossary of programs and terms.

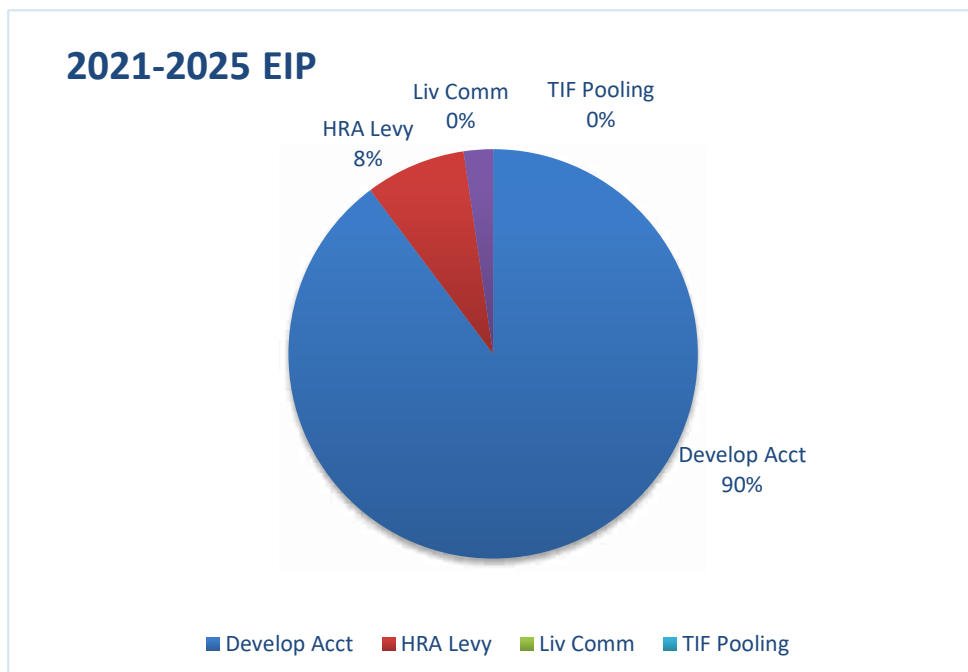
**Uses of EIP Funds**

This year, the city's highest priority in the recommended EIP is business programming. Approximately \$13 million is projected to be allocated to business programs in contrast to approximately \$6 million on housing programs. The large increase in the business programming is due to a projected \$7 million in pass-through grant funding in 2021-2025. A majority of the grants are dedicated to housing redevelopment projects, environmental clean-up and business development grant programs. Generally, those funds are not city dollars, but rather pass-through grants or other loan programs.



The second highest priority category in the 2021-2025 EIP is housing. The lowest priority categories of investment are development/redevelopment and transit program areas. However, these categories are expected to increase as more definitive plans for station area improvements for Southwest Light Rail Transit (LRT) come into place.

In the 2021-2025 EIP, accounting for the largest single resource for EIP implementation at 86 percent of all funding, approximately \$22 million will be available from the development account (a majority of this funding is pass-through grants from other agencies). TIF pooling funds are limited to specific types of housing projects and are committed to Shady Oak Crossings in the 2021-2025 EIP. The HRA levy is anticipated to generate the next largest source of funding.





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## Staff Review 2021-2025 EIP Updates

### Housing Chapter Summary

#### *CDBG Program*

Community Development Block Grant (CDBG) program administration switched to Hennepin County on July 1, 2018. Changes to the program include:

- - Entitlements Funds (Prior to July 1, 2018)
    - Cash balance of existing funds is \$254,417
    - Program Income of approximately \$35,000 per year is generated from loan repayments.
    - CARES Act legislation may open up additional options for use of these funds for COVID-19 related relief efforts.
  - CDBG Consortium (July 1, 2018 to Present)
    - Funds no longer flow through the city and are not included in the sources/expenditures section of the page. The estimated award for 2019 is \$132,614.
    - Administration
      - The county receives 13%-15% to administer the CDBG portfolio (reporting, intake of SPP clients, fair housing, monitoring, environmental review, processing applications, processing subordination and payoff requests, submitting annual Consolidated Annual Performance Evaluation Report (CAPER) and other reports to the Department of Housing and Urban Development (HUD).
    - Small Projects Program
      - The county started administering the program beginning in July 2018.
      - There is a maximum loan amount of \$15,000.
        - Allows greater investment in properties vs. minor repairs
        - Costs for improvements have significantly risen since 2005 when the \$5,000 maximum was established.
        - Easier to meet annual spend down requirement.
        - The county has an online application; city staff can assist residents who want to meet at city hall.
      - The sources/uses for this year assumes program income from loan repayment following the end of the federal funding. We are seeing an increase in the repayment of loans (there are 207 outstanding loans at this time), due to an increase in home sales and the number of outstanding loans.
      - Program income is reinvested back into the program to provide additional loans.
    - Fair Housing
      - The city will remain involved in Fair Housing activities; however, the county will be responsible for coordinating these efforts on behalf of the city.
    - Public Services

- Agencies now apply for funding through a coordinated Request for Proposal (RFP) process through the county. In 2020, all of the previously funded Minnetonka agencies applied and were recommended for funding that exceeded previous Minnetonka allocations as an entitlement community.

*Homes Within Reach (HWR)*

History of Homes Within Reach and the City’s Affordable Housing Goals

Homes Within Reach (HWR), also known as the West Hennepin Affordable Housing Land Trust, was established in 2001 by a workgroup formed by the city of Minnetonka after the city council identified preserving and increasing affordable ownership housing as a priority for the community.

HWR is a community land trust, and owns properties throughout suburban Western Hennepin County. Through the land trust model, low-to-moderate income families are able to purchase a home in Minnetonka, at a much lower price point than through a traditional real estate transaction. Under this model, HWR purchases the home and completes any necessary repairs to get the home ready to sell to a low-to-moderate income household. HWR then retains ownership of the land through a 99-year ground lease (with a nominal fee to the homeowner). When the home is sold, the homeowner obtains a mortgage on the home (excluding land costs), which results in a much lower mortgage, required down payment, and closing costs than a market transaction. Additionally, there is a formula to ensure the homeowner is allowed to accrue a fair amount of equity in the home, while an additional provision maintains the affordability to the next homeowner when the home is sold. The homeowner has the support of HWR staff to obtain other resources, access financial counseling, and foreclosure prevention. The goal of the land trust is to provide access to housing stability that leads to individual and community well-being.

Two examples of the land trust model are below:

<b>11307 Friar Lane</b>	
<b>Purchased by HWR (2018) – Market Rate</b>	<b>Estimated Mortgage Payment *</b>
\$258,900 (20% down payment - \$51,780)	\$1,483.00
<b>House Sold to HWR Applicant (2018)</b>	
\$140,100 (1% down payment - \$1,400)	\$1,140.00**
<b>5116 Holiday Road</b>	
<b>Purchased by HWR (2019) – Market Rate</b>	<b>Estimated Mortgage Payment</b>
\$291,000 ( 20% down payment - \$58,200)	\$1,610.00
<b>House Sold to HWR Applicant (2019)</b>	
\$154,000 (1% down payment - \$1,540)	\$1,202.00**

\*Mortgage Includes 20% down payment, taxes, and insurance.

\*\* HWR only requires \$1,000 down payment on purchases.

For additional context. The median sales price for a home in Minnetonka is \$365,000. The Metropolitan Council classifies \$254,500 as the maximum home price that is affordable to a family earning 80% AMI (\$75,500). With the property value taken out of the equation, a HWR home can be purchased for under \$160,000, and have a much lower home entry cost and monthly mortgage payment. HWR homeowners are required to pay the full taxable value of the parcel.

#### *HWR partnership with the City of Minnetonka*

Homes Within Reach has an agreement with the City of Minnetonka to provide a line of credit to purchase homes within the city. Under the terms of the agreement, any property that HWR wishes to purchase in the city must first be approved by city staff. The typical process includes HWR finding a home suitable for purchase. Before making an offer, HWR will contact city staff and ask for approval. The location of the property is considered in the approval to ensure that HWR homes are selected equitably throughout the city.

HWR receives funding from a variety of private, state, regional and local funding sources. Historically, HWR received funding through: Minnesota Housing, Metropolitan Council, CDBG, and Hennepin County. HWR is able to leverage other dollars because of the agreement with the City of Minnetonka. Without the support of multiple sources of funding, the land trust model would not be possible.

#### *Past discussions regarding funding with HWR*

- In 2012-2013, an EDAC subcommittee met and recommended that the city council consider phasing out the larger funding for HWR beginning in 2020. The recommendation stated that beginning in 2020, HWR's funding should be reduced to \$25,000 to assist with ongoing administrative costs to continue the organization. This recommendation was also provided by the EDAC at its March 22, 2014 meeting. A summary of the materials from the four 2012-2013 EDAC subcommittee meetings and the minutes from the March 22, 2014 meeting are attached as a resource.
- On March 14, 2019, EDAC commissioners suggested adding information on the history of HWR to the EIP. Generally, commissioners supported continuing to look for opportunities to fund the organization. Staff attached the following information to the report:
  - History of City Contributions to Homes Within Reach
  - Homes Within Reach Properties
- In June, 2019, the city council reallocated \$125,000 from the HRA funded housing loan programs to HWR and approved an additional contribution of \$25,000 through the HRA levy to assist with ongoing program administration.
- The 2021-2025 EIP does not contemplate additional funding for HWR in 2021 given that HWR received two years' worth of program administration allocation in the 2020 budget.

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*Welcome to Minnetonka and Minnetonka Home Enhancement*

- On Jan. 1, 2018, the Center for Energy and Environment began administrating these programs.
- At the March 14, 2019 EDAC meeting, commissioners recommended amending the Welcome to Minnetonka program to provide up to \$15,000 as a deferred loan.
- In the 2020, the city council approved the reallocation of \$225,000 of existing fund balance from these programs to assist businesses impacted by COVID-19, with emergency forgivable loans.
- There is a current fund balance of approximately 200,000 for these programs with three applications in review for funding.
- The average loan amount for the Welcome to Minnetonka Program is \$7,878.43; the Minnetonka Home Enhancement average loan amount is \$12,623.81.

*Housing Improvement Areas*

- Bonds were issued in 2019 to repay the Cloud 9 association's construction loan. The loan will be repaid through the housing fee collected on the annual property tax statements.
- Staff receives two to three inquiries a year for this program.

*Tax Increment Financing (TIF) Pooling*

- TIF Pooling pages updated (matches 2018 TIF Management Report)
  - Affordable Housing via Blvd Gardens (tax credit eligible)
  - Affordable Housing via Beacon Hill/Tonka/Rowland
    - Highlights pooling for affordable housing pooled for non-tax credit eligible projects.

*Affordable Housing Trust Fund (AHTF)*

- Council approved a temporary AHTF in 2020 to provide emergency rental assistance to households impacted by COVID-19.
- The EDAC should consider establishing a permanent AHTF to allow the city to continue these efforts.
- Staff is recommending a contribution of \$50,000 through the HRA levy to continue this effort in 2021.

*Housing Conceptual Pages*

- Housing Program Research

**Business Chapter Summary**

*Sprinkler Retrofit*

- Added continued funding of \$50,000 annually through the Special Assessment Construction Fund, as there is continued interest in this program.

*Pass-through Grants*

- Staff noted all awarded housing/business development grants on the project page.

- Additional grants are expected over the next several years.

#### *Business Outreach*

- \$25,000 a year was budgeted to assist with the implementation of the Business Development strategy. Project costs include: business newsletter, business outreach and marketing, and potential for future business related events.
- The first edition of the business newsletter was distributed in the summer, 2018.
- There are 2,400 copies distributed twice annually.

#### *Twin West Chamber*

- Twin West Chamber announced plans to consolidate with the Minneapolis Regional Chamber.
- The budget was increased to \$10,000 to accommodate any future increase in dues to participate in the regional chamber.

#### *Emergency Business Assistance*

- In 2020, the city council approved reallocating \$225,000 of the existing cash balance of the HRA levy programs to provide forgivable loans to businesses impacted by COVID-19.
- Staff is recommending that the EDAC consider recommending a contribution of \$50,000 in HRA levy funding in 2021 to continue businesses support.

#### **Transit Chapter**

- No changes to this chapter.

#### **Development and Redevelopment Chapter**

##### *Predevelopment*

- Requested \$75,000 in funding.

#### **TIF Chapter**

- Added a new project page for Shady Oak Crossing TIF

#### **Affordable Housing Goals**

- Updated Metropolitan Council Housing Goals. New affordable housing goals will be adopted in 2020.
- Updated Housing Policy Page with Affordable Housing Policy

#### **Next Steps**

The schedule for approval is as follows:

- July 8, 2020 City Council meeting — Review and approve EIP.

***Discussion Points:***

- ***Does the EDAC want to discuss a future funding recommendation for Homes Within Reach?***
- ***Does the EDAC wish to offer any additional direction regarding the recommended 2021-2025 EIP?***

Submitted through:

Geralyn Barone, City Manager  
Darin Nelson, Finance Director

Originated by:

Julie Wischnack, AICP, Community Development Director  
Alisha Gray, Economic Development and Housing Manager

**Attachments:**

2021-2025 Draft EIP

Homes Within Reach

- 2012-2013 Homes Within Reach Subcommittee Memos
- March 13, 2014 EDAC Minutes
- History of City Contributions to Homes Within Reach
- Homes Within Reach Properties



CITY OF  
**MINNETONKA**

**2021-2025  
ECONOMIC  
IMPROVEMENT PROGRAM**



**ECONOMIC IMPROVEMENT PROGRAM  
2021-2025**

**CITY OF MINNETONKA**

Adopted XXXXX, 2020



**2021-2025  
ECONOMIC IMPROVEMENT PROGRAM**

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## **Economic Improvement Program Policy**

The Economic Improvement Program (EIP) is the city's long-term plan for housing, economic development, redevelopment, and transit programs that promote economic viability for the citizens and businesses of Minnetonka.

### **Funding Categories**

The EIP covers a broad range of community development activities. Funding categories include:

- Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.
- Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.
- Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.
- Activities that promote the vitality of the city through development and redevelopment.

### **Planning Principles**

- The EIP will support achievement of the city's Comprehensive Plan and long-term Strategic Goals.
- The EIP will be updated annually to reflect changes in programs, demographics, private housing stock, business needs, and the overall economic climate.
- The EIP allows flexibility, and may be amended during the year if necessary, in order to act upon unforeseen opportunities that may arise which enhance economic viability.
- Development of the EIP will be consistent with the annual operating budget. Future staffing and other budgetary impacts are projected and will be included in operating budget forecasts.



# HOUSING



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## HOUSING CHAPTER SUMMARY

*Projects and programs which encourage diversity and broaden choices in types, sizes, and prices of the city's housing stock to meet the needs of the aging population and to attract younger residents.*

The city currently has nine programs in place to assist in the construction, maintenance, and renewal of housing in the city. One program is in the conceptual phase and will be explored for further consideration.

- The total five-year estimated cost of the programs is \$6,044,417.

Program	2021	2022	2023	2024	2025	5-Year Total
<b>CDBG Entitlement</b>	254,417	35,000	35,000	35,000	35,000	<b>\$394,417</b>
<b>Homes Within Reach</b>	0	25,000	25,000	25,000	25,000	<b>\$100,000</b>
<b>Housing Improvement Areas</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	<b>\$5,000,000</b>
<b>Minnetonka Home Enhancement</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Welcome to Minnetonka</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Housing Trust Fund</b>	50,000	0	0	0	0	<b>\$50,000</b>
	<b>\$1,404,417</b>	<b>\$1,160,000</b>	<b>\$1,160,000</b>	<b>\$1,160,000</b>	<b>\$1,160,000</b>	<b>\$6,044,417</b>
<b>Conceptual Programs</b>						
Housing Program Research						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- The establishment of a permanent Housing Trust Fund would allow the city to continue to provide rental assistance to households impacted by COVID-19.
- The In 2020, the council allocated \$150,000 to Homes Within Reach. \$100,000 was dedicated to acquisition and rehabilitation and the remaining \$50,000 was allocated to pay for ongoing organizational support in 2020 and 2021.

# Economic Improvement Program

2021 *thru* 2025

**Department** I-Housing  
**Contact** Community Development  
**Type** Program  
**Useful Life** N/A  
**Category** Housing  
**Priority** Yellow

## City of Minnetonka, Minnesota

**Project #** Housing-20  
**Project Name** CDBG Entitlement (Prior to 2018)

**Key Measures** Households Assisted      **Key Measures**  
**Key Measures**      **Key Measures**

**Description**  
 On July 1, 2018, Hennepin County began overseeing the entire CDBG program, on behalf of Minnetonka, as the city elected to join the Urban County CDBG Consortium. This page represents program income the city received from repayment of loans from loan made prior to 2018, when the city was an entitlement community and received a direct CDBG allocation from the Department of Housing and Urban Development.  
 SCHEDULING AND PROJECT STATUS:  
 This is an ongoing program.

**Justification**  
 The city continues to receive program income from rehabilitation loans that were made prior to 2018 when the city was in its entitlement status. The city will receive repayment of prior year loans if an owner sells the property prior to the 10-year deferment period.  
 In 2019, the city council allocated \$202,000 in remaining grant funds to assist with business relocation at 4312 Shady Oak Road. The CDBG funds are no longer available for that purpose and staff is exploring alternatives to utilize this cash balance. Staff is anticipating that the fund balance of \$254,417 may be able to fund COVID-19 related impacts. Any additional program income received in 2020 and beyond will be transferred to Hennepin County for the Rehabilitation Loan Program.  
 Staff is anticipating that approximately \$35,000 a year in program income will be received from loan repayments.  
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:  
 Comprehensive Plan-Promote housing maintenance programs that improve the livability of existing residential dwelling units in a cost effective manner.  
 Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.  
 KEY MEASURES  
 Households Assisted  
 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
 47 25 14 10 N/A N/A N/A N/A N/A N/A N/A  
 Business Assisted  
 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
 N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	254,417	35,000	35,000	35,000	35,000	394,417
<b>Total</b>	<b>254,417</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>394,417</b>

Funding Sources	2021	2022	2023	2024	2025	Total
CDBG	254,417	35,000	35,000	35,000	35,000	394,417
<b>Total</b>	<b>254,417</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>394,417</b>

**Budget Impact/Other**  
 Program income received from loans made prior to 2018 flows through the city. Staff anticipates that this income will continue to fund new loans that are currently managed through Hennepin County. The city can also choose to reallocate funds to projects that meet one of the three national objectives. 1. Benefit low and moderate income persons 2. Help prevent and/or eliminate slums and/or blight 3. Meet other community development needs of particular urgency.  
 The city currently has 207 outstanding loans made between 2011 and 2020, with an outstanding balance of \$854,085.  
 The city will continue to offset any administrative expenses incurred by staff with available CDBG dollars.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-03</b>
<b>Project Name</b>	<b>CDBG Consortium (2017-Present)</b>

Type Program

Useful Life N/A

Category Housing

Priority Yellow

Key Measures Households Assisted

Key Measures

Key Measures

Key Measures

### Description

On October 1, 2017, Hennepin County began overseeing the entire CDBG program, on behalf of Minnetonka, as the city elected to join the Urban County CDBG Consortium. Hennepin County is responsible for accepting applications for the small projects loan program, ongoing loan project management, and leads a process to distribute public service dollars each year.

For 2020, the estimated CDBG allocation for Minnetonka is \$132,614. In 2020, Hennepin County received an additional allocation of \$94,880 through the CARES ACT, which was used to provide emergency rent assistance and food assistance.

#### SCHEDULING AND PROJECT STATUS:

This is an ongoing program. The CDBG program year is July 1 to June 30, which is different than the city's fiscal year.

### Justification

A description of the programs under the consortium is listed below:

The Small Projects loan program offers ten-year, no interest deferred loans up to \$15,000. The loan amount was increased in 2018 to respond to increased cost of repairs. Households up to 80% of area median income qualify for the \$15,000 Small Projects Program, which allows for housing repairs and maintenance.

Up to 15 percent of the city's Community Development Block Grant funds can be used to fund public services (non-profits). In 2020, 30 organizations requested funding through the consortium. Hennepin County will consider approval of funding awards in May/June 2020 and HUD approval of awards will be announced in June/July 2020. In 2020, HOMELine, Resource West, Senior Community Services, TreeHouse, CAP-HC and ICA are anticipated to receive funding.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS:

Comprehensive Plan-Promote housing maintenance programs that improve the livability of existing residential dwelling units in a cost effective manner.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

#### KEY MEASURES

Households Assisted

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
47	25	14	8	9	9	8	8	8	8	8

### Budget Impact/Other

- As part of the Urban County Consortium, no CDBG funds flow through the city.
- One percent of the city's CDBG annual allocation is contributed to the Hennepin County Consortium to support fair housing activities.
- The administrative costs associated with the program are 15-17 % of the city's total allocation each year.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-05</b>
<b>Project Name</b>	<b>Homes Within Reach</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Red

**Key Measures** HWR units in Minnetonka

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Homes Within Reach (also known as the West Hennepin Affordable Housing Land Trust) is a non-profit community land trust that creates and preserves affordable homeownership opportunities in suburban Hennepin County.

#### SCHEDULING AND PROJECT STATUS

This program is ongoing. Depending on the level of commitment by the city and other matching funds, Homes Within Reach anticipates adding one to two new permanently affordable owner-occupied units to the city each year.

### Justification

In an effort to promote long-term affordable, scattered-site housing, while maximizing the cost-effectiveness of public investment, the community land trust model was presented as a tool in 2000 to help the city increase its amount of long-term affordable housing.

The Homes Within Reach program provides single-family, permanently affordable, homeownership opportunities to those at 80% AMI or less. Minnetonka's funds will be used to leverage and match other county, regional, and state funds.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Creating partnerships with other agencies to ensure the longevity of affordable housing.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

Total HWR units in Minnetonka

54 55 56 61 61 61 63 64 64 64 64

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	0	25,000	25,000	25,000	25,000	100,000
<b>Total</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>100,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	0	25,000	25,000	25,000	25,000	100,000
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>100,000</b>

### Budget Impact/Other

Homes Within Reach requests funding through the annual EIP process each year. Growth in long term affordable units is important, but there should be some adjustment to the city's commitment to ensure it is sustainable. After 2017, funding through the Livable Communities Account was no longer available.

An EDAC subcommittee met in 2014 and recommended that HWR funding be decreased beginning in 2017. In 2020, an annual fee of \$25,000 was added to assist with ongoing operations. The proposed funding source for ongoing maintenance is the HRA levy.

HWR has a current funding commitment of approximately \$400,000 in available funding to complete four more projects between 2021-2025. For 2020, the EIP allocated an HRA levy of \$25,000 and the reallocation of \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist with ongoing administrative expenses and program dollars.



# Economic Improvement Program

2021 *thru* 2025

**Department** I-Housing  
**Contact** Community Development  
**Type** Maintenance  
**Useful Life** N/A  
**Category** Housing  
**Priority** Yellow

## City of Minnetonka, Minnesota

**Project #** Housing-06  
**Project Name** Housing Improvement Areas

**Key Measures** Units Assisted      **Key Measures**  
**Key Measures**      **Key Measures**

**Description**  
 Minnesota law provides a mechanism termed Housing Improvement Area (HIA) which allows cities to help arrange and finance rehabilitation on owner-occupied residential buildings, such as condominiums or townhouses.

SCHEDULING AND PROJECT STATUS  
 The council adopted an HIA policy in November 2011. It is expected that interest in this program will grow as condo and townhouse developments age. State legislation for HIA's sunsets on June 30, 2028.

**Justification**  
 The program is intended to serve aging multi-family housing by providing a financing structure to address major building investments. The program would also ensure, going forward, that the association is able to correct the financing of long-term capital expenditures.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
 Comprehensive Plan-Continue to collaborate with lenders or other agencies that offer programs for home rehabilitation.  
 Strategic Plan-Initiating programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

KEY MEASURES  
 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
 Units Assisted  
 0 0 0 0 164 100 100 100 100 100 100

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>
<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

**Budget Impact/Other**  
 The HIA program is administered by staff who work on various parts of the project ranging from program information to HIA requests. Once an HIA request is received, staff time is committed to preparing a resolution, ordinance, development agreement, and determining fees. Costs to cover staff time for the HIA application are covered through an application fee and through a per unit administrative fee for time in administering the assessment.

A risk of the HIA program is pay-back of the assessment. However, because it is assessed on the property taxes, it will be paid back even if there is foreclosure of the property.

Cedar Ridge was the first HIA in city and was established in early 2012. The total project costs were \$674,000

In August 2017, the city council approved an Housing Improvement Area for Cloud 9 for up to \$3.93 million to repair the curtain wall and make upgrades to the elevators and the HVAC system. The city issued bonds rather than the utilizing the development fund to finance the project. The project was completed in 2019.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Housing-08</b>
<b>Project Name</b>	<b>Minnetonka Home Enhancement</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Loans Made

**Key Measures**

**Key Measures** Loans Defaulted

**Key Measures**

### Description

The Minnetonka Home Enhancement program (MHEP) offers up to \$15,000 through a low-interest loan for housing maintenance, repair, green investments, and some additions. The interest rate in 2020 is 3.225% (Annual Percentage Rate based on \$15,000 for 10 years).

#### SCHEDULING AND PROJECT STATUS

The program began June 2011. This is an ongoing program.

### Justification

Minnetonka's housing stock is aging. Nearly two-thirds of the city's homes were built between 1950 and 1970, and over 75% of the housing stock is 30 years or older. Many of these homes now need repairs for windows, roofs, and heating systems. The MHEP targets households up to 120% area median income with loans for rehabilitation and other housing maintenance activities for housing valued at \$330,000 or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote housing maintenance programs to improve the livability of residential dwelling units in a cost effective manner.

Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Loans Made	5	3	1	3	4	0	4	4	4	4	4
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.

There is a current fund balance of approximately \$203,187 and the city receives monthly loan repayments of \$2,300 on average. There are currently 21 outstanding loans.

The 2020-2024 EIP reallocated \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist

On an annual basis the guidelines are reviewed to ensure the program meets the needs of the target population.

**Economic Improvement Program**

2021 *thru* 2025

**Department** 1-Housing

**City of Minnetonka, Minnesota**

**Contact** Community Development

<b>Project #</b>	<b>Housing-14</b>
<b>Project Name</b>	<b>Welcome to Minnetonka Loan Program</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Loans Made

**Key Measures**

**Key Measures** Loans Defaulted

**Key Measures**

**Description**

The Welcome to Minnetonka program provides up to \$15,000 through a low-interest loan for down payment and closing cost assistance. The Center for Energy and Environment administers the program. This is a deferred loan program which is repaid at the time of sale or at the end of the 30-year term. The interest rate is currently 1%.

**SCHEDULING AND PROJECT STATUS**

The program began June 2011. This is an ongoing program.

**Justification**

The Welcome to Minnetonka program is marketed to first-time homebuyer households earning up to 120% area median income with down payment and closing cost assistance. Those participating in the program provide at least 25% of the required down payment or closing costs.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

Comprehensive Plan-Provide services that support residents to maintain attractiveness as a balanced community that is economically diverse. Strategic Plan-Initiate programs/policies to broaden housing choices to meet the needs of our aging population and attract young residents.

**KEY MEASURES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Loans Made	1	5	1	1	2	2	5	5	5	5	5
Loans Defaulted	0	0	0	0	0	0	0	0	0	0	0

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

**Budget Impact/Other**

In January 2018, the city entered into a new contract with the Center for Energy and Environment to continue administration of the HRA Levy funded loan programs.

There is a current fund balance of approximately \$203,187 and the city receives monthly loan repayments of \$2,300 on average. There are currently 21 outstanding loans.

The 2020-2024 EIP reallocated \$125,000 from the existing fund balance of the Welcome to Minnetonka and Minnetonka Home Enhancement Programs to assist

On an annual basis the guidelines are reviewed to ensure the program meets the needs of the target population.

# Economic Improvement Program

2021 *thru* 2025

**Department** 1-Housing

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Housing-12</b>
<b>Project Name</b>	<b>Affordable Housing via TIF Pooling/Blvd Gardens</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures** Projects Considered

**Key Measures** Projects Assisted

**Key Measures**

### Description

TIF pooling is a way, under state statute, to use excess tax increment dollars from a district to invest in affordable housing projects in other areas of the city. TIF Pooling from Boulevard Gardens is available for tax credit eligible multifamily housing.

#### SCHEDULING AND PROJECT STATUS

It is expected that a majority of the funds will be used by 2023 in connection to LRT related projects.

The Ridge was the first project funded (2012) with \$1,025,000 in funds.

### Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city. Depending on property values over the remaining three years of the district, the pooling dollars available during this time frame are estimated to be \$6,727,109 million by 2022. These funds are required to be spent according to an amended TIF plan, which can take place as projects are proposed. The current fund balance is estimated at \$5,193,714.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Considered	0	0	2	1	1	1	1	1	0	0	1
Projects Assisted	0	1	2	0	1	1	1	1	0	0	1
Affordable Units	0	27	104	50	45	23	50	50	0	0	50

### Budget Impact/Other

The use of pooling dollars does not affect staffing.

The funds are coming from the Boulevard Gardens TIF district.

# Economic Improvement Program

2021 *thru* 2025

**Department** 1-Housing

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Housing-13</b>
<b>Project Name</b>	<b>Afford. Housing-TIF Pooling/Beacon/Tonka/Row</b>

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** Yellow

**Key Measures** Affordable Units Created

**Key Measures** Projects Considered

**Key Measures** Projects Assisted

**Key Measures**

### Description

TIF pooling is a way, under state statute, to use excess tax increment dollars from a district to invest in affordable housing projects in other areas of the city.

#### SCHEDULING AND PROJECT STATUS

The developer's TIF note was repaid in August 2017. The council should consider whether or not to use the pooled TIF that will be generated between 2018-2021 for future affordable housing projects. The dollars do not expire.

### Justification

Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city.

The current fund balances for TIF Pooling for affordable housing from these districts is \$921,215. By 2043, these districts are projected to create \$5,307,934.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Continue working with developers to include affordable housing in their developments, where appropriate.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Considered	N/A	N/A	N/A	0	0	0	0	0	0	0	0
Projects Assisted	N/A	N/A	N/A	0	0	0	0	0	0	0	0
Affordable Units	N/A	N/A	N/A	0	0	0	0	0	0	0	0

### Budget Impact/Other

The use of pooling dollars does not affect staffing.

The funds are coming from the Beacon Hill/Tonka on the Creek (Overlook) and Rowland (At Home) TIF districts.

# Economic Improvement Program

2021 *thru* 2025

Department 1-Housing

## City of Minnetonka, Minnesota

Contact

**Project #** Housing-21  
**Project Name** Housing Program Research

**Type** Program

**Useful Life** N/A

**Category** Housing

**Priority** n/a

Key Measures

Key Measures

Key Measures

Key Measures

### Description

At the Feb. 4, 2019 City Council study session and March 14, 2019 EDAC meeting. Council members and commissioners recommended that staff keep track of potential housing programs/policies for future research. This page includes a list of housing topics for future research.

#### SCHEDULING AND PROJECT STATUS

This is a new concept that has not yet been explored or developed.

### Justification

Future Housing Program/Policy Research:

- Senior Affordable Housing
- Affordable Housing for Public Service
- Research General Funding for Affordable Housing
- Accessory Apartment (Ordinance Amendment)
- Payment-in-lieu for affordability requirements
- NOAH Legacy Education Program
- 4d Tax Classification Program
- Multifamily Housing Rental Rehabilitation Loan
- COVID-19 housing related matters

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Promote new affordable rental housing and encourage diversity in the types, sizes and prices of housing units.

Strategic Plan-Initiate programs and policies to broaden housing choices to meet the needs of our aging population and attract young residents.

### Budget Impact/Other

There will need to be staff time committed to researching budget impacts of this program.

The following housing  
program pages are  
conceptual programs.

# Economic Improvement Program

2021 *thru* 2025

**Department** I-Housing  
**Contact** Community Development  
**Type** Conceptual  
**Useful Life** N/A  
**Category** Housing  
**Priority** Red

## City of Minnetonka, Minnesota

**Project #** Housing-22  
**Project Name** Housing Trust Fund

**Key Measures** Households Assisted      **Key Measures** Housing Projects Assisted  
**Key Measures**      **Key Measures**

**Description**  
 On April 20, 2020 the city council approved an emergency ordinance to create a Housing Trust Fund. Under the temporary 60-day ordinance, the council authorized designating \$150,000 of the existing fund balance from the development fund to provide emergency rental assistance to households experiencing financial hardship due to COVID-19. A Housing Trust Fund is the only fund authorized by state statute that can be used to provide rental assistance, but also has many other eligible activities.  
 The temporary ordinance expires June 20, 2020.

**Justification**  
 State Statute 462C.16 allows local governments to establish a Housing Trust Fund for local housing development. Authorized uses of these funds include:  
 - Administrative Expenses  
 - Loans, grants, and loan guarantees for the development, rehab, or financing of housing  
 - Match other funds from federal, state, or private resources for housing projects  
 - Provide down payment assistance, rental assistance, and homebuyer counseling services.  
 Staff is recommending that the EDAC consider recommending establishing a permanent Housing Trust Fund. This fund could be utilized to provide additional rental assistance, or other uses, if more state, federal, or local funds become available for the eligible uses of funds.

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	0	0	0	0	50,000
Other	0	0	0	0	0	0
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

**Budget Impact/Other**  
 A local government may finance its local or regional housing trust fund with any money available to the local government, unless prohibited by state law. Sources may include:  
 - Donations  
 - Bond Proceeds  
 - Grants and loans from state, federal, or private sources  
 - Appropriations by a local government to the fund  
 - Investment earnings of the fund  
 - Housing and redevelopment authority levies





# BUSINESS



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## BUSINESS CHAPTER SUMMARY

*Projects that support existing business retention and expansion, attract new businesses, and allow the city to remain economically competitive.*

For the 2021-2025 Economic Improvement Program, there are nine business programs, and one under conceptual review.

- The total five-year estimated cost of the programs is \$13,025,000

Program	2021	2022	2023	2024	2025	5-Year Total
<b>Fire Sprinkler Retrofit</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Pass-Through Grants</b>	2,600,000	2,000,000	1,000,000	1,000,000	500,000	<b>\$7,100,000</b>
<b>GreaterMSP</b>	25,000	25,000	25,000	25,000	25,000	<b>\$125,000</b>
<b>MIF/JCF</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	<b>\$5,000,000</b>
<b>Open to Business</b>	15,000	15,000	15,000	15,000	15,000	<b>\$75,000</b>
<b>Outreach</b>	25,000	25,000	25,000	25,000	25,000	<b>\$125,000</b>
<b>MPLS Regional Chamber</b>	10,000	10,000	10,000	10,000	10,000	<b>\$50,000</b>
<b>SAC/REC Program</b>	50,000	50,000	50,000	50,000	50,000	<b>\$250,000</b>
<b>Emer. Business Assist.</b>	50,000	0	0	0	0	<b>\$50,000</b>
	<b>\$3,825,000</b>	<b>\$3,175,000</b>	<b>\$2,175,000</b>	<b>\$2,175,000</b>	<b>\$1,675,000</b>	<b>\$13,025,000</b>
<b>Conceptual Programs</b>						
Special Service Districts						\$0

Programs in green=funding/program is expected to continue

Programs in yellow=funding/program is uncertain for a number of reasons

Programs in red=funding/program is ending

- Several programs, such as the Pass-Through Grants, Common Bond fund, and Minnesota Investment Fund are inter-agency/consortium efforts that have funding sources that originate from other agencies, flow through the city, and then go to the business.
- The city's role in business development in the past was more reactive, typically responding only when requested to do so. In more recent years, the city has been slowly investing in more programs for businesses, such as the Open to Business programs, business retention visits, and the production of the Thrive newsletter.

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business  
**Contact** Community Development  
**Type** Construction  
**Useful Life** N/A  
**Category** Business  
**Priority** Yellow

## City of Minnetonka, Minnesota

**Project #** Business-01  
**Project Name** Fire Sprinkler Retrofit

**Key Measures** Buildings Assisted  
**Key Measures**

**Key Measures**  
**Key Measures**

### Description

Minnesota law (State Statute 429) gives cities the authority to specially assess the cost of installing fire sprinkler systems for existing buildings. The City Council adopted Council Policy 5.2 in 1986 setting criteria for the use of this authority. In 2018, Copper Cow utilized the program to retrofit its building located at 5445 Eden Prairie Road.

#### SCHEDULING AND PROJECT STATUS

This program is ongoing, and use of this program is initiated by property owner petition.

### Justification

The fire sprinkler retrofit program is intended to assist in the public safety and protection of commercial buildings.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Enhance personal and business safety.

Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	0	0	1	1	1	1	1	1	1	1

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Special Assessment Construction Fund	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

Special assessments cannot last more than 10 years. The risk with this program is for the assessment to be paid back on the intended schedule. These dollars are financed through the special assessment fund.

There is some limited staff time involved once the petition is received and for the assessment.

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-02</b>
<b>Project Name</b>	<b>Pass-Through Grants</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Projects Assisted

**Key Measures** Housing Projects Assisted

**Key Measures** Businesses Assisted

**Key Measures** Housing Units Assisted

### Description

Grants are available from county and regional agencies to facilitate development, redevelopment, housing, and environmental cleanup.

#### SCHEDULING AND PROJECT STATUS

Grants are dependent upon the types of projects occurring. Most grants require the funds to be spent within three years of award.

In 2020, Metropolitan Council awarded the Shady Oak Crossing project \$414,200 through the Tax Base Revitalization Account . Hennepin County awarded Shady Oak Crossing \$250,000 in TOD funding. In addition, DEED awarded Shady Oak Crossing \$246,652. These grants have a spend down deadline of December 2022/203.

### Justification

Grant opportunities assist in filling gaps in the financing of complex development, redevelopment, housing, and environmental cleanup projects. Most programs require the city to serve as the grant applicant, meaning that even if the developer/others apply for the grant, that it is to be awarded to the city, which then passes on the funds to the project.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-

- Ensure the longevity of affordable housing through city programs and partnerships with other public, non-profit, and private entities.

- Facilitate connections between local businesses and programs that provide incentives/assistance for business retention and recruitment.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Assisted	1	1	1	3	1	0	1	1	1	1	1
Business projects	0	1	0	1	1	0	0	1	0	1	0
Housing projects	1	0	1	2	0	0	1	0	1	0	1
Housing units	30	0	45	60	0	527	60	0	55	0	75

\*Note: some of the projects are counted in more than one year.

Expenditures	2021	2022	2023	2024	2025	Total
Other	2,600,000	2,000,000	1,000,000	1,000,000	500,000	7,100,000
<b>Total</b>	<b>2,600,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>7,100,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
Development Fund	2,600,000	2,000,000	1,000,000	1,000,000	500,000	7,100,000
<b>Total</b>	<b>2,600,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>7,100,000</b>

### Budget Impact/Other

If the city is the applicant, there is staff time to prepare the grant application, administer the grant and grant-funded activities, as well as any follow-up audits and paperwork generally required by most programs.

For pass-through grants, the staff is the facilitator in requesting the funds. The funds indicated are potential sources depending upon requests.

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Business-04</b>
<b>Project Name</b>	<b>GreaterMSP</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Business Contacts

**Key Measures**

**Key Measures**

**Key Measures**

### Description

GreaterMSP is the regional economic development organization for the Twin Cities metropolitan area. They partner to help provide a vision and agenda for regional economic development as well as to brand and market the region. GreaterMSP offers services in business retention and expansion, data tools and research, manufacturing assistance, small business assistance, technology assistance, and staff training.

#### SCHEDULING AND PROJECT STATUS

This is an on-going program. The city became a member in 2013.

### Justification

Greater MSP is an economic development tool for Minnetonka's current and future businesses, and provides resources and connections that have not been previously available.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Projects	4	3	1	1	1	1	1	2	2	2	2
Media Headlines	25	35	33	12	6	40	40	40	40	40	40

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

### Budget Impact/Other

Public Sector memberships are a three year, \$25,000 per year commitment, which would be reviewed annually with the city budget for renewal.

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-06</b>
<b>Project Name</b>	<b>MIF/JCF Projects</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Yellow

**Key Measures** Businesses Assisted

**Key Measures** Jobs Created

**Key Measures** Applications Submitted

**Key Measures**

### Description

The Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) are Department of Employment and Economic Development programs that provides funds to cities, who then loan the funds to businesses, to assist in expansion. The business is then required to create a minimum number of jobs at a certain wage level. The city and EDA authority may each authorize one application per year for each of the programs.

#### SCHEDULING AND PROJECT STATUS

The city has received four MIF awards, one each for Cargill, Nestle and IMRIS, and NatureWorks. In 2019, Carlson Wagonlit Travel received an award of up to \$450,000 through the Job Creation Fund and PeopleNet applied for funds through both the Minnesota Investment Fund and Job Creation Fund. The 2019 awards would likely flow through the city in 2020-2021.

### Justification

MIF is a business and economic development program, focusing on industrial, manufacturing, and technology related industries.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Applications Submitted	0	3	0	1	2	2	1	1	1	1	1
Businesses Assisted	0	1	0	1	1	1	1	1	1	1	1
Jobs Created	0	11	0	20	250	50	50	50	50	50	50

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Construction/Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

### Budget Impact/Other

Application for the MIF program is a collaborative effort between the city and the business, with staff contributing approximately 80 hours of time per application. Staff must also assist in the distribution and repayment of funds, as well as reporting requirements.

Funding is dependent upon the state. A portion of the loan paid back by the business may be allowed to stay at the local level to facilitate business programs. All funds are reimbursement and show a net zero impact on the budget.

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-07</b>
<b>Project Name</b>	<b>Open to Business</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** Green

**Key Measures** Technical Assistance Hours

**Key Measures** Loans Made

**Key Measures** Businesses Assisted

**Key Measures** Jobs Created/Supported

### Description

The Minnetonka Open to Business program, in collaboration with the Metropolitan Consortium of Community Developers, provides one-on-one technical assistance customized to meet the needs of small businesses.

#### SCHEDULING AND PRORJECT STATUS

The program began in 2011 and is ongoing. The contract is reviewed on an annual basis.

### Justification

The Open to Business program assists small business owners and potential entrepreneurs, while filling a need in business programming not available previously. Assistance is given in planning and organizing business ventures, financial management, marketing and regulatory compliance. A small loan fund is also available to access the capital to grow their business.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Provide services that support residents and businesses to maintain attractiveness as a balanced community that is economically diverse.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Businesses Assisted	36	33	22	32	39	50	50	50	50	50	50
Tech. Assist. Hours	125	157	190	250	362	250	250	250	250	250	250
Loans Made	1	0	1	2	3	4	4	4	4	4	4
Jobs Created/Supported	N/A	N/A	5	41	61	25	25	25	25	25	25

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	15,000	15,000	15,000	15,000	15,000	75,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>75,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
Development Fund	15,000	15,000	15,000	15,000	15,000	75,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>75,000</b>

### Budget Impact/Other

The Minnetonka Open to Business program is provided collaboratively with the MCCD. The MCCD provides the technical assistance, while the city assists in marketing the program. City staff spends approximately 40 hours per year with this program.

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business  
**Contact** Community Development  
**Type** Program  
**Useful Life** N/A  
**Category** Business  
**Priority** Green

## City of Minnetonka, Minnesota

**Project #** Business-08  
**Project Name** Outreach

**Key Measures** Business Contacts      **Key Measures** Newsletter Distributed  
**Key Measures** Business Visits      **Key Measures**

**Description**  
 Business outreach will take a more proactive approach in contacting businesses.  
 SCHEDULING AND PROJECT STATUS  
 Staff is coordinating through "Sales Force", which is an online tool for cities, chambers and GreaterMSP to enter business contacts.

**Justification**  
 Business outreach in the past has been reactive to business needs. This outreach is another tool in creating a more proactive approach in supporting business retention and expansion. Business retention and expansion efforts are part of a collaborative effort between staff and Twin West Chamber, Grow Minnesota, and GreaterMSP.  
 In 2018, staff developed the Thrive Business publication. The publication is distributed to 2,400 businesses bi-annually and is available as a electronic newsletter. Additionally, staff advertised the city in the 2019 edition of Thriving in the North, the state's economic development publication that features Minnesota Industries.  
 PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
 Comprehensive Plan-Promote public involvement by residents and businesses, and actively communicate city values and services.  
 Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.  
 KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Contacts	N/A	25	80	35	23	40	40	40	40	40	40
Business Visits	N/A	N/A	7	8	5	8	8	8	8	8	10
Newsletters Distributed	N/A	N/A	N/A	2	2	2	2	2	2	2	2
Online Contacts	N/A	N/A	N/A	0	428	500	525	550	600	650	700

Expenditures	2021	2022	2023	2024	2025	Total
Program Cost	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

Funding Sources	2021	2022	2023	2024	2025	Total
HRA Levy	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>

**Budget Impact/Other**  
 Funds are budgeted for a business survey, Thrive business publications, and business marketing materials. Future uses of funding could include business centric events and economic development advertising as noted in the Business Development Strategy.  
 Outreach will be coordinated with GreaterMSP and TwinWest Chamber.



**Economic Improvement Program**

2021 *thru* 2025

**Department** 2-Business  
**Contact** Community Development  
**Type** Program  
**Useful Life** N/A  
**Category** Business  
**Priority** Green

**City of Minnetonka, Minnesota**

**Project #** Business-11  
**Project Name** MPLS Regional Chamber

**Key Measures** Minnetonka Businesses      **Key Measures**  
**Key Measures**      **Key Measures**

**Description**  
TwinWest is the local Chamber of Commerce.  
**SCHEDULING AND PROJECT STATUS**  
In 2020, Twin West announced it's plans to consolidate with the Minneapolis Regional Chamber. The combined organization will represent more than 2,000 businesses, large and small, urban and suburban, across the Greater MSP area.

**Justification**  
The city is a member of TwinWest, which allows the city to connect with area businesses. Additionally, TwinWest advocates for a number of issues which the city is involved with, such as Southwest LRT.  
**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
Comprehensive Plan-Maintain a partnership with the TwinWest Chamber and collaborate with other agencies to recognize existing and new businesses.  
Strategic Plan-Support business retention and expansion and attracting new businesses to help our private sector be economically competitive.  
**KEY MEASURES**  
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025  
Minnetonka business members  
N/A N/A 75 75 100 100 TBD TBD TBD TBD TBD  
Business visits  
N/A N/A 7 8 8 8 TBD TBD TBD TBD TBD

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
General Fund	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>

**Budget Impact/Other**  
Memberships are renewed on an annual basis. There may be other fees associated with membership throughout the year in order to attend events hosted by the Chamber. TwinWest annually sponsored the Minnetonka State of the City event, held in February.

# Economic Improvement Program

2021 *thru* 2025

Department 2-Business

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Business-14</b>
<b>Project Name</b>	<b>SAC/REC Deferral Program</b>

**Type** Program

**Useful Life** N/A

**Category** Business

**Priority** n/a

**Key Measures** Businesses Assisted

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The goal of this program is to minimize the impact of the Metropolitan Council Sewer Availability Charge (SAC) and city's Sewer and Water Residential Equivalency Charges (REC's) to small businesses by allowing businesses to defer a portion of the repayment of fees over time.

In 2019, Boom Island participated in the program.

#### SCHEDULING AND PROJECT STATUS

The program became available in June 2017.

### Justification

The Metropolitan Council developed the SAC deferral program in 2012. The program was developed to encourage and help communities promote business development by deferring community SAC payment and city REC payments.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan - Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

Strategic Plan - Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Businesses Assisted										
N/A	N/A	2	2	1	2	2	2	2	2	2

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Construction Fund						
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>

### Budget Impact/Other

Staff time will be required to work with the business to apply for the program. The repayments collected through this program will flow through city's utility fund for the Metropolitan Council's fees and the city's fees.

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business  
**Contact** Community Development  
**Type** Conceptual  
**Useful Life** N/A  
**Category** Business  
**Priority** Red

## City of Minnetonka, Minnesota

**Project #** Business-16  
**Project Name** Emergency Business Assistance

**Key Measures** Buildings Assisted      **Key Measures** Loans Made  
**Key Measures**      **Key Measures**

**Description**

In 2020, the EDA approved \$225,000 of the existing HRA levy fund balance to assist businesses impacted by COVID-19 with forgivable loans of up to \$7,500. The purpose of the forgivable loan was to ensure the preservation of employment opportunities through the prevention of business closures to promote long-term economic vitality in the community.

The EDAC should consider additional funding of \$50,000 through the HRA levy in 2021 to continue this effort.

**SCHEDULING AND PROJECT STATUS**  
 The program is conceptual.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan - Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

**Justification**

Emergency Business Assistance would provide assistance to local businesses continuing to be impacted by COVID-19 in 2021.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan - Facilitate connections between local businesses and various programs that provide incentives and financial assistance for business retention and recruitment.

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	50,000	0	0	0	0	50,000
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>

**Budget Impact/Other**

There will need to be staff time committed to establishing and implementing the program.

No funding sources are committed for this program. It is possible that additional funding from the Federal Government, State of Minnesota, or Hennepin County could be allocated to cities in response to COVID-19 in 2021.

The following housing  
program pages are  
conceptual programs.

# Economic Improvement Program

2021 *thru* 2025

**Department** 2-Business  
**Contact** Community Development  
**Type** Conceptual  
**Useful Life** N/A  
**Category** Business  
**Priority** n/a

## City of Minnetonka, Minnesota

**Project #** Business-13  
**Project Name** Special Service District

**Key Measures** SSDs Established

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Minnesota law provides a mechanism termed Special Service District which allows cities to help arrange and finance a higher level of services, such a snow removal and lighting, for commercial and industrial properties.

SCHEDULING AND PROJECT STATUS  
 There are no areas in the city with a Special Service District at this time. This has been previously explored with the Minnetonka Boulevard/County Road 101 area. Must be initiated by property owners.

State legislation for Special Service Districts sunsets on June 30, 2028.

### Justification

The special service district provides the opportunity for commercial and industrial properties to be charged a fee to pay for a service that is not provided as a part of city services or at a level higher than what is being provided.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
 Comprehensive Plan-Provide city services and collaborate with outside agencies and the private sector to leverage additional services that reinforce the city's values.

Strategic Plan-Support business retention and expansion and attract new businesses to help our private sector be economically competitive.

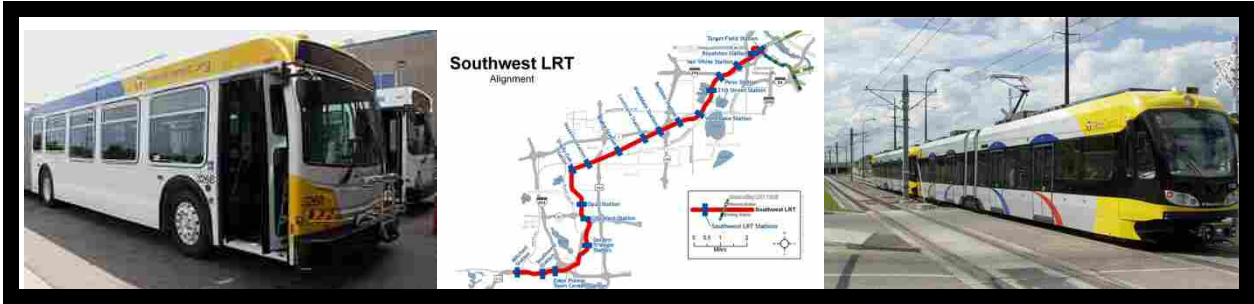
KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	0	0	0	0	0	0	0	0	0	0

### Budget Impact/Other

Staff time is likely to be significant during the set up of the first special service district. There will be additional staff time needed annually to work with the businesses to determine the next year's fee. The costs for all administrative time can be incorporated into the fees assessed on the businesses.

Annually, there will be an outflow of funds to pay for the services, but they will all be recouped through assessments on the properties.



# TRANSIT



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## TRANSIT CHAPTER SUMMARY

*Projects which enhance resident mobility by pursuing opportunities and solutions to improve transit service.*

The city’s role in transit in the past has been minimal as Metro Transit has been the provider of the city’s and the region’s transit system. In 2002, Minnetonka exercised its opt-out authority. It was determined at the time to be in the best interest of the city to have Metro Transit continue providing transit service for the community. In mid-2013, the city and Metro Transit renegotiated a contract in place providing more detail and clarity on the roles and responsibilities for both the city and Metro Transit. In 2020, the city extended the contract Until July 31, 2022 to coincide with the Metro Transit’s Network Next initiative to expand transit services.

In recent years the city’s role in transit has expanded as a more active participant in the city’s opt-out status as well as preparing for the Southwest LRT (Green Line Extension) line.

- The total five-year estimated cost of the programs is \$148,000.

<b>Program</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>5-Year Total</b>
<b>Commuter Services (494)</b>	28,000	28,000	30,000	30,000	32,000	<b>\$148,000</b>
	<b>\$28,000</b>	<b>\$28,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$32,000</b>	<b>\$148,000</b>
<b>Conceptual Programs</b>						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- All facets of transit, such as commuting, bus/dial-a-ride, and Light Rail Transit (LRT) are included.
- In 2020, the contract with Metro Transit for service was extended until July 31, 2022.

# Economic Improvement Program

2021 *thru* 2025

Department 3-Transit

## City of Minnetonka, Minnesota

Contact Community Development

<b>Project #</b>	<b>Transit-01</b>
<b>Project Name</b>	<b>Commuter Services</b>

**Type** Program

**Useful Life** N/A

**Category** Transit

**Priority** Green

**Key Measures** Business Contacts

**Key Measures**

**Key Measures** Commuters Assisted

**Key Measures**

### Description

Commuter Services is an outreach program of the I-494 Corridor Commission, in which the city is a member. The program seeks to reduce traffic congestion and promote alternative transportation options. Other cities include Bloomington, Richfield, Eden Prairie, and Edina.

#### SCHEDULING AND PROJECT STATUS

This is an ongoing program.

### Justification

Commuter Services provides programs, such as commuter fairs, carpool facilitation, and other information on alternative transportation choices to Minnetonka residents and businesses.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Anticipate, plan for and collaborate with other agencies for local and regional transportation improvements and programs to lessen the impacts of congestion.

Strategic Plan-Pursuing shared sub-regional transit solutions with neighboring communities to improve service within the area.

#### KEY MEASURES

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Contacts	182	170	191	180	122	190	190	190	190	200	200
Commuters Assisted	433	388	387	2018	277	450	450	450	450	500	500

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	28,000	28,000	30,000	30,000	32,000	148,000
<b>Total</b>	<b>28,000</b>	<b>28,000</b>	<b>30,000</b>	<b>30,000</b>	<b>32,000</b>	<b>148,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
General Fund	28,000	28,000	30,000	30,000	32,000	148,000
<b>Total</b>	<b>28,000</b>	<b>28,000</b>	<b>30,000</b>	<b>30,000</b>	<b>32,000</b>	<b>148,000</b>

### Budget Impact/Other

One council member and one city staff member attend monthly meetings of the I-494 Corridor Commission. With preparation time, this is approximately 40 hours of staff time. Additionally, the city is required to be the treasurer of the Commission for two years, which commits additional finance staff time. This happens every 10 years as it rotates between member cities.

Commuter Services is staffed separately, but coordinates with the city on events, such as the city-wide open house to promote their services.

The city's fee is a formula based on population.



**Economic Improvement Program**

2021 *thru* 2025

**Department** 3-Transit

**City of Minnetonka, Minnesota**

**Contact** Community Development

<b>Project #</b>	<b>Transit-02</b>
<b>Project Name</b>	<b>Transit Improvements</b>

**Type** Program

**Useful Life** N/A

**Category** Transit

**Priority** Green

**Key Measures** Annual Bus Trips

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

In 2002, Minnetonka exercised its opt-out authority and entered into an agreement for Metro Transit to continue to provide transit service in the city. The city has the ability, with notice, to terminate the current agreement.

SCHEDULING AND PROJECT STATUS  
 Metro Transit is beginning a two-year effort, Network Next, to develop its vision for the bus network of 2040. Building on the existing network’s strengths, they are setting out to identify expanded bus service across a spectrum of transit improvements, including improved local and express routes, new arterial bus rapid transit (BRT) lines and integrated shared mobility options. The Network Next Plan will be presented to the Met Council board in late 2022 for approval.

**Justification**

The service in Minnetonka has and continues to be focused on express route, peak service to downtown Minneapolis, with limited local and midday routes. Much of the transit design has to do with the low density of the city. The city may wish to retain some of its Motor Vehicle Sales Tax (MVST) money and provide more local service to better meet the needs of the community.

PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS  
 Comprehensive Plan-Encourage the expansion of multi-modal and transit services in the city with other government agencies to support resident and business transportation needs.

Strategic Plan-Pursue shared sub-regional transit solutions with neighboring communities to improve service within the area.

KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Annual Bus Trips	110,938	110,938	114,350	114,860	89,548	53,750	115,000	115,000	150,000	150,000	150,000

**Budget Impact/Other**

Staff time of approximately 120 hours per year will be spent attending quarterly meetings, marketing, and consulting with Metro Transit staff.



# DEVELOPMENT AND REDEVELOPMENT

## DEVELOPMENT/REDEVELOPMENT CHAPTER SUMMARY

*Activities that promote the vitality of the city through development and redevelopment.*

For the 2021-2025 Economic Improvement Program, there are four development/redevelopment programs underway.

- The total five-year estimated cost of the programs is \$750,000.

<b>Program</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>5-Year Total</b>
<b>Predevelopment</b>	75,000	75,000	75,000	75,000	75,000	<b>\$375,000</b>
<b>LRT &amp; Station Areas</b>	75,000	75,000	75,000	75,000	75,000	<b>\$375,000</b>
	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$750,000</b>
<b>Conceptual Programs</b>						

Programs in green=funding/program is expected to continue  
 Programs in yellow=funding/program is uncertain for a number of reasons  
 Programs in red=funding/program is ending

- Some of the pass-through grants identified in the business chapter may be for development/redevelopment activities.
- Costs may increase if the city wishes to take a more proactive role in development/redevelopment.
- The LRT page reflects the commitment by the city towards the LRT project. Additional programs may be needed to help implement station area plans in the Shady Oak and Opus station areas.

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Dev/Redev-01</b>
<b>Project Name</b>	<b>Pre-Development</b>

**Type** Program

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** Green

**Key Measures** Projects Assisted

**Key Measures**

**Key Measures** Projects Continued

**Key Measures**

### Description

The initial stages of development or redevelopment require extensive analysis, by the developer and the city, to determine if a project is viable. Analysis by the city includes financial readiness, design assistance, geotechnical data gathering, and preliminary work for TIF/tax abatement.

**SCHEDULING AND PROJECT STATUS**  
 This is an on-going program. Staff determines when it is appropriate to use for a potential redevelopment project. For example, initial TIF runs were done for the Tonka on the Creek, Shady Oak Apartments, The Mariner, Dominion Apartments, and Marsh Run to determine if Tax Increment Financing would be feasible. Once it was determined that it was, and the developer moved forward as such, the developer was then responsible for paying all legal counsel and financial consultant expenses.

In 2019, the city hired a facilitator to assist with meetings for the Opus/Launch redevelopment conversations.

### Justification

Predevelopment activities make the city development ready by preparing property for development or redevelopment.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Support existing commercial areas and encourage new development techniques that contribute to the vitality and diversity of the area.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

**KEY MEASURES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projects Assisted	2	2	3	4	3	3	2	2	2	2	2
Projects Continued after Assistance	1	1	2	2	2	3	1	1	1	2	2

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Planning/Design	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

### Budget Impact/Other

Development projects can be time intensive for staff. The range per year is 500 to 1,000 hours depending on the request, number of meetings and type of assistance requested. The predevelopment funds will be used to hire consultants or others to complete work outside of staff's expertise.

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Dev/Redev-02</b>
<b>Project Name</b>	<b>Village Center Studies and Comprehensive Plan</b>

**Type** Program

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** Green

**Key Measures** Village Centers Studied

**Key Measures**

**Key Measures** Comprehensive Plan update

**Key Measures**

### Description

The village center studies take a look at each of the city’s thirteen designated village centers and create a guide for redevelopment. The following village centers have been completed: Minnetonka Mills, Opus, Hwy 7/101, Shady Oak, Ridgedale, and some Glen Lake. No other village centers will be completed at this time due to the Comprehensive Plan update process that began in 2016. Additional work may be completed after the update is completed.

In 2019, the city will begin a redevelopment visioning process for the city owned property at 5937 County Road 101. Additionally, the city received a grant through Hennepin County to assist with creating Opus design guidelines and implementation strategies. The city hired Asukura Robinson and WSB to assist with this effort. Recreation is coordinating with Community Development to develop the guidelines.

In 2020, the fund assisted with preparing an AUAR for Opus. . The study will be completed by the end of 2020.

### Justification

The village center studies provide a guide to potential investors or developers to the organization of the property, general layout of building envelopes, and a defined range of uses. There is a strong emphasis on community engagement and realistic implementation strategies. The Comprehensive Plan is the city's policy framework to guide development, redevelopment and public services and programs for 30 years.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Guide development and redevelopment to ensure community vitality.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Village Centers Studied										
1	1	N/A	N/A	2	TBD	TBD	TBD	TBD	TBD	TBD

### Budget Impact/Other

While a consultant(s) is brought on to assist with the project, there is staff time spent on the village center studies to prepare contracts, review plans, facilitate ideas, prepare for public meetings and attend public meetings. This work can range from 1500-1750 hours per year.

The Opus Design Guidelines and Implementation Strategies Study is being funded through the Parks and Trail Improvement Fund.

There will be significant staff time when the Comprehensive Plan is updated. The Comprehensive Plan was submitted for review by the Metropolitan Council in 2019.

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** Dev/Redev-03  
**Project Name** LRT and LRT Station Area Development

**Type** Construction

**Useful Life** N/A

**Category** Develop/Redevelopment

**Priority** Green

**Key Measures**

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

Minnetonka has actively been planning for LRT since the early 2000's. As the LRT project progresses from design to construction there is a desire for redevelopment to occur around the city's station areas to make a more transit oriented area. Southwest LRT Milestones:

Project received "Limited Notice to Proceed" on December 20, 2018 (completed)  
 Construction begins on site preparation, demolition, utility work, contractor mobilization contractor authorized to perform work up to \$216 million (underway)  
 March 2019- Metropolitan Council performing pre-construction inspections  
 Contractor to submit full schedule of activities in Q3 2019  
 Full Funding Grant Agreement - August 2019  
 Heavy Construction 2019-2022  
 2023 - Service begins

**Justification**

It is anticipated that because of limited county, regional and state resources, as well as the competition for these resources, that in order to assist in facilitating redevelopment in the LRT station areas, the city will need to provide resources of its own. Resources that are available as of 2016 include:

Hennepin County	Regional (Met Council)	State
Capital infrastructure (streets, etc.)	LCDA-TOD fund	Transit Improvement Area (unfunded)
Transit Oriented Development fund	TBRA-TOD fund	Redevelopment grant
Community Works funds		Contamination Clean-Up and Investigation
Affordable housing incentive fund		Transportation Economic Development
Environmental Response fund		

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Encourage a greater density/intensity and mix of land uses where access is available and supported by regional transportation systems (such as LRT).

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

**KEY MEASURES**  
 TBD

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Program Cost	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
HRA Levy	75,000	75,000	75,000	75,000	75,000	375,000
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>

**Budget Impact/Other**

In July 2015 the city committed \$2 million towards the LRT project. This is being initially funded through the Special Assessment Construction Fund. Partial payback will occur from HRA levy funds over a 10 year period for a total of \$750,000.

It is unknown what type of programs will need to be added and therefore additional budget impacts beyond the city's financial commitment to the LRT project are unknown. As programs are developed, staff time and future funding will need to be reviewed to determine a program's viability.

# Economic Improvement Program

2021 *thru* 2025

**Department** 4-Development & Redevelopm

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>Dev/Redev-05</b>
<b>Project Name</b>	<b>City Owned Properties</b>

**Type** Program

**Useful Life**

**Category** Develop/Redevelopment

**Priority** n/a

**Key Measures**

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The city owns scattered site residential and commercial properties. These properties have been purchased over the years for a variety of reasons that includes potential for future redevelopment/resale or to meet other city goals.

The city's land management committee is tasked with reviewing potential acquisitions and reviewing the status of the city's existing properties.

#### SCHEDULING AND PROJECT STATUS

This is an on-going project.

### Justification

Some city-owned properties include:

- 4292 Oak Drive Lane (residential)
- 4312 Shady Oak Road (commercial) - Proposed sale in 2020
- 5937 County Road 101 (residential) - Redevelopment discussions held in 2019
- 5501 Baker Road (residential)
- 5432 Rowland Road (residential)
- 3441 Martha Lane (residential)

The city also owns several other parcels that may not meet the qualifications for future redevelopment or resale. One example is land purchased for storm water management. The city's land committee monitors and manages the city's land inventory.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage a diversity of land uses within the city to ensure a broad range of housing and employment choice, shopping and other services for residents and businesses.

Strategic Plan-Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.

#### KEY MEASURES

TBD

### Budget Impact/Other

There is some staff time every year devoted to the upkeep on the properties; however, a property manager is hired for properties where there are tenants, lessening the staff time required. The city also owns several parcels for purposes such as storm water management, wetland preservation, parks, etc.



# TAX INCREMENT FINANCING



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**



# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-01</b>
<b>Project Name</b>	<b>Development Agreement and TIF Administration</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** TIF Districts

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Any time a TIF district is formed, a development agreement is prepared between the city and the developer. Administration for both the TIF and the development agreement, over the life of the TIF district, is required.

#### SCHEDULING AND PROJECT STATUS

Administration and review of the existing development agreements and TIF districts is ongoing until the projects expire.

New TIF districts are anticipated to be added as new redevelopment projects are proposed in anticipation of the LRT.

### Justification

In some cases redevelopment projects need city assistance, such as in the form of Tax Increment Financing (TIF) in order for the project to be financially feasible. Anytime a TIF district is set-up there is a cost to the city for monitoring the project.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Encourage redevelopment projects that include mixed income housing, including affordable units, while balancing density and the preservation of natural resources.

#### Strategic Plan-

- Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
- Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment and public activities.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Active TIF Districts	7	7	8	9	9	8	8	8	8	8

<b>Expenditures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Other	140,000	140,000	130,000	130,000	130,000	670,000
<b>Total</b>	<b>140,000</b>	<b>140,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>670,000</b>

<b>Funding Sources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Development Fund	140,000	140,000	130,000	130,000	130,000	670,000
<b>Total</b>	<b>140,000</b>	<b>140,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>670,000</b>

### Budget Impact/Other

Development agreements and TIF administration are staff led activities. The city regularly calls upon its financial consultants and legal counsel to assist in these matters. Staff time estimates are roughly 520 hours per year.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-02</b>
<b>Project Name</b>	<b>Beacon Hill TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Yellow

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The Beacon Hill TIF district is a housing district approved on February 14, 1994 to construct a senior living facility that includes both senior housing (110 units) and an assisted living component (42 units).

#### SCHEDULING AND PROJECT STATUS

This TIF district was approved in 1994 and will expire in 2021.

All of the original obligations were paid on the district by 2009. At that time though the EDA modified the district at that time to keep it open in order to keep the affordability in some of the units. With the revised contract stipulates the city extended the assistance for affordability, but reduces the percent of increment paid to the development, 90% for five years (2015) and decreases by 10% every year until 2020. The developer's note was paid in full in 2017.

### Justification

The Beacon Hill TIF District was established to assist in the development of 152 total units, of which, 61 units are affordable to those at 60% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units										
61	61	61	61	61	61	N/A	N/A	N/A	N/A	N/A

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-03</b>
<b>Project Name</b>	<b>Boulevard Gardens TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures** Projects Assisted

**Key Measures**

### Description

The Boulevard Gardens TIF district was adopted December 11, 1995 to facilitate the redevelopment and affordable housing built at West Ridge Market, beginning in 1996. Over 500 housing units were created with over 200 of those units as affordable ownership and rental. West Ridge Market was one of the very first Metropolitan Council Livable Communities Demonstration projects.

**SCHEDULING AND PROJECT STATUS**  
 This TIF district was approved in 1995, and will expire in 2022. The developer's note was paid in full in 2011. The housing affordability, set at 30 years, will expire between 2025 and 2027 depending on the component.

In 2010 a TIF plan modification was made using the "Jobs Bill" legislation to allow for special TIF pooling for affordable housing as well as \$100,000 to pay for the utility costs associated with the construction of The Glenn by St. Therese in the Glenhaven TIF District. This district is the primary source of TIF pooling that is being utilized for affordable housing.

### Justification

The development agreement expired with the final TIF payment in 2011. This district has a maximum life of 26 years. The city can use the cash balance of \$290,352 to pool for other redevelopment eligible projects in the city. The city may utilize approximately \$150,000 of the balance in 2020 to fund a stormwater pipe upgrade at Shady Oak Station Area.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.  
 Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units	185	185	185	185	185	185	185	185	185	185

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-04</b>
<b>Project Name</b>	<b>Glenhaven TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The Glenhaven TIF district is a renewal and renovation district approved on January 23, 2006. Special legislation was granted to the city in 2009 to extend the duration of the district by seven years to December 31, 2029.

**SCHEDULING AND PROJECT STATUS**  
 This TIF district was approved in 2006 and will expire in 2029. The first two phases of the project included: a mixed use apartment building with retail on the first floor and a senior housing rental community. The third phase, originally planned as a condominium building, was recently changed and a 54-unit cooperative was completed in 2017.

TIF revenue bonds were issued in 2010 and have a lien on the current TIF revenues. Annually, after the bonds are paid, the excess increment will pay the city's \$500,000 interfund loan. In 2017, the city allowed the bonds to be refinanced which resulted in interest savings that will repay the interfund loan by 2026 and provide approximately \$366,000 at the end of the district for other redevelopment projects. Next, the developer's pay as you go note is paid, and once that is paid off, then the city will repay itself for costs associated with the Alano facility. Even with the third phase, it's not likely the developer's note or the city's costs with Alano will be repaid.

### Justification

The Glenhaven TIF District was established to assist in the Glen Lake Redevelopment of housing and mixed use. There are 43 affordable units in the total development, affordable to those at 60% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.  
 Strategic Plan-

- Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
- Actively promote the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units	43	43	43	43	43	43	43	43	43	43

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district. A portion of the tax increment is retained to cover administrative costs. More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** TIF-06  
**Project Name** Tonka on the Creek TIF District (The Overlook)

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The Tonka on the Creek TIF district is a housing district approved February 10, 2014. A 100-unit apartment building known as The Overlook, containing 20 affordable units, was constructed as part of the project.

#### SCHEDULING AND PROJECT STATUS

This TIF district was approved in 2014 and will end in 2042. Construction began in late 2014, and was completed in early 2016.

### Justification

The Tonka on the Creek TIF District was established to assist in the development of an 100-unit apartment building, of which 20 units will be affordable to those at 50% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units										
N/A	20	20	20	20	20	20	20	20	20	20

### Budget Impact/Other

Staff, with occasional consultant assistance, oversees the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** TIF-07  
**Project Name** Applewood Pointe TIF District

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

### Description

The Applewood Pointe TIF district is a redevelopment TIF district approved August 2014. An 89-unit senior cooperative building (Applewood Pointe) containing 9 affordable units was constructed as part of the project.

#### SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2014 and will end in 2041. Construction began in late 2015 and was completed in 2016.

### Justification

The Applewood Pointe TIF District was established to assist in the development of an 89-unit senior cooperative building (Applewood Pointe), of which 9 units are affordable.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	9	9	9	9	9	9	9	9	9	9

Affordable Units

N/A 9 9 9 9 9 9 9 9 9 9

### Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

**Economic Improvement Program**

2021 *thru* 2025

**Department** 5-TIF Districts

**City of Minnetonka, Minnesota**

**Contact** Community Development

<b>Project #</b>	<b>TIF-08</b>
<b>Project Name</b>	<b>Rowland Housing TIF District (At Home)</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units

**Key Measures**

**Key Measures**

**Key Measures**

**Description**

At Home apartments is a 106-unit apartment building that received TIF assistance through a housing TIF district. Twenty-one units are affordable to those at 50% AMI or less.

**SCHEDULING AND PROJECT STATUS**

The TIF district was approved in 2015 and will end in 2043. Construction began in 2015 and was completed in 2016.

**Justification**

This TIF district includes 21 of the 106 rental units affordable to those earning 50% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

**KEY MEASURES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Affordable Units	N/A	21	21	21	21	21	21	21	21	21	21

**Budget Impact/Other**

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

**Project #** TIF-09  
**Project Name** Dominion TIF District (Legends/Preserve)

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Dominium apartments is a 482 multifamily housing project that received TIF assistance through a housing TIF district. All 482 units are affordable to those at 60% AMI.

The project includes 262 senior housing units and 220 workforce units.

#### SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2018 and will end in 2045. Construction began in the winter of 2018 and is anticipated to be completed in 2022.

### Justification

This TIF district includes 482 units affordable to those earning 60% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	N/A	N/A	N/A	N/A	N/A	482	482	482	482

Affordable Units

N/A N/A N/A N/A N/A N/A N/A 482 482 482 482

### Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

More detailed information on the TIF district, its obligations, performance, and other development agreement compliance can be found in the 2018 TIF Management Report prepared by the Ehlers, Inc., the city's financial consultant. The TIF Management Report will be updated in 2020.



# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-10</b>
<b>Project Name</b>	<b>Marsh Run TIF District</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Marsh Run is a 175 multifamily housing project that received TIF assistance through a Housing TIF district. The project is anticipated to have 20% (35 units) of the units affordable to those at 50% AMI.

#### SCHEDULING AND PROJECT STATUS

The TIF district was approved in 2019 and will terminate in 2046. Construction is anticipated to begin in 2019 and is anticipated to be completed in 2021.

### Justification

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

#### PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS

Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.

Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

#### KEY MEASURES

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Affordable Units									
N/A	N/A	N/A	N/A	N/A	N/A	35	35	35	35

### Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

The TIF Management Report will be updated in 2020 and will include information on the Marsh Run TIF District.

# Economic Improvement Program

2021 *thru* 2025

**Department** 5-TIF Districts

## City of Minnetonka, Minnesota

**Contact** Community Development

<b>Project #</b>	<b>TIF-11</b>
<b>Project Name</b>	<b>Shady Oak Crossing</b>

**Type** Program

**Useful Life** N/A

**Category** TIF

**Priority** Green

**Key Measures** Affordable Units Created

**Key Measures**

**Key Measures**

**Key Measures**

### Description

Shady Oak Crossing is a 75 unit multifamily project that will receive TIF assistance through the establishment of a redevelopment district. The project is anticipated to have 20% (23 units) of the units affordable to those at 60% AMI.

### Justification

This project includes 35 affordable units (20% of building) to those earning 50% AMI or less.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**  
 Comprehensive Plan-Support and encourage housing options that are attractive to a wide variety of age and income levels of residents.  
 Strategic Plan-Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
N/A	N/A	N/A	N/A	N/A	N/A	N/A	23	23	23	23

### Budget Impact/Other

Staff, with occasional consultant assistance, oversee the administration of the TIF district.

A portion of the tax increment is retained to cover administrative costs.

The TIF Management Report will be updated in 2020 and will include information on the Shady Oak Crossing Redevelopment TIF District.



# TAX ABATEMENT

**Economic Improvement Program**

2021 *thru* 2025

**Department** 6-Tax Abatement

**City of Minnetonka, Minnesota**

**Contact** Community Development

**Project #** Abatement-1  
**Project Name** Ridgedale

**Type** Improvement

**Useful Life** N/A

**Category** Tax Abatement

**Priority** Green

**Key Measures** Property Value Increase

**Key Measures**

**Key Measures** Property Levy

**Key Measures**

**Description**

The Ridgedale Tax Abatement was approved in connection with the Ridgedale Mall expansion and pertains to the Macys, Nordstrom and mall properties. The funds are to be used for transportation improvements around the mall site and with public amenities on the site.

**SCHEDULING AND PROJECT STATUS**

The Ridgedale Tax Abatement project was approved in Spring 2013.

**Justification**

The Ridgedale Tax Abatement will assist in financing the transportation and other public improvements that must be completed due to the Ridgedale Mall expansion.

**PROGRAM GOALS AND RELATIONSHIP TO OTHER PLANS**

Comprehensive Plan-Manage the impact of new development upon the local transportation system and encourage the use of Transportation Demand Management (TDM) and other traffic management techniques.

Strategic Plan-Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

**KEY MEASURES**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Property Value Increase										
5.5%	5.3%	20%	%0.4	%0.3	%0.4	INFORMATION WILL BE AVAILABLE BY JULY				
Property Levy										
0	\$26,000	\$81,000	\$300	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000

**Budget Impact/Other**

Staff, with occasional consultant assistance, oversees the administration of the Tax Abatement.

A portion of the abatement is retained to cover administrative costs.



# FUNDING SOURCES AND EXPENDITURE PROJECTIONS



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## FUND DESCRIPTIONS

*Development Fund (2020 estimated beginning fund balance): \$3,920,797*

The Development Fund was created with funds remaining after retiring the bonds of a single Tax Increment Finance (TIF) district in 1993. Under provisions of the TIF contract and law, the Development Fund may only be used for costs associated with Minnetonka's redevelopment and economic development activities. The city's Economic Development Authority initiates projects appropriate to these activities.

*Livable Communities Fund (2020 estimated beginning fund balance): \$400,000*

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits. In 2017, \$400,000 was returned to from the sale of Minnetonka Heights. The original source of this funding indicated that the reuse of the funds must be utilized for affordable housing. The remaining balance of \$312,948 is committed to Homes Within Reach.

*Community Development Block Grant (CDBG)*

Since 1975, the Community Development Block Grant (CDBG) fund has accounted for revenues and expenditures made under the federal CDBG program. Minnetonka typically uses these funds for housing projects and programs (such as housing rehab, affordable housing, and supportive housing) and supportive services (such as senior chore programs, information and referral services and others).

*HRA Levy (Proposed for 2021): \$300,000 (estimate)*

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city.

*TIF Pooling (2020 estimated beginning fund balance): \$5,193,714 (Boulevard Gardens), \$936,386 (Beacon Hill/Tonka on the Creek/Rowland)*

Under the Minnesota Statutes Chapter 469, at least 75 percent of tax increment in a redevelopment tax increment financing (TIF) district must be spent on eligible activities within the district, leaving up to 25 percent of the funds to be pooled and therefore eligible to be spent outside of the district, but within the project area. An exception to the pooling funds is for affordable rental housing that meet federal housing tax credit guidelines. The city may choose to increase the pooling allowance to 35 percent, which can then go to finance certain affordable housing projects.

**SUMMARY TABLE  
EIP 2021  
Expenditures by Category & Fund**

Category	Program	Total	Fund					
			CDBG (Entitlement Funds)	Devpt Fund	HRA Levy	Livable Com Fund	TIF Pooling	Other
<b>Housing:</b>								
	CDBG Entitlement (Prior to 2018)	\$ 254,417	\$ 254,417					
	CDBG Consortium (2018 - Future)	\$ -						
	Homes Within Reach	\$ -						
	Housing Improvement Areas	\$ 1,000,000						\$ 1,000,000
	Welcome to Minnetonka	\$ 50,000			50,000			
	Mtka Home Enhancement	\$ 50,000			50,000			
	Housing Trust Fund (Rental Assistance)	\$ 50,000			50,000			
	<b>Subtotal</b>	<b>\$ 1,404,417</b>	<b>\$ 254,417</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>
<b>Business:</b>								
	Fire Sprinkler Retrofit	\$ 50,000						50,000
	Pass-Through Grants	\$ 2,600,000		2,600,000				
	GreaterMSP	\$ 25,000		25,000				
	MIF/JCF	\$ 1,000,000		1,000,000				
	Open to Business	\$ 15,000		15,000				
	Outreach	\$ 25,000			25,000			
	MN Regional Chamber	\$ 10,000						10,000
	SAC/REC Deferral Program	\$ 50,000						50,000
	Emergency Business Assistance	\$ 50,000			50,000			
	<b>Subtotal</b>	<b>\$ 3,825,000</b>	<b>\$ -</b>	<b>\$ 3,640,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>
<b>Transit:</b>								
	Commuter Services	\$ 28,000						28,000
	Transit Improvements	\$ -						
	<b>Subtotal</b>	<b>\$ 28,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,000</b>
<b>Devpt &amp; Redevpt:</b>								
	Predevelopment	\$ 75,000		75,000				
	LRT and Station Area	\$ 75,000			75,000			
	<b>Subtotal</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TIF Districts:</b>								
	Devpt Agmt & TIF Admin	\$ 140,000		140,000				
	<b>Subtotal</b>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ 140,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Tax Abatement:</b>								
	Ridgedale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>		<b>\$ 5,547,417</b>	<b>\$ 254,417</b>	<b>\$ 3,855,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,138,000</b>

**EIP 2021-2030**  
**All Categories**  
**Funding Sources and Expenditure Projections**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
<b>Method of Financing</b>											
Development Account	\$ 3,855,000	\$ 3,255,000	\$ 2,245,000	\$ 2,245,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 1,745,000	\$ 22,070,000
Livable Communities Account	-	-	-	-	-	-	-	-	-	-	-
General Fund	38,000	38,000	40,000	40,000	42,000	42,000	44,000	44,000	46,000	46,000	420,000
Federal Grant (CDBG) - Entitlement	254,417	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	569,417
Federal Grant (CDBG) - Consortium	-	-	-	-	-	-	-	-	-	-	\$ -
Ad Valorem Tax Levy	300,000	225,000	225,000	225,000	225,000	150,000	150,000	150,000	150,000	150,000	1,950,000
Pooled TIF Funds- Blvd Gardens	-	-	-	-	-	-	-	-	-	-	\$ -
Pooled TIF Funds - Beacon/Tonka/Rowland	-	-	-	-	-	-	-	-	-	-	\$ -
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	3,930,000
Other	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	11,000,000.00
<b>Total Funding Sources</b>	<b>\$ 5,547,417</b>	<b>\$ 4,653,000</b>	<b>\$ 3,645,000</b>	<b>\$ 3,645,000</b>	<b>\$ 3,147,000</b>	<b>\$ 3,072,000</b>	<b>\$ 3,074,000</b>	<b>\$ 3,074,000</b>	<b>\$ 3,076,000</b>	<b>\$ 3,076,000</b>	<b>\$ 36,009,417</b>
<b>Expenditures</b>											
Housing	\$ 1,404,417	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ 11,844,417
Business	3,825,000	3,175,000	2,175,000	2,175,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000	21,400,000
Transit	28,000	28,000	30,000	30,000	32,000	32,000	34,000	34,000	36,000	36,000	320,000
Development/Redevelopment	150,000	150,000	150,000	150,000	150,000	75,000	75,000	75,000	75,000	75,000	1,125,000
TIF Admin	140,000	140,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,320,000
<b>Total Expenditures</b>	<b>\$ 5,547,417</b>	<b>\$ 4,653,000</b>	<b>\$ 3,645,000</b>	<b>\$ 3,645,000</b>	<b>\$ 3,147,000</b>	<b>\$ 3,072,000</b>	<b>\$ 3,074,000</b>	<b>\$ 3,074,000</b>	<b>\$ 3,076,000</b>	<b>\$ 3,076,000</b>	<b>\$ 36,009,417</b>



City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>CDBG</b>										
<b>Beginning Balance</b>	254,417	40,000	45,000	50,000	55,000	70,000	85,000	100,000	115,000	130,000
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Federal grant	0	0	0	0	0	0	0	0	0	0
program income	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<i>Total</i>	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<b>Total Revenues and Other Fund Sources</b>	40,000	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	0
<b>Total Funds Available</b>	294,417	80,000	85,000	90,000	105,000	120,000	135,000	150,000	165,000	130,000
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
CDBG Entitlement (Prior to 2018) <span style="float: right;"><i>Housing-20</i></span>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<i>Total</i>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<b>Total Expenditures and Uses</b>	(254,417)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<b>Change in Fund Balance</b>	(214,417)	5,000	5,000	5,000	15,000	15,000	15,000	15,000	15,000	(35,000)
<b>Ending Balance</b>	40,000	45,000	50,000	55,000	70,000	85,000	100,000	115,000	130,000	95,000

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Development Fund</b>										
<b>Beginning Balance</b>	3,336,506	2,677,636	1,500,766	1,436,896	1,368,026	1,299,156	1,220,286	1,141,416	1,062,546	983,676
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
No Funds	0	0	0	0	0	0	0	0	0	0
Cedar Ridge Assessments	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	0
Cloud 9 Admin	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	1,630	0
Grants	3,000,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0
Interest Income	15,000	15,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000	0
TIFAdmin Revenue	130,000	12,000	110,000	110,000	110,000	100,000	100,000	100,000	100,000	0
<b>Total</b>	3,196,130	2,078,130	2,181,130	2,176,130	1,676,130	1,666,130	1,666,130	1,666,130	1,666,130	0
<b>Total Revenues and Other Fund Sources</b>	3,196,130	2,078,130	2,181,130	2,176,130	1,676,130	1,666,130	1,666,130	1,666,130	1,666,130	0
<b>Total Funds Available</b>	6,532,636	4,755,766	3,681,896	3,613,026	3,044,156	2,965,286	2,886,416	2,807,546	2,728,676	983,676
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>2-Business</i>										
Pass-Through Grants	<i>Business-02</i>	(2,600,000)	(2,000,000)	(1,000,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
GreaterMSP	<i>Business-04</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	0
MIF/JCF Projects	<i>Business-06</i>	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Open to Business	<i>Business-07</i>	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Special Service District	<i>Business-13</i>	0	0	0	0	0	0	0	0	0
<b>Total</b>		(3,640,000)	(3,040,000)	(2,040,000)	(2,040,000)	(1,540,000)	(1,540,000)	(1,540,000)	(1,540,000)	(1,515,000)

Source		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Development Fund</b>											
<u>4-Development &amp; Redevelopment</u>											
Pre-Development	<i>Dev/Redev-01</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
	<b>Total</b>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
<u>5-TIF Districts</u>											
Development Agreement and TIF Administration	<i>TIF-01</i>	(140,000)	(140,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
	<b>Total</b>	(140,000)	(140,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
<b>Total Expenditures and Uses</b>		(3,855,000)	(3,255,000)	(2,245,000)	(2,245,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,745,000)	(1,720,000)
<b>Change in Fund Balance</b>		(658,870)	(1,176,870)	(63,870)	(68,870)	(68,870)	(78,870)	(78,870)	(78,870)	(78,870)	(1,720,000)
<b>Ending Balance</b>		2,677,636	1,500,766	1,436,896	1,368,026	1,299,156	1,220,286	1,141,416	1,062,546	983,676	(736,324)

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>HRA Levy</b>										
<b>Beginning Balance</b>	300,000	247,000	269,000	291,000	313,000	335,000	357,000	379,000	401,000	423,000
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Ad Valorem Tax Levy	225,000	225,000	225,000	225,000	225,000	150,000	150,000	150,000	150,000	0
Investment Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0
Loan paybacks	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	0
<b>Total</b>	247,000	247,000	247,000	247,000	247,000	172,000	172,000	172,000	172,000	0
<b>Total Revenues and Other Fund Sources</b>	247,000	247,000	247,000	247,000	247,000	172,000	172,000	172,000	172,000	0
<b>Total Funds Available</b>	547,000	494,000	516,000	538,000	560,000	507,000	529,000	551,000	573,000	423,000
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<u>1-Housing</u>										
Homes Within Reach	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Minnetonka Home Enhancement	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Welcome to Minnetonka Loan Program	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Housing Trust Fund	(50,000)	0	0	0	0	0	0	0	0	0
<b>Total</b>	(150,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
<u>2-Business</u>										
Outreach	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Emergency Business Assistance	(50,000)	0	0	0	0	0	0	0	0	0

Source		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>HRA Levy</b>											
	<i>Total</i>	(75,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<u>4-Development &amp; Redevelopment</u>											
Village Center Studies and Comprehensive Plan	<i>Dev/Redev-02</i>	0	0	0	0	0	0	0	0	0	0
LRT and LRT Station Area Development	<i>Dev/Redev-03</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0	0	0	0	0
Future HRA Levy projects	<i>Dev/Redev-06</i>	0	0	0	0	0	0	0	0	0	0
	<i>Total</i>	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	0	0	0	0	0
<b>Total Expenditures and Uses</b>		(300,000)	(225,000)	(225,000)	(225,000)	(225,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
<b>Change in Fund Balance</b>		(53,000)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	(150,000)
<b>Ending Balance</b>		247,000	269,000	291,000	313,000	335,000	357,000	379,000	401,000	423,000	273,000

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Livable Communities Fund</b>										
<b>Beginning Balance</b>	400,000	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Interest Income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<i>Total</i>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Total Revenues and Other Fund Sources</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Total Funds Available</b>	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000	409,000
<b>Expenditures and Uses</b>										
<i>Other Uses</i>										
Committed HWR Funding	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	0	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0
<b>Ending Balance</b>	401,000	402,000	403,000	404,000	405,000	406,000	407,000	408,000	409,000	409,000

City of Minnetonka, Minnesota  
*Economic Improvement Program*  
 2021 thru 2030

**SOURCES AND USES OF FUNDS**

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>TIF Pooling/Beacon/Tonka/Row</b>										
<b>Beginning Balance</b>	936,386	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Beacon/Tonka/Row TIF Pooling	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<i>Total</i>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Total Revenues and Other Fund Sources</b>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Total Funds Available</b>	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493	1,441,493
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
Afford. Housing-TIF Pooling/Beacon/Tonka/Row										
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	0	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	248,477	31,521	31,678	31,873	31,966	32,156	32,317	32,478	32,641	0
<b>Ending Balance</b>	1,184,863	1,216,384	1,248,062	1,279,935	1,311,901	1,344,057	1,376,374	1,408,852	1,441,493	1,441,493

Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>TIF Pooling/Blvd Gardens</b>										
<b>Beginning Balance</b>	5,193,714	5,318,854	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173
<b>Revenues and Other Fund Sources</b>										
<i>Revenue</i>										
Blvd Gardens/TIF Pooling	681,319	681,319	0	0	0	0	0	0	0	0
<i>Total</i>	681,319	681,319	0	0	0	0	0	0	0	0
<b>Total Revenues and Other Fund Sources</b>	681,319	681,319	0	0	0	0	0	0	0	0
<b>Total Funds Available</b>	5,875,033	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173
<b>Expenditures and Uses</b>										
<i>Capital Projects &amp; Equipment</i>										
<i>1-Housing</i>										
Affordable Housing via TIF Pooling/Blvd Gardens <i>Housing-12</i>	0	0	0	0	0	0	0	0	0	0
<i>Total</i>	0	0	0	0	0	0	0	0	0	0
<i>Other Uses</i>										
TIF Pooling/Blvd Gardens	(556,179)	0	0	0	0	0	0	0	0	0
<i>Total</i>	(556,179)	0	0	0	0	0	0	0	0	0
<b>Total Expenditures and Uses</b>	(556,179)	0	0	0	0	0	0	0	0	0
<b>Change in Fund Balance</b>	125,140	681,319	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	5,318,854	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173	6,000,173



City of Minnetonka  
Housing TIF District No. 2 Beacon Hill

DISTRICT INFORMATION	
ORIGINAL	
District Type	Housing
Project Area	Glen Lake Station
Fiscal Disparities	A Election
County Number	1458
Frozen Rate	UTA #1 132.577%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	10.00%

RECOMMENDATIONS	
1) Discuss with attorney regarding the use of increment for housing after obligation is finished	
2) May need a budget modification before the district expires	
3) Admin. Expense is currently:	9.4% <b>At or Under Limit</b>

Current Year 2018

TIF PLAN BUDGET ANALYSIS																		
Decertifies						Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Admin Expense	Outside District	Other Expense	TOTAL EXPENSE	Total Budget
Original Budget	1996	2/14/1994	4/19/1994	9/19/1994	12/31/2021	12/31/2021				-							-	-
Cumulative Modified		10/5/2009					4,256,000	-	-	4,256,000	2,106,000	400,000	1,400,000	350,000			4,256,000	4,256,000
End of District Projected Actual Total							4,312,570	27,464	436	4,340,469	-	1,084,699	2,886,528	369,242	-	-	4,340,469	4,340,469
Under / (Over) Budget							(56,570)	(27,464)	(436)	(84,469)	2,106,000	(684,699)	(1,486,528)	(19,242)	-	-	(84,469)	(84,469)

CASH FLOW PROJECTIONS ROLL UP																		
		TAX CAPACITY				Current Local	Revenues				Expenditures					Increment		
TIF Year	Year	Base	Current	Fiscal Disparities	Captured	Tax Rate	Tax Increment	TIF Credits	Interest Income	TOTAL REVENUES	Project	Affordable Housing	Paygo	Admin Expense	Outside District	Returned	TOTAL EXPENSE	Ending Balance
20	2016	8,647	190,389	-	181,742	120.496%	3,117,825	27,464	(1,374)	3,143,915	-	-	2,761,659	249,768	-	-	3,011,427	132,488
21	2017	8,647	213,189	-	204,542	116.838%	229,796		734	230,530	-	-	124,869	22,979	-	-	147,848	215,170
22	2018	8,647	213,850	-	205,203	117.985%	241,237		1,076	242,313	-	433,359	Will keep district open	24,124	-	-	457,483	(0)
23	2019	8,647	213,850	-	205,203	117.985%	241,237		(0)	241,237	-	217,113	assuming developer	24,124	-	-	241,237	0
24	2020	8,647	213,850	-	205,203	117.985%	241,237		0	241,237	-	217,114	will keep original	24,124	-	-	241,238	(0)
25	2021	8,647	213,850	-	205,203	117.985%	241,237		(0)	241,237	-	217,113	project affordable.	24,124	-	-	241,237	0



City of Minnetonka  
Housing TIF District No. 2 Beacon Hill

Pursuant to M.S. 469.176 Subd. 3:

ADMINISTRATIVE EXPENSE TEST		
<b>FYI Only:</b>	Admin per TIF Plan	\$350,000
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$390,600
	Estimated Total TIF Expenses per TIF Plan	3,906,000
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$397,123
	Total TIF Expenses for the Project	\$3,971,227
<b>RESULTS:</b>	<b>Estimated TIF Admin Allowable (10%)</b>	<b>\$390,600</b>
	Actual Admin Expenses	369,242
	<b>Available Admin</b>	<b>\$21,358</b>
	Projected End of District Percentage	9.5%

Pursuant to M.S. 469.1763 Subd. 2:

District Type:	Housing
Does this section apply?	Yes
Certification Request Date:	4/19/1994
Does TIF Plan Specify Assisting Housing Outside Project Area?	No
If so, What is the Additional % Allowed in TIF Plan (Up to 10%):	0%
Total Pooling %:	100%

		ADMINISTRATIVE EXPENSE CALCULATION			POOLING CALCULATION (100% Outside of District)						EXCESS INCREMENT							
		Accumulated Totals			Tax Increment		100% for Qualified Costs		Spent on Affordable Housing		Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
TIF Year	Year	Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Qualified Costs	Affordable Housing	Cummulative								
20	2016	249,768	2,761,659	9.0%	3,117,825	3,117,825	249,768	2,868,057	-	2,868,057	132,488	3,143,915	4,256,000	no	0	-	0	(1,112,085)
21	2017	272,747	2,886,528	9.4%	229,796	3,347,621	272,747	206,817	-	3,074,874	215,170	3,374,445	4,256,000	no	0	-	0	(881,555)
22	2018	296,871	3,319,887	8.9%	241,237	3,588,858	296,871	217,113	433,359	2,858,628	(0)	3,616,758	4,256,000	yes	0	3,616,758	0	(639,242)
23	2019	320,994	3,537,000	9.1%	241,237	3,830,095	320,994	217,114	217,113	2,858,629	0	3,857,995	4,256,000	yes	0	3,857,995	0	(398,005)
24	2020	345,118	3,754,114	9.2%	241,237	4,071,333	345,118	217,113	217,114	2,858,628	(0)	4,099,232	4,256,000	yes	0	4,099,232	0	(156,768)
25	2021	369,242	3,971,227	9.5%	241,237	4,312,570	369,242	217,114	217,113	2,858,629	0	4,340,469	4,256,000	yes	0	4,340,469	0	84,469



City of Minnetonka  
TIF District 1-2 Boulevard Gardens

DISTRICT INFORMATION	
District Type	ORIGINAL
Project Area	Redevelopment
Fiscal Disparities	Development District No 1
County Number	A Election
Frozen Rate	1460
	UTA #1 134.726%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	2.25%

RECOMMENDATIONS	
1) Discuss with attorney regarding the use of increment for housing projects	
2) May need a budget modification before the district expires	
3) Admin. Expense is currently:	8.9% At or Under Limit

TIF PLAN BUDGET ANALYSIS																			
	Decertifies						Revenues				Expenditures								
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Affordable		Other Expense	TOTAL EXPENSE	Total Budget
Original Budget	1997	12/11/1995	6/11/1996	7/2/1996	12/31/2022	12/31/2022													
Cumulative Modified		12/20/2010					37,300,000	-	350,000	37,650,000	10,564,578	7,350,000	2,335,422	-	6,400,000	11,000,000		37,650,000	37,650,000
End of District Projected Actual Total							39,699,130	190,137	211,044	40,112,339	100,000	16,692,812	1,803,969	5,601	7,752,108	13,450,310		39,804,800	39,804,800
Under / (Over) Budget							(2,399,130)	(190,137)	138,956	(2,462,339)	10,464,578	(9,342,812)	531,453	(5,601)	(1,352,108)	(2,450,310)		(2,154,800)	(2,154,800)

CASH FLOW PROJECTIONS ROLL UP																		
TIF Year	Year	TAX CAPACITY				Current Local Tax Rate	Revenues				Expenditures							Ending Balance
		Base	Current	Fiscal Disparities	Captured		Tax Increment	TIF Credits	Interest Income	TOTAL REVENUES	Jobs Bill	Paygo	Admin Expense	County Admin	Affordable		Increment Returned	
19	2016	72,750	1,623,624	-	1,550,874	120.460%	28,137,909	190,137	152,956	28,481,002	100,000	16,692,812	1,520,134	5,601	1,025,000	5,999,400	25,342,947	3,138,055
20	2017	72,750	1,642,693	-	1,569,943	116.797%	1,828,089	-	30,258	1,858,347	-	-	64,840	-	-	1,179,684	1,244,524	3,751,878
21	2018	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	18,759	1,965,386	-	-	43,799	-	4,001,832	1,221,508	5,267,139	450,125
22	2019	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,251	1,948,877	-	-	43,799	-	681,319	1,221,508	1,946,626	452,375
23	2020	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,262	1,948,888	-	-	43,799	-	681,319	1,221,508	1,946,626	454,638
24	2021	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,273	1,948,899	-	-	43,799	-	681,319	1,221,508	1,946,626	456,911
25	2022	72,750	1,729,264	-	1,656,514	117.938%	1,946,626	-	2,285	1,948,911	-	-	43,799	-	681,319	1,385,194	2,110,312	295,510



City of Minnetonka  
TIF District 1-2 Boulevard Gardens

Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Expenses

ADMINISTRATIVE EXPENSE TEST	
<b>FYI Only:</b> Admin per TIF Plan	\$2,335,422
<b>TEST 1:</b> Estimated TIF Admin Allowable (10%)	\$2,431,458
Estimated Total TIF Expenses per TIF Plan	24,314,578
<b>TEST 2:</b> Cumulative TIF Admin Allowable (10%)	\$2,455,052
Total TIF Expenses for the Project	\$24,550,521
<b>RESULTS:</b> Estimated TIF Admin Allowable (10%)	\$2,431,458
Actual Admin Expenses	1,803,969
Available Admin	\$627,489
Projected End of District Percentage	7.4%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Redevelopment

Does this section apply? Yes  
 Certification Request Date: 6/11/1996  
 Does TIF Plan Specify Assisting Housing Outside Project Area? Yes  
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 10%  
 Total Pooling %: 35%

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION			POOLING CALCULATION (35% Outside of District)								EXCESS INCREMENT									
		Accumulated Totals			Tax Increment			25% for Qualified Redevelopment	Spent Outside for Qualified Redevelopment	Cumulative Available for Pooling	Annual Available for Pooling	35% for Affordable Housing Costs	Spent For Affordable Housing	Cumulative Available for Pooling	Annual Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
		Admin. Expenses	Total	% Allowable	Current Year	Cummulative	Admin Costs	Redevelopment	Redevelopment	Pooling	Pooling	Housing Costs	Housing	Pooling	Pooling							
19	2016	1,520,134	17,823,413	8.5%	28,328,046	28,328,046	1,520,134	3,623,377	-	290,352	290,352	3,705,682	1,025,000	2,680,682	2,680,682	28,481,002	26,650,000	yes	5,999,400	22,481,602	0	(4,168,398)
20	2017	1,584,974	17,823,413	8.9%	1,828,089	30,156,135	1,584,974	-	-	-	-	639,831	-	3,320,513	639,831	30,339,349	26,650,000	yes	7,179,084	23,160,265	0	(3,489,735)
21	2018	1,628,773	21,825,245	7.5%	1,946,626	32,102,761	1,628,773	-	-	-	-	681,319	4,001,832	0	(3,320,513)	32,304,735	26,650,000	yes	8,400,592	23,904,143	0	(2,745,857)
22	2019	1,672,572	22,506,564	7.4%	1,946,626	34,049,388	1,672,572	-	-	-	-	681,319	681,319	1	0	34,253,612	26,650,000	yes	9,622,100	24,631,512	0	(2,018,488)
23	2020	1,716,371	23,187,883	7.4%	1,946,626	35,996,014	1,716,371	-	-	-	-	681,319	681,319	1	0	36,202,500	26,650,000	yes	10,843,608	25,358,892	0	(1,291,108)
24	2021	1,760,170	23,869,202	7.4%	1,946,626	37,942,640	1,760,170	-	-	-	-	681,319	681,319	1	0	38,151,399	26,650,000	yes	12,065,116	26,086,283	0	(563,717)
25	2022	1,803,969	24,550,521	7.4%	1,946,626	39,889,267	1,803,969	-	-	-	-	681,319	681,319	1	0	40,100,310	26,650,000	yes	13,450,310	26,650,000	0	0



City of Minnetonka  
Glenhaven

DISTRICT INFORMATION	
District Type	ORIGINAL
Project Area	Renewal and Renovation
Fiscal Disparities	Glen Lake Station
County Number	B Election
Frozen Rate	1463
UTA #1	99.282%
UTA #2	0.000%
UTA #3	0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	5.00%

RECOMMENDATIONS	
1)	
2)	
3) Admin. Expense is currently:	11.8% <b>Over Limit</b>

Current Year 2018

TIF PLAN BUDGET ANALYSIS																			
	Decertifies						Revenues				Expenditures							Total Budget	
	First Receipt	City Approved	Cert Request	Certified	Legal Term	Expected Term	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Discount	Admin Expense	Outside District		TOTAL EXPENSE
Original Budget	2007	1/23/2006	4/3/2006	6/2/2006	12/31/2029	12/31/2029													
Cumulative Modified							13,300,000	7,000,000	20,300,000	1,500,000	5,770,000	2,000,000	9,700,000		1,330,000		20,300,000	20,300,000	
End of District Projected Actual Total							9,370,425	6,895,000	56,674	16,322,099	4,691,616	863,483	400,720	9,056,409	149,800	624,924	-	15,786,952	15,786,952
Under / (Over) Budget							3,929,575	105,000	(56,674)	3,977,901	(3,191,616)	4,906,517	1,599,280	643,591	(149,800)	705,076	-	4,513,048	4,513,048

CASH FLOW PROJECTIONS ROLL UP																			
TIF Year	Year	TAX CAPACITY					Revenues				Expenditures							Ending Balance	
		Base	Current	Fiscal Disparities	Captured	Current Local Tax Rate	Tax Increment	Bond	Interest Income	TOTAL REVENUES	Paygo	Project	Interfund Loan	Bond	Discount	Admin Expense	Outside District		TOTAL EXPENSE
10	2016	117,677	573,209	31,696	423,836	120.496%	1,737,529	2,380,000	13,326	4,130,855	2,171,610	360,895	-	1,040,913	59,500	148,811	-	3,781,729	349,126
11	2017	117,677	627,320	48,586	461,057	116.838%	431,121	4,515,000	1,594	4,947,715	2,520,006	502,588	-	2,289,300	90,300	109,710	-	5,511,904	(215,063)
12	2018	121,427	663,236	43,353	498,456	117.985%	493,096		2,829	495,925	-	-	107,288	97,075	-	475	-	204,838	76,024
13	2019	121,427	781,290	43,353	616,510	117.985%	609,880		380	610,260	-	-	72,059	352,132	-	30,494	-	454,685	231,599
14	2020	121,427	781,290	43,353	616,510	117.985%	609,880		1,158	611,038	-	-	39,893	465,232	-	30,494	-	535,618	307,018
15	2021	121,427	781,290	43,353	616,510	117.985%	609,880		1,535	611,415	-	-	35,628	466,130	-	30,494	-	532,252	386,181
16	2022	121,427	781,290	43,353	616,510	117.985%	609,880		1,931	611,811	-	-	19,981	461,403	-	30,494	-	511,878	486,114
17	2023	121,427	781,290	43,353	616,510	117.985%	609,880		2,431	612,311	-	-	19,056	460,944	-	30,494	-	510,494	587,930
18	2024	121,427	781,290	43,353	616,510	117.985%	609,880		2,940	612,820	-	-	18,093	464,660	-	30,494	-	513,247	687,503
19	2025	121,427	781,290	43,353	616,510	117.985%	609,880		3,438	613,317	-	-	17,256	462,335	-	30,494	-	510,085	790,736
20	2026	121,427	781,290	43,353	616,510	117.985%	609,880		3,954	613,834	-	-	16,317	464,123	-	30,494	-	510,934	893,635
21	2027	121,427	781,290	43,353	616,510	117.985%	609,880		4,468	614,348	-	-	15,423	460,077	-	30,494	-	505,994	1,001,989
22	2028	121,427	781,290	43,353	616,510	117.985%	609,880		5,010	614,890	-	-	14,355	460,185	-	30,494	-	505,034	1,111,845
23	2029	121,427	781,290	43,353	616,510	117.985%	609,880		5,559	615,439	-	-	13,259	459,100	-	30,494	-	502,853	1,224,431
24	2030	-	-	-	-	0.000%	-		6,122	6,122	-	-	12,112	652,800	-	30,494	-	695,406	535,148



City of Minnetonka  
Glenhaven

Pursuant to M.S. 469.176 Subd. 3:

Admin limit is based on: Revenues

ADMINISTRATIVE EXPENSE TEST		
<b>FYI Only:</b>	Admin per TIF Plan	\$1,330,000
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$1,897,000
	Estimated Total TIF Expenditures per TIF Plan	18,970,000
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$942,710
	Total TIF Revenues for the Project	\$9,427,099
<b>RESULTS: Cumulative TIF Admin Allowable (10%)</b> \$942,710		
	Actual Admin Expenses	624,924
	<b>Available Admin</b>	<b>\$317,786</b>
	Actual Percentage	6.6%

Pursuant to M.S. 469.1763 Subd. 2:

District Type: Renewal and Renovation

Does this section apply? Yes  
 Certification Request Date: 4/3/2006  
 Does TIF Plan Specify Assisting Housing Outside Project Area? No  
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 0%  
 Total Pooling %: 20%

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION		
		Accumulated Totals		
		Admin. Expenses	Total	% Allowable
10	2016	148,811	1,750,855	8.5%
11	2017	258,521	2,183,570	11.8%
12	2018	258,996	2,679,495	9.7%
13	2019	289,490	3,289,755	8.8%
14	2020	319,984	3,900,793	8.2%
15	2021	350,478	4,512,208	7.8%
16	2022	380,972	5,124,018	7.4%
17	2023	411,466	5,736,329	7.2%
18	2024	441,960	6,349,149	7.0%
19	2025	472,454	6,962,466	6.8%
20	2026	502,948	7,576,300	6.6%
21	2027	533,442	8,190,648	6.5%
22	2028	563,936	8,805,538	6.4%
23	2029	594,430	9,420,977	6.3%
24	2030	624,924	9,427,099	6.6%

POOLING CALCULATION (20% Outside of District)							EXCESS INCREMENT							
Tax Increment		20% for					Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end	Excess (Not Excess)
Current Year	Cummulative	Admin Costs	Qualified Costs	Spent Outside	Cummulative									
1,737,529	1,737,529	148,811	198,695	-	198,695	198,695	4,130,855	20,300,000	no	0	0	0	(16,169,145)	
431,121	2,168,650	258,521	175,209	-	175,209	-	9,078,570	20,300,000	no	0	0	0	(11,221,430)	
493,096	2,661,746	258,996	273,353	-	273,353	-	9,574,495	20,300,000	no	0	0	0	(10,725,505)	
609,880	3,271,625	289,490	364,835	-	364,835	-	10,184,755	20,300,000	no	0	0	0	(10,115,245)	
609,880	3,881,505	319,984	456,317	-	456,317	70,940	10,795,793	20,300,000	no	0	0	0	(9,504,207)	
609,880	4,491,385	350,478	547,799	-	547,799	150,103	11,407,208	20,300,000	no	0	0	0	(8,892,792)	
609,880	5,101,265	380,972	639,281	-	639,281	250,036	12,019,018	20,300,000	no	0	0	0	(8,280,982)	
609,880	5,711,145	411,466	730,763	-	730,763	351,853	12,631,329	20,300,000	no	0	0	0	(7,668,671)	
609,880	6,321,025	441,960	822,245	-	822,245	451,426	13,244,149	20,300,000	no	0	0	0	(7,055,851)	
609,880	6,930,905	472,454	913,727	-	913,727	535,148	13,857,466	20,300,000	no	0	0	0	(6,442,534)	
609,880	7,540,785	502,948	1,005,209	-	1,005,209	535,148	14,471,300	20,300,000	no	0	0	0	(5,828,700)	
609,880	8,150,665	533,442	1,096,691	-	1,096,691	535,148	15,085,648	20,300,000	no	0	0	0	(5,214,352)	
609,880	8,760,545	563,936	1,188,173	-	1,188,173	535,148	15,700,538	20,300,000	no	0	0	0	(4,599,462)	
609,880	9,370,425	594,430	1,279,655	-	1,279,655	535,148	16,315,977	20,300,000	no	0	0	0	(3,984,023)	
-	9,370,425	624,924	1,249,161	-	-	-	16,322,099	20,300,000	no	0	0	0	(3,977,901)	



City of Minnetonka  
Rowland Housing

DISTRICT INFORMATION	
ORIGINAL	
District Type	Housing
Project Area	Rowland Housing Redevelopment
Fiscal Disparities	B Election
County Number	1465
Frozen Rate	UTA #1 124.292%
	UTA #2 0.000%
	UTA #3 0.000%

ASSUMPTIONS	
Interest Income	0.50%
Admin Expense	10.00%

RECOMMENDATIONS	
1) Limited pooling options available.	
2) Budget modification not recommended at this time.	
3) Admin. Expense is currently:	0.0% At or Under Limit

Current Year 2018

TIF PLAN BUDGET ANALYSIS																		
	First Receipt	City Approved	Cert Request	Decertifies			Revenues			Expenditures							Total Budget	
				Certified	Legal Term	Expected Term	Tax Increment	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Outside District	Other Expense	TOTAL EXPENSE		
Original Budget	2018	4/20/2015	6/8/2015	7/2/2015	12/31/2043	12/31/2043	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Modified							6,809,549	680,955	7,490,504	3,501,617	3,307,932	680,955	-	-	-	-	7,490,504	7,490,504
End of District Projected Actual Total							4,718,977	-	22,156	4,741,133	-	4,135,316	204,837	-	-	-	4,340,152	4,340,152
Under / (Over) Budget							2,090,572	-	658,799	2,749,371	3,501,617	(827,384)	476,118	-	-	-	3,150,352	3,150,352

CASH FLOW PROJECTIONS ROLL UP																		
TIF Year	Year	TAX CAPACITY				Current Local Tax Rate	Revenues				Expenditures							Ending Balance
		Base	Current	Fiscal Disparities	Captured		Tax Increment	Other Revenue	Interest Income	TOTAL REVENUES	Project	Paygo	Admin Expense	County Admin	Outside District	Increment Returned	TOTAL EXPENSE	
	2016	3,750	3,750	-	-	120.496%	-	-	-	-	-	-	-	-	-	-	-	
	2017	98,850	98,850	-	-	116.838%	-	-	-	-	-	-	-	-	-	-	-	
1	2018	3,750	215,018	-	211,268	117.985%	248,367	-	-	248,367	-	111,765	24,837	-	-	-	136,602	111,765
2	2019	3,750	215,018	-	211,268	117.985%	248,367	-	559	248,926	-	223,531	10,000	-	-	-	233,531	127,161
3	2020	3,750	215,018	-	211,268	117.985%	248,367	-	636	249,003	-	223,531	10,000	-	-	-	233,531	142,633
4	2021	3,750	215,018	-	211,268	117.985%	248,367	-	713	249,080	-	223,531	10,000	-	-	-	233,531	158,183
5	2022	3,750	215,018	-	211,268	117.985%	248,367	-	791	249,158	-	223,531	10,000	-	-	-	233,531	173,811
6	2023	3,750	215,018	-	211,268	117.985%	248,367	-	869	249,236	-	223,531	10,000	-	-	-	233,531	189,516
7	2024	3,750	215,018	-	211,268	117.985%	248,367	-	948	249,315	-	223,531	10,000	-	-	-	233,531	205,300
8	2025	3,750	215,018	-	211,268	117.985%	248,367	-	1,027	249,394	-	223,531	10,000	-	-	-	233,531	221,164
9	2026	3,750	215,018	-	211,268	117.985%	248,367	-	1,106	249,473	-	223,531	10,000	-	-	-	233,531	237,106
10	2027	3,750	215,018	-	211,268	117.985%	248,367	-	1,186	249,553	-	223,531	10,000	-	-	-	233,531	253,128
11	2028	3,750	215,018	-	211,268	117.985%	248,367	-	1,266	249,633	-	223,531	10,000	-	-	-	233,531	269,230
12	2029	3,750	215,018	-	211,268	117.985%	248,367	-	1,346	249,713	-	223,531	10,000	-	-	-	233,531	285,413
13	2030	3,750	215,018	-	211,268	117.985%	248,367	-	1,427	249,794	-	223,531	10,000	-	-	-	233,531	301,677
14	2031	3,750	215,018	-	211,268	117.985%	248,367	-	1,508	249,876	-	223,531	10,000	-	-	-	233,531	318,022
15	2032	3,750	215,018	-	211,268	117.985%	248,367	-	1,590	249,957	-	223,531	10,000	-	-	-	233,531	334,449
16	2033	3,750	215,018	-	211,268	117.985%	248,367	-	1,672	250,039	-	223,531	10,000	-	-	-	233,531	350,958
17	2034	3,750	215,018	-	211,268	117.985%	248,367	-	1,755	250,122	-	223,531	10,000	-	-	-	233,531	367,549
18	2035	3,750	215,018	-	211,268	117.985%	248,367	-	1,838	250,205	-	223,531	10,000	-	-	-	233,531	384,223
19	2036	3,750	215,018	-	211,268	117.985%	248,367	-	1,921	250,288	-	223,531	10,000	-	-	-	233,531	400,981
20	2037	3,750	215,018	-	211,268	117.985%	248,367	-	2,005	250,372	-	94,067	10,000	-	-	-	104,067	547,286
21	2038	3,750	215,018	-	211,268	117.985%	248,367	-	2,736	251,104	-	10,000	-	-	-	-	10,000	788,389
22	2039	3,750	215,018	-	211,268	117.985%	248,367	-	3,942	252,309	-	10,000	-	-	-	-	10,000	1,030,699
23	2040	3,750	215,018	-	211,268	117.985%	248,367	-	5,153	253,521	-	10,000	-	-	-	-	10,000	1,274,219
24	2041	3,750	215,018	-	211,268	117.985%	248,367	-	6,371	254,739	-	10,000	-	-	-	-	10,000	1,518,959
25	2042	3,750	215,018	-	211,268	117.985%	248,367	-	7,595	255,964	-	10,000	-	-	-	-	10,000	1,764,923
26	2043	3,750	215,018	-	211,268	117.985%	248,367	-	8,825	257,195	-	10,000	-	-	-	-	10,000	2,012,117

Will keep district open after PAYGO assuming developer is willing to keep the original project affordable.



City of Minnetonka  
Rowland Housing

Pursuant to M.S. 469.176 Subd. 3:  
Admin limit is based on:

Revenues

ADMINISTRATIVE EXPENSE TEST		
<b>FYI Only:</b>	Admin per TIF Plan	\$680,955
<b>TEST 1:</b>	Estimated TIF Admin Allowable (10%)	\$680,955
	Estimated Total TIF Expenditures per TIF Plan	6,809,549
<b>TEST 2:</b>	Cumulative TIF Admin Allowable (10%)	\$474,113
	Total TIF Revenues for the Project	\$4,741,133
<b>RESULTS:</b>	Cumulative TIF Admin Allowable (10%)	\$474,113
	Actual Admin Expenses	204,837
	Available Admin	\$269,276
	Projected End of District Percentage	4.3%

Pursuant to M.S. 469.176 Subd. 2:

District Type: Housing  
 Does this section apply? Yes  
 Certification Request Date: 6/8/2015  
 Does TIF Plan Specify Assisting Housing Outside Project Area? No  
 If so, What is the Additional % Allowed in TIF Plan (Up to 10%): 0%  
 Total Pooling %: 100%

TIF Year	Year	ADMINISTRATIVE EXPENSE CALCULATION				POOLING CALCULATION (100% Outside of District)							EXCESS INCREMENT					
		Admin. Expenses	Total	% Allowable	Accumulated Totals	Current Year	Cummulative	Admin Costs	100% for Qualified Costs	Spent Outside	Cummulative	Available for Pooling	Increment Generated	Costs Authorized	Required?	Increment returned	Net Retained	P&I Due after year end
0	2016	-	-	0.0%	-	-	-	-	-	-	-	0	7,490,504	no	0	0	0	(7,490,504)
0	2017	-	-	0.0%	-	-	-	-	-	-	-	0	7,490,504	no	0	0	0	(7,490,504)
1	2018	24,837	248,367	10.0%	248,367	248,367	24,837	223,531	-	223,531	111,765	248,367	7,490,504	no	0	0	0	(7,242,137)
2	2019	34,837	496,734	7.0%	483,204	496,734	34,837	238,367	-	461,898	127,161	497,293	7,490,504	no	0	0	0	(6,993,211)
3	2020	44,837	745,102	6.0%	528,041	745,102	44,837	238,367	-	700,265	142,633	746,296	7,490,504	no	0	0	0	(6,744,208)
4	2021	54,837	993,469	5.5%	582,878	993,469	54,837	238,367	-	938,632	158,183	995,377	7,490,504	no	0	0	0	(6,495,127)
5	2022	64,837	1,241,836	5.2%	647,715	1,241,836	64,837	238,367	-	1,176,999	173,811	1,244,535	7,490,504	no	0	0	0	(6,245,969)
6	2023	74,837	1,490,203	5.0%	722,552	1,490,203	74,837	238,368	-	1,415,367	189,516	1,493,771	7,490,504	no	0	0	0	(5,996,733)
7	2024	84,837	1,738,570	4.9%	807,389	1,738,570	84,837	238,367	-	1,653,734	205,300	1,743,086	7,490,504	no	0	0	0	(5,747,418)
8	2025	94,837	1,986,938	4.8%	902,226	1,986,938	94,837	238,367	-	1,892,101	221,164	1,992,480	7,490,504	no	0	0	0	(5,498,024)
9	2026	104,837	2,235,305	4.7%	1,007,063	2,235,305	104,837	238,367	-	2,130,468	237,106	2,241,953	7,490,504	no	0	0	0	(5,248,551)
10	2027	114,837	2,483,672	4.6%	1,121,900	2,483,672	114,837	238,367	-	2,368,835	253,128	2,491,505	7,490,504	no	0	0	0	(4,998,999)
11	2028	124,837	2,732,039	4.6%	1,246,737	2,732,039	124,837	238,368	-	2,607,203	269,230	2,741,138	7,490,504	no	0	0	0	(4,749,366)
12	2029	134,837	2,980,406	4.5%	1,381,574	2,980,406	134,837	238,367	-	2,845,570	285,413	2,990,851	7,490,504	no	0	0	0	(4,499,653)
13	2030	144,837	3,228,774	4.5%	1,526,411	3,228,774	144,837	238,367	-	3,083,937	301,677	3,240,646	7,490,504	no	0	0	0	(4,249,858)
14	2031	154,837	3,477,141	4.5%	1,681,248	3,477,141	154,837	238,367	-	3,322,304	318,022	3,490,521	7,490,504	no	0	0	0	(3,999,983)
15	2032	164,837	3,725,508	4.4%	1,846,085	3,725,508	164,837	238,367	-	3,560,671	334,449	3,740,479	7,490,504	no	0	0	0	(3,750,025)
16	2033	174,837	3,973,875	4.4%	2,020,922	3,973,875	174,837	238,368	-	3,799,039	350,958	3,990,518	7,490,504	no	0	0	0	(3,499,986)
17	2034	184,837	4,222,242	4.4%	2,205,759	4,222,242	184,837	238,367	-	4,037,406	367,549	4,240,640	7,490,504	no	0	0	0	(3,249,864)
18	2035	194,837	4,470,610	4.4%	2,400,600	4,470,610	194,837	238,367	-	4,275,773	384,223	4,490,845	7,490,504	no	0	0	0	(2,999,659)
19	2036	204,837	4,718,977	4.3%	2,605,437	4,718,977	204,837	238,367	-	4,514,140	400,981	4,741,133	7,490,504	no	0	0	0	(2,749,371)
20	2037	214,837	4,967,344	4.3%	2,820,274	4,967,344	214,837	238,367	-	4,752,507	547,286	4,991,505	7,490,504	no	0	0	0	(2,498,999)
21	2038	224,837	5,215,711	4.3%	3,045,111	5,215,711	224,837	238,368	-	4,990,875	788,389	5,242,609	7,490,504	no	0	0	0	(2,247,895)
22	2039	234,837	5,464,078	4.3%	3,279,948	5,464,078	234,837	238,367	-	5,229,242	1,030,699	5,494,918	7,490,504	no	0	0	0	(1,995,586)
23	2040	244,837	5,712,446	4.3%	3,524,785	5,712,446	244,837	238,367	-	5,467,609	1,274,219	5,748,439	7,490,504	no	0	0	0	(1,742,065)
24	2041	254,837	5,960,813	4.3%	3,779,622	5,960,813	254,837	238,367	-	5,705,976	1,518,959	6,003,177	7,490,504	no	0	0	0	(1,487,327)
25	2042	264,837	6,209,180	4.3%	4,034,459	6,209,180	264,837	238,367	-	5,944,343	1,764,923	6,259,139	7,490,504	yes	0	6,259,139	0	(1,231,365)
26	2043	274,837	6,457,547	4.3%	4,309,296	6,457,547	274,837	238,368	-	6,182,711	2,012,117	6,516,331	7,490,504	yes	0	6,516,331	0	(974,173)







# AFFORDABLE HOUSING GOALS



**MINNETONKA  
ECONOMIC  
IMPROVEMENT  
PROGRAM**

## AFFORDABLE HOUSING GOALS

*Progress on the city's affordable housing goals.*

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 first communities to sign up to participate in the program. At that time, a series of affordable housing goals for the city was established for 1996 to 2010. The city has elected to continue to participate in the LCA program, establishing affordable and lifecycle housing goals for 2011 to 2020. In 2020, the city will establish new goals for 2021-2030.

### *1995-2010 AFFORDABLE HOUSING GOALS*

	Goals (1995-2010)	Results	Percent Achieved
New Affordable Ownership Units	180 Units	202	112%
New Affordable Rental Units	324 Units	213	66%
New Rental Units (All)	540 Units	697	130%

### *1995-2010 New Affordable Ownership Units*

Project	Year Completed	Affordable Units	EIP Program Used
Gables of West Ridge Market	1996-1997	90	Boulevard Gardens TIF
Habitat for Humanity	1999	4	None
Ridgebury	2000	56	Ridgebury TIF
The Enclave	2002	1	None
The Sanctuary	2005-2007	3	-Grants -Homes Within Reach
Lakeside Estates	2005	1	Homes Within Reach
Cloud 9 Sky Flats	2006	34	Homes Within Reach
Wyldewood Condos	2006	8	None
Minnetonka Drive	2007	1	Homes Within Reach
Deephaven Cove	2007	2	-Grants -Homes Within Reach
Meadowwoods	2007/2008	2	Homes Within Reach

### *1995-2010 New Affordable Rental Units*

Project	Year Completed	Affordable Units	EIP Program Used
Excelsior Court Apartments	1996	24	
West Ridge Retirement	1997	45	Boulevard Gardens TIF
Boulevard Gardens	1997	46	Boulevard Gardens TIF
Crown Ridge Apartments	1997	46	Boulevard Gardens TIF
Minnetonka Mills	1997	30	Minnetonka Mills TIF
Cedar Pointe Townhouses	1997	9	Cedar Pointe
The Oaks at Glen Lake	2008	13	Glenhaven TIF

## 2011-2020 AFFORDABLE HOUSING GOALS

	Goals (2011-2020)	Results	Percent Achieved (to date)
New Affordable Units (rental & ownership)	246 to 378	187	76%
New Lifecycle Units	375 to 800	1,192	318%

### 2011-2020 New Affordable Units (rental and ownership)

Project	Year Completed	Affordable Units	EIP Program Used
The Glenn by St. Therese	2011	30	Glenhaven TIF
The Ridge	2013	51	TIF Pooling
Tonka on the Creek	2016	20	Tonka on the Creek TIF
At Home	2016	21	Rowland Housing TIF
Cherrywood Pointe	2017	8	N/A
The RiZe	2019	32	N/A
Shady Oak Crossings	2021*	75	TIF Pooling
Preserve at Shady Oak/ Legends of Minnetonka	2022*	482	TIF Housing
Marsh Run	2020*	35	TIF Housing

\*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in 2011-2020 goals.

### 2011-2020 New Lifecycle Units

Project	Year Completed	Lifecycle Units	EIP Program Used
The Glenn by St. Therese	2011	150	Glenhaven TIF
The Ridge	2013	64	TIF Pooling
Tonka on the Creek	2016	100	Tonka on the Creek TIF
At Home	2016	106	Rowland Housing TIF
Applewood Pointe	2017	89	Applewood Pointe TIF
Lecesse*	2017	290	N/A
Cherrywood Pointe	2017	92	N/A
Zvago	2017	54	Glenhaven TIF
Orchards of Minnetonka	2019	147	N/A
Havenwood	2019	100	N/A
Minnetonka Hills*	2019	78	N/A
Ridgedale Executive Apts*	2020*	77	N/A
Avidor*	2020*	168	N/A
Marsh Run*	2020*	140	TIF Housing

\*Indicates projects that are approved, but not yet constructed therefore affordable and lifecycle units are not counted in 2011-2020 goals.

The following is a list EIP programs and their contribution to the city's affordable housing goals.

<b>PROGRAM</b>	<b>AFFORDABLE HOUSING CONTRIBUTION</b>
<b>Housing</b>	
CDBG	Program may add or preserve affordable units
Homes Within Reach	Preservation of affordable housing
Housing Improvement Area (HIA)	No direct impact
Minnetonka Heights Apartments	172 affordable units participate in program
Minnetonka Home Enhancement program	Preservation of affordable owner-occupied units
Owner-Occupied Housing Rehabilitation	No direct impact
Tax Exempt Financing	Program may add or preserve affordable units
TIF Pooling	51 units added through The Ridge
Welcome to Minnetonka program	No direct impact
<b>Business</b>	
Economic Gardening	No direct impact
Fire Sprinkler Retrofit	No direct impact
Grants	May assist with components of projects that have affordable units
GreaterMSP	No direct impact
Minnesota Investment Fund (MIF)	No direct impact
Open to Business	No direct impact
Outreach	No direct impact
TwinWest	No direct impact
<b>Transit</b>	
Commuter Services	No direct impact
LRT	No direct impact
Transit Improvements	No direct impact
<b>Redevelopment</b>	
Predevelopment Projects	May assist projects that are developing affordable housing
Village Center	Help to guide areas where affordable housing may be developed
<b>Tax Increment Financing (TIF)</b>	
Development Agmt/TIF Admin	No direct impact
Beacon Hill TIF District	44 affordable units added in 1994 (prior to affordable housing goals). Preserved in 2010.
Boulevard Gardens TIF District	227 affordable units added in 1996/1997
Glenhaven TIF District	43 affordable units added in 2008 and 2011
Minnetonka Mills TIF District	30 affordable units added in 1997. Even though district has expired, units remain affordable
Tonka on the Creek TIF District	20 affordable units expected in 2015
Applewood Pointe TIF District	9 affordable units completed in 2017 (will not meet Met Council guidelines, therefore not included in goals)
At Home Apartments	21 affordable units completed in 2016
<b>Tax Abatement</b>	
Ridgedale	No direct impact

## 2020 AFFORDABLE HOUSING INCOME LIMITS

FY 2020 Income Limits Summary					
Household Size	30%	50%	60%	80%	120%
1	\$ 21,700.00	\$ 36,190.00	\$ 43,428.00	\$ 54,950.00	\$ 87,040.00
2	\$ 24,800.00	\$ 41,360.00	\$ 49,632.00	\$ 62,800.00	\$ 99,475.00
3	\$ 27,900.00	\$ 46,530.00	\$ 55,836.00	\$ 70,650.00	\$ 111,909.00
4	\$ 31,000.00	\$ 51,700.00	\$ 62,040.00	\$ 78,500.00	\$ 124,344.00
5	\$ 33,480.00	\$ 55,836.00	\$ 67,003.00	\$ 84,780.00	\$ 134,291.00
6	\$ 35,960.00	\$ 59,972.00	\$ 71,966.00	\$ 91,060.00	\$ 144,239.00
7	\$ 39,010.00	\$ 64,108.00	\$ 76,929.00	\$ 97,340.00	\$ 154,186.00
8	\$ 43,430.00	\$ 68,244.00	\$ 81,892.00	\$ 103,620.00	\$ 164,134.00
Median Family Income 2020 = \$103,400					

Income limits are published on the US Department of Housing and Urban Development user portal:  
<https://www.huduser.gov/portal/datasets/il.html>

How much do people pay for affordable housing?

*Affordability based on a family of four*

Monthly Rent	AMI	Annual Income
\$775	30%	up to \$31,000
\$775 - \$1,290	30%-50%	\$31,000 - \$51,700
\$1,290 - \$1,550	50%-60%	\$51,700 - \$62,040
\$1,550 - \$1,960	60%-80%	\$62,040 - \$78,500
\$1,960 - \$2,585	80%-100%	\$78,500 - \$103,400

Affordable rents, based on sample occupations and their average salaries

*Salary information obtained from glassdoor.com*

Occupation	Average Salary	Affordable Rent
Home Health Aide	\$33,000	\$825
Nurse	\$67,873	\$1,696
High School Teacher	\$44,435	\$1,110
Line Cook	\$25,043	\$626

## **Minnetonka Housing/Business Development Policies**

The city of Minnetonka has several policies related to housing and business development. Policy direction from the council can take many different forms, including such channels as formally adopted ordinances and resolutions, to more informal requests and suggestions to the city manager, who is ultimately responsible to the city council for carrying out their policy decisions.

These policies are intended as a general guide for the city council. They are not binding and may be modified when, in the sole discretion of the council, such modification is deemed necessary or appropriate in the interest of the city.

This listing is regularly updated as new policy directions are established, and it is by no means exclusive. These policies are included in the EIP as a reminder for the EDAC and Council to review annually during the EIP review. The city's policies are updated annually on the city's website.

### **City of Minnetonka City Council Policies (excerpts of housing related policies):**

#### Chapter 2: Administration and Finance

2.4 – Special Assessments with Tax Increment Districts

2.5 – Tax Exempt Financing for Industrial Development, Health Care Facilities, and Multi-family Housing Projects (Private Activity Tax Exempt Financing)

2.14 - Tax Increment Financing Pooling Fund

2.15 - Housing Improvement Areas

2.16 - Post-Issuance Compliance Procedure and Policy For Tax-Exemption Governmental Bonds

2.18 - Tax Increment Financing and Tax Abatement

2.19 – Debt Management

#### Chapter 11: Streets, Parks, and Other Public Property

11.12 – Real Estate Property Management

#### Chapter 12: Public Utilities

12.10 - Met Council Sewer Availability Charge and City Residential Equivalency Charge Payment Deferral Program

#### Chapter 13: General Provisions and Policies

13.1 Fair Housing

13.2 Affordable Housing Policy

# AFFORDABLE HOUSING GOALS

## GLOSSARY

Community Development Block Grant (CDBG)	A program through HUD assisting state and local governments with a variety of community development needs
Department of Employment and Economic Development (DEED)	A state agency assisting in economic development through programs targeting business recruitment, expansion and retention; workforce development; and community development
Economic Development Advisory Commission (EDAC)	An advisory commission to the city council on matters related to economic development, housing and redevelopment
Economic Development Authority (EDA)	An authority granted to local governments by the state for the purpose of conducting economic development, housing and redevelopment activities. EDAs have the ability to levy taxes
Housing Improvement Area (HIA)	A defined area in the city in which housing improvements to commonly owned space in condominium/townhouse developments may be financing with the assistance of a city through special assessments
Housing and Redevelopment Authority (HRA)	An authority granted to local governments by the state for the purpose of conducting housing and redevelopment activities
Light Rail Transit (LRT)	A mode of public transit where trains run in a separate right of way
Livable Communities Act (LCA)	A program adopted in 1995 by the Minnesota State Legislature and administered by the Metropolitan Council for purposes of increasing affordable housing and investing in local communities
Metropolitan Council	A regional policy-making body, planning agency and provider of services to guide growth in the Twin Cities metropolitan area
Metro Transit	The transit arm of the Metropolitan Council responsible for running the metropolitan area's bus and train systems
Minnesota Investment Fund (MIF)	A business financing tool offered by DEED to help businesses locate or expand in Minnesota
Property Assessed Clean Energy (PACE)	A program that allows businesses to make clean energy investments in their businesses by financing the costs through a special assessment on the property
Tax Abatement	A temporary deferral of property taxes for purposes of stimulating economic development
Tax Increment Financing (TIF)	A financing tool where additional property taxes generated from a new development are captured and used for public purposes such as housing, removal of blight and employment opportunities
U.S. Department of Housing and Urban Development (HUD)	Established in 1965 as a cabinet-level federal agency that is responsible housing and community development activities



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**Memorandum**

TO: Mike Happe, EDAC Commissioner  
Laurie McKendry, EDAC Commissioner

THROUGH: Julie Wischnack, AICP, Community Development Director

FROM: Elise Durbin, AICP, Community Development Supervisor

DATE: September 10, 2013

SUBJECT: Homes Within Reach subcommittee meeting #1 information

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The following memorandum provides information for discussion at the September 16, 2013 EDAC subcommittee meeting on Homes Within Reach (HWR).

***Agenda Item #1: Overview of subcommittee's purpose and outcome***

This EDAC subcommittee was formed when the council directed the EDAC, at the April 8, 2013 council study session on the 2014-2018 EIP, to determine the proper level of permanently affordable HWR homes in the city. Below is the summary of the council's discussion on the topic:

*Schneider said the city had a responsibility to support the Homes Within Reach since it started the program but there needed to be a long term plan. He said there were two components that the council should discuss. One was determining the proper level of permanent and affordable homes in the city. The other component was to get the program where it was sustainable long term. Once they get to a certain volume there would be re-sales. At a certain point the program could support the staff and activities to maintain and grow into other communities. He suggested the EDAC discuss this. Wiersum said once the endgame of self-sustainability was defined, the modeling would not be too difficult to do.*



***Agenda Item #2: Review history of Homes Within Reach and the city's affordable housing goals***

What is Homes Within Reach (HWR) and who does it serve?

HWR Mission: To use the Community Land Trust model to create and preserve affordable homeownership for families in suburban Hennepin County.

In general, eligibility guidelines include:

1. Purchase a home in Suburban Hennepin County.
2. Stable source or sources of income.
3. Annual household income is less than the program income limits (80% AMI).  
The 2013 income limits are:
  - 1 person \$45,100
  - 2 person \$51,550
  - 3 person \$58,000
  - 4 person \$64,400
  - 5 person \$69,600
  - 6 person \$74,750
  - 7 person \$79,900
  - 8 person \$85,050
4. Be at least 21 years of age.
5. Home must be owner occupied.
6. Be a citizen of the United States or a legal resident.

How does Homes Within Reach work?

HWR operates as a Community Land Trust (CLT). HWR establishes initial affordability by purchasing a scattered-site, owner-occupied home when it is placed for sale on the open market and selling *just* the home to a low- to moderate-income household. HWR then retains ownership of the land and enters a 99-year inheritable ground lease with the leaseholder-homeowner. The removal of the market value of the land from the mortgage equation results in a lower, more affordable monthly payment of principal and interest. It results in a lower down payment and lower closing costs for the buyer. The homeowner also pays a small monthly lease fee to HWR for the lease of the land. The CLT model works for most owner-occupied residential properties; however, there are more challenges associated when working with condominium units (no land) — therefore, HWR has only acquired single-family or townhouse type units where there is land associated with the purchase.

HWR ensures perpetual affordability of the home through two provisions found in the ground lease. The first is a pricing formula that provides the owner with a reasonable amount of equity, while ensuring the home remains affordable for subsequent low- and moderate- income buyers. The second provision requires

the owner, should they decide to sell, to sell to another low- to moderate-income household or to HWR.

Homes Within Reach's formation and Minnetonka's involvement

HWR, also known as the West Hennepin Affordable Housing Land Trust, is a non-profit community land trust (CLT) established in 2001. HWR started as a workgroup formed by the city of Minnetonka after the city council identified preserving and increasing affordable housing in the community as a priority. Most of the affordable housing tools that the city had in place at the time also had shortcomings, such as long-term affordability was capped at 30 years per state statute (as it still is today), public investment into such projects would be lost after 30 years, and the tools were unable to assist with existing owner-occupied homes.

The workgroup consisted of city policy makers, private business people, and members of the faith community, with city staff and other consultants as support staff to the group. Specifically, the city council authorized formation of the work group, to create a CLT. By May 2001, the workgroup had completed the formation of the CLT and submitted for tax-exempt status. It was also at that time that the first Board of Directors was elected, and the organization became officially separated from the city.

Homes Within Reach's history in Minnetonka and other communities

HWR serves suburban Hennepin County (The City of Lakes CLT covers Minneapolis).

Since 2001, HWR's portfolio consists of:

<b>CITY</b>	<b>NUMBER OF HOMES</b>
Brooklyn Park	3
Deephaven	4
Eden Prairie	10
Edina	8
Golden Valley	2
Maple Grove	6
Minnetonka	50
New Hope	4
Richfield	8
St. Louis Park	10
Wayzata	1
<b>TOTAL</b>	<b>106</b>

### Homes Within Reach home selection in Minnetonka

In 2002, after the formation of HWR, the city and HWR entered into a Line of Credit agreement. This agreement, which has since been amended in 2004 and again in 2011, outlines the terms when HWR wants to borrow city funds in order to purchase properties (Pages A1-A3).

Under the terms of the agreement, any property that HWR wishes to purchase in Minnetonka using city funds, must first be approved by city staff. The typical process entails HWR finding a home suitable for purchasing (less than \$250,000 in price and improvements, focus on foreclosures and purchases from seniors when possible). Before making an offer, HWR will contact city staff and ask for approval. Staff will review the request, which includes looking at the location. This is to ensure that HWR homes are scattered throughout the city. Staff may allow HWR homes to be located in the same neighborhood if because of proximity, roads, and other factors, there appears to be enough separation between them.

### Homes Within Reach funding sources

HWR receives funding from a variety of private, state, regional and local funding sources. While the award amount varies from year to year, regular public funders include:

- Minnesota Housing
- Metropolitan Council
- Hennepin County HOME program
- Hennepin County AHIF program
- CDBG funds from other cities (Edina, Eden Prairie, Maple Grove, St. Louis Park)

### Minnetonka's Affordable Housing Goals and HWR

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. Additionally, the legislature created a funding mechanism to assist communities participating in the LCA in adding affordable and life-cycle housing. Participation in the incentive-based LCA program is voluntary with the Metropolitan Council governing it.

When the LCA was established, Minnetonka was one of the first communities to sign up to participate in the program. At that time, a series of affordable housing goals for the city was established for 1996 to 2010. A new set of goals for 2011-2020 was established in 2010 as shown below.

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

The housing goals that are established focus on new affordable and lifecycle units; however, affordable housing preservation and the use of CLTs are encouraged in the LCA. The city receives credit during the Metropolitan Council's annual housing performance survey for participation and contributions to such activities. The city's Housing Action Plan (pages A4 to A11), as well as the portions of the Housing Chapter of the Comprehensive Plan (pages A12 to A20), discuss how the city is using HWR to help meet the affordable housing needs of the community.

***Agenda Item #3: Review subcommittee work plan and timeline***

The following is a draft work plan and timeline that staff has developed for this subcommittee. The goal is to finish the work of the subcommittee in time for the EDAC discussion and inclusion in the 2015-2019 EIP.

Meeting #1 (September 2013):

- Define purpose and outcome of subcommittee
- Review how HWR came to be and Minnetonka's role in the formation
- What is HWR and who does it serve
- HWR's history in Minnetonka and other communities
- How HWR homes are selected in Minnetonka
- Review subcommittee work plan and timeline
- Discuss data/statistics/information needed going forward

Meeting #2 (October 2013):

- Meet with Janet Lindbo, HWR Executive Director
- Discuss HWR's new strategic plan with Ms. Lindbo
  - What does this mean to Minnetonka?
  - Sustainability (how many resales, etc.)
  - Future opportunities (TOD, rental, etc.)

Meeting #3 (November 2013):

- Review October's discussion and information
- Review data/statistics/information requested
- Begin discussion on number of homes and recommendation for EDAC
- Request any additional information

Meeting #4—if needed (January 2014):

- Finalize discussion on number of homes and prepare recommendation for EDAC

Staff (January/February 2014):

- Follow up with Ms. Lindbo about EDAC subcommittee recommendation

EDAC (February 2014):

- During program review for EIP, provide EDAC subcommittee recommendations on HWR. EDAC to review, discuss, and provide recommendation for incorporation into the EIP.

2015-2019 EIP

- Incorporate EDAC's recommendation into EIP

***Agenda Item #4: Discuss information needed for future meetings***

In order to make the best use of the subcommittee's time and discussion at the limited number of meetings, staff would like to take a moment at the meeting to determine what information/statistics the subcommittee will need in order to make decisions. The following are items that staff has initially identified based upon previous discussions with the EDAC:

- City's investment per unit (HWR and in other affordable housing developments)
- Number and location of existing and potential HWR properties in Minnetonka



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***Memorandum***

TO: Mike Happe, EDAC Commissioner  
Laurie McKendry, EDAC Commissioner

THROUGH: Julie Wischnack, AICP, Community Development Director

FROM: Elise Durbin, AICP, Community Development Supervisor

DATE: October 24, 2013

SUBJECT: Homes Within Reach subcommittee meeting #2 information

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As Commissioners are aware, Homes Within Reach (HWR) has been undergoing a strategic planning process for approximately the past year. This process recently was completed, and Janet Lindbo, Executive Director of Homes Within Reach, will be joining Commissioners at the subcommittee meeting to discuss HWR's 2014-2019 Strategic Plan (pages A1-A4).

The purpose of the meeting is to have an open dialogue with the executive director about the Strategic Plan and what this means to Minnetonka, as well as any questions about HWR commissioners may have. Ms. Lindbo is currently preparing, and will share with commissioners, on October 30, additional information about the sustainability of HWR into the future.

# Memo

**To:** Elise Durbin  
**From:** Janet Lindbo  
**Date:** October 28, 2013  
**Re:** Minnetonka's HWR Housing Production/Funding

As you know West Hennepin Affordable Housing Land Trust dba Homes Within Reach (HWR) has completed its strategic planning process and has established a long range vision to guide HWR's growth over the next five years with focus on the following:

- Expand our target market
- Create and sustain a strong mix of both public and private partnership and financing
- Collaborate with the City of Lakes Community Land Trust to increase homeownership equity for underserved families across Hennepin County by creating a Shared Service/Business Model.

In addition, one of the strategic planning tasks was to develop financial projections and absorptions schedules to assist in prioritizing strategies and objectives. One of the tasks was to estimate when HWR sustains itself without new sales and is funded by resales and lease fees to provide asset management for its portfolio of properties and homeowners. The two scenarios of sustainability are as follows.

## **HWR Sustainability Scenarios:**

### *1. Scenario I at 200 Homes*

- a. Self-sustainability with no new sales is 8 to 10 years away and this is predicated on receiving adequate awards to create 10 new homes a year, plus resales.
- b. In this scenario an annual fee to HWR on annual basis is included to manage the assets of 200 homes – of which Minnetonka would pay a portion of the fee based on number of homes. In addition, 10 resales are generated on an annual basis, anticipating this scenario would take place 2023.
  - i. To reach 200 homes is as follows;
    1. 8 years @ 12 new sales
    2. 9.5 years @ 10 new sales
    3. 12 years @ 8 new sales

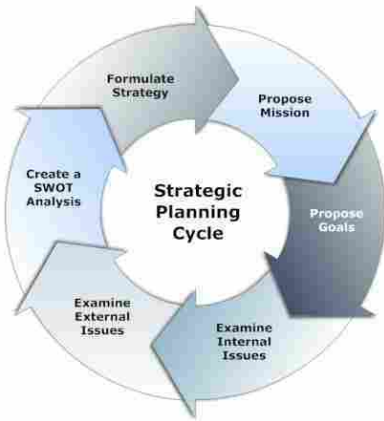
### *2. Scenario II at 265 Homes*

- a. In scenario II, there is no fee generated by the communities to provide asset management – therefore the total of homes needed for sustainability with 10 resales annually is 265 homes – increasing the portfolio to 265 would take 14 years at 12 new sales a year.

## **Comments:**

An important component of Minnetonka's possible funding modifications is for HWR to find additional communities with available funding resources to serve and increase production in one or two of the current communities served to make up for the loss of Minnetonka housing production.

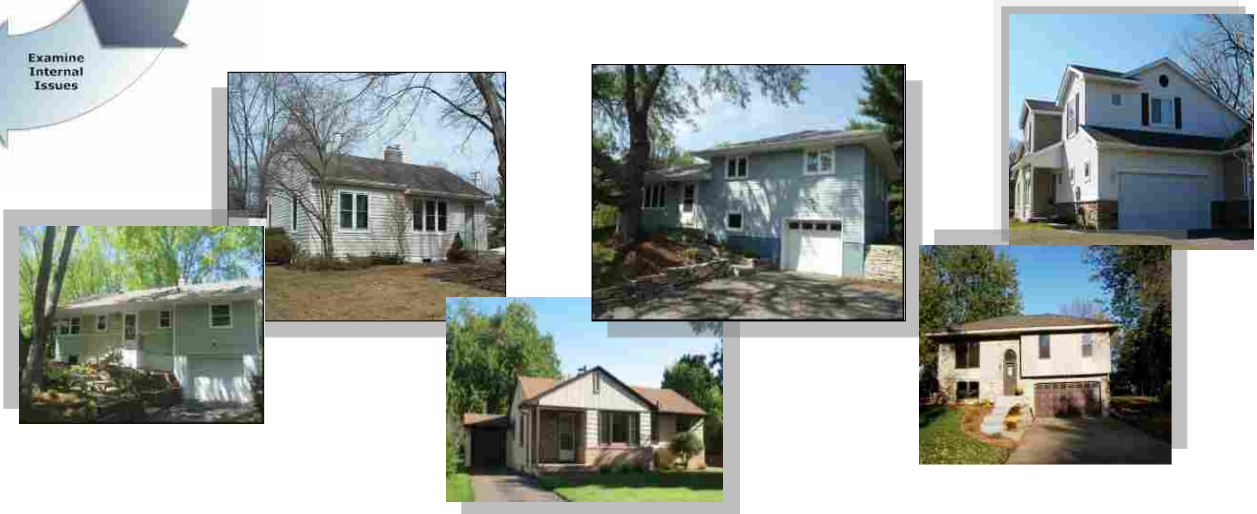
HWR recommends the City of Minnetonka evaluate their housing goals and products to ascertain the Community Land Trust model viability and its return on investment to the community. In addition, HWR recommends that if the City alters its award, it is done gradually and continues to support the creation of one new affordable home using the HWR, not having Minnetonka as a partner would negatively affect the organization from multiple perspectives – such as receiving grants, expanding its target market and continuing to work with current and future suburban communities.



# STRATEGIC PLAN

2014-2019

*West Hennepin Affordable Housing Land Trust*



**PROGRAM:**

Homes Within Reach

**VISION:**

The vision of West Hennepin Affordable Housing Land Trust is to transform people’s lives through homeownership

**MISSION STATEMENT:**

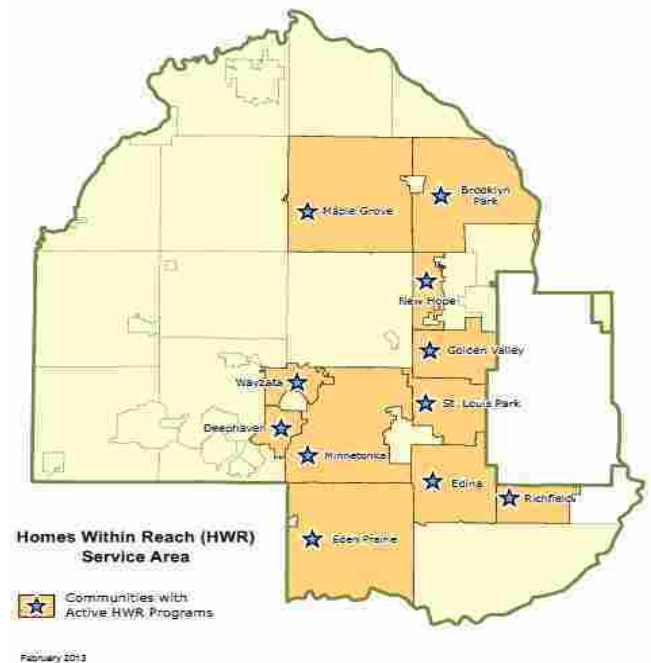
The mission is to use the Community Land Trust practice to provide housing for working families that would be otherwise unable to buy a home in the West Hennepin suburban communities, offering both communities and homebuyers the ability to sustain permanently affordable homeownership.

**CORE VALUES:**

- Belief in homeownership
- Convey stability into people’s lives
- Create and preserve value for families and communities

**GOAL:**

Its goal is to create and preserve (long-term) affordable homeownership in the western suburbs of Hennepin County through the implementation of its Homes Within Reach program.



**Please refer to Exhibit A of the Strategic Plan – The Profile and History of WHAHLT.**



## **CRITICAL ISSUES IDENTIFIED IN HWR – SWOT AND ENVIRONMENTAL ASSESSMENT**

- ❖ To sustain the organization and expand the outreach, program and services of the HWR Community Land Trust program in the ever-changing marketplace
- ❖ To be financially stable
- ❖ To expand, strengthen and nurture partnerships and collaboration in meeting the organization's mission and goals of creating and sustaining affordable homeownership in the suburbs of Hennepin County.
- ❖ To influence the policy environment and regulations as it relates to affordable housing options in Minnesota and the Metro area.

### **STRATEGIC OBJECTIVES and STRATEGIES:**

#### **I. To offer effective programs that will sustain and grow HWR Community Land Trust program**

- a. Increase homeownership equity for underserved families across Hennepin County in creating a Shared Service/Business Model between the City of Lakes Community Land Trust (CLCLT) and West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) and
  - i. Please see **Exhibit B, Hennepin County CLT Collaboration Goals** this document describes the goals and strategies in implementing the Collaboration.
- b. Increase Housing Production
  - i. Expand program to new communities
    - 1. New:** i.e. Bloomington & Plymouth
    - 2. Current:** Expand number of homes annually in communities with less than 10 HWR homes – i.e. Golden Valley, New Hope, Wayzata etc.
  - ii. Evaluate and expand prospective applicant pool based housing and communities' need.
  - iii. Expand marketing/outreach and community awareness as outlined in the 2013 Housing Production Marketing Plan goals and objectives
  - iv. Advocate for policies and funding of perpetually affordable homeownership in the suburbs with a focus on transit, specifically the proposed light rail development in collaboration with City of the Lakes Land Trust.
- c. Continue on-going review and monitoring of program outcomes to ensure effectiveness
  - i. Using 5-10 key performance indicators
- d. Update and implement Board Development activities –
  - i. Board education and networking
    - 1. Develop roles and responsibilities for board members when networking
    - 2. Augment board networking initiatives and fund raising with Community Relations Committee and internal marketing efforts by staff and HWR partners
  - ii. Continue with board assessment and evaluation
  - iii. Recruit advisors (see goal #3)

- iv. Recruit new board members to fill open positions prior to coming available
- v. Develop board leadership
- vi. Offer board orientation/education for current and new board members
- e. Maintain qualified staff to meet program needs and provide the necessary tools and space to operate effectively and efficiently based on housing production goal
- f. Assess market changes annually and review housing production strategies and viable service model extensions

**II. To be financially stable, efficient and transparent**

- a. Create and implement a five year plan to develop and leverage private and public funds in collaboration with the City of Lakes CLT, in order to grow the CLT homeownership options in Hennepin County
- b. Maintain adequate public grant funding \$750,000-\$1,200,000 annually
- c. Create a line of credit of \$500,000 - \$750,000 (interest bearing) for housing production, for a term of 24 month period with optional extensions
- d. Create and implement a five-year plan to increase private funding resources of unrestricted funds with respect to individual donations, fundraisers and untapped sources of support \$50,000 - \$150,000 annually
  - i. Annual Giving
  - ii. Special Events
  - iii. Special Projects
- e. Collaborate with CLCLT to implement a data collection system to better manage data, compliance requirements and maximize the use of manpower hours
- f. Continue to conduct independent annual audits
- g. Continue financial and operating reporting system and maintain financial systems
- h. Continue annual financial planning and expand plan to include 2 to 3 year projections - annually

**III. 3. To strengthen community partnerships in offering the HWR program**

- a. Integrate HWR partnership development with the Hennepin County CLT Collaboration
- b. Develop public and private relationships and partners in HWR service area
- c. Expand funding resources and tools in order to offer the HWR program to current and new suburban communities
- d. Create centers of influence and referrals over the next five years
  - i. Corporations
  - ii. Foundations
  - iii. Organizations – for profit and non profit
  - iv. Individuals
- e. Use advisors to develop and sustain levels of expertise, open doors and solicit key contacts needed to meet the strategic goals and strategies - specifically in the area of raising private capital.
- f. Develop relationships with service organizations, funders and vendors to assist HWR in reducing the multiple barriers that confront families with low to

moderate incomes in becoming homeowners; this includes but is not limited to transit initiatives with Hennepin County – Community Works Project.

IV. **4. To influence housing and transit-oriented policies and regulations to enable HWR to allocate resources to provide affordable homeownership options in the suburbs of Hennepin County.**

- a. Work with MN CLT Coalition & Hennepin County CLT Collaboration and other housing organizations to influence public policy to meet HWR goals and objectives, policies and funding need to align with supportive, perpetually affordable homeownership. The goal of our policy work will be to influence affordable housing and transit-oriented policy in Hennepin County to ensure a continuum of affordable housing options and benefits of CLT homeownership is offered in areas where rapid growth and housing costs are anticipated to occur.
- b. Determine Policy Targets for HWR
- c. Nurture relationships with local legislators and community leaders
- d. Provide ongoing networking in telling the CLT/HWR story by advisors, board members, friends of HWR, staff, applicants, homeowners and partners
  - i. Develop user friendly materials in telling the story
    1. Case studies at local and state level with elected officials, foundations, corporations and agencies
    2. Testimonials
    3. Presentations
  - ii. Use website to educate & network
  - iii. Promote and nurture key homeowners in telling the benefits and values of the CLT story

**AGENDA  
CITY OF MINNETONKA  
ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
HOMES WITHIN REACH SUBCOMMITTEE**

Wednesday, November 20, 2013  
7:30 a.m.

***Mezzanine Conference Room  
Minnetonka City Hall***

1. Homes Within Reach recommendation for EDAC
2. Other Business
  - Determine if another subcommittee meeting is needed.
3. Adjourn

If you have questions about any of the agenda items, please contact:  
Julie Wischnack, Community Development Director, (952) 939-8282  
Elise Durbin, Community Development Supervisor, (952) 939-8285



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***Memorandum***

TO: Mike Happe, EDAC Commissioner  
Laurie McKendry, EDAC Commissioner

THROUGH: Julie Wischnack, AICP, Community Development Director

FROM: Elise Durbin, AICP, Community Development Supervisor

DATE: November 13, 2013

SUBJECT: Homes Within Reach subcommittee meeting #3

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As Commissioners recall, the purpose of the subcommittee is to determine the proper level of permanently affordable Homes Within Reach homes in the city. For the past two meetings, the subcommittee has discussed the HWR organization, including their history and more recently a discussion with the Executive Director on the results of their strategic planning.

**Additional Information Requested**

In order to help Commissioners make an informed decision, additional information and data was requested.

*List of Homes Within Reach homes located in Minnetonka*

Page A1 provides a complete listing of the 50 properties HWR has acquired over the past 11 years, as well as the year that they were acquired in. These properties have been mapped on page A2.

*Location of potential HWR properties in Minnetonka*

Typically, HWR looks for properties that are listed for sale at or below \$250,000. The level of rehab needed as well as location are also factors in their consideration of a property. Page A3 is a map of properties in the city that are valued at or below \$250,000. Layered on that map is the location of existing HWR properties. As protocol, Minnetonka staff must approve any Minnetonka properties that HWR is interested in purchasing. This ensures that the properties are "scattered-site" and that there is not a cluster in one neighborhood.

### *City investment into HWR*

Since 2002, the city has annually provided funds to HWR to assist with the purchase of properties. Included with each purchase is a small administrative fee to assist in covering the overhead associated with each purchase. Page A4 shows a listing of the grant funds that HWR has received directly from the city of Minnetonka since 2002. Also highlighted on page A1 is a breakdown per unit of city funds. (Note: there are some properties listed in 2003 that do not have funds associated with them—they likely had grant funds applied to them; however, the use of funds on the exact property was not documented very well). Over the course of the 11 years, the amount spent on properties as increased as HWR's rehab costs have increased.

### *Average HWR project timeline*

The information is provided on page A5 is by HWR and was included with their grant application. It outlines, as well as provides a chart, about their timeline they use for a standard purchase-rehab-resale.

On average, since 2009, HWR has held properties 109 days and there is about 60 days of lead time from the time HWR executes an acquisition of the property to the closing date when HWR closes on the property – which is not included in the 109. In addition, HWR pays down the line of credit after the sale of the home and closes out a project about 60 to 90 days after selling the home to a qualified buyer and pay off the balance of the line of credit.

### *HWR applicant timeline*

The timeline provided on page A5 provides some detail about the applicant process. In addition, over the past several years the HWR application pool annually experiences:

- Over 275 inquires
- Anywhere from 10 to 20 applicants in process
- 30+ applicants that are working on credit issues
- Of the 275 inquiries approximately 10 to 14 become homeowners

HWR housing production outcomes is based on available funding resources – not the lack of applicants over the past couple years. HWR did have some challenges with getting homeowners qualified in 2009 and 2010. In early 2012 the quality of applicants began to improve once again.

### *Testimonials*

On pages A6-A8 are three testimonials submitted by HWR.

### *How HWR helps with the Metropolitan Council Livable Communities Act (LCA) and annual LCA scoring*

In 1995, the Minnesota Legislature created the LCA to address the affordable and life-cycle housing needs in the Twin Cities metropolitan area. Additionally, the legislature

created a funding mechanism to assist communities participating in the LCA in adding affordable and life-cycle housing. Participation in the incentive-based LCA program is voluntary with the Metropolitan Council governing it. When the LCA was established, Minnetonka was one of the first communities to sign up to participate in the program.

While a lot of the emphasis of the LCA program is directed to new construction units, the city receives credits on its annual reporting for work that HWR does within the community—including the collaboration of the city and HWR, as well as the grant funds that the city provides to HWR. Scoring well on the LCA annual survey (the city is usually in the top 10 to 15 communities in the metro area), is beneficial when the city applies for grant funds from the Metropolitan Council to assist with redevelopment or environmental clean up.

#### *How Minnetonka benefits from HWR homes*

There are several ways that Minnetonka benefits from HWR homes in its community:

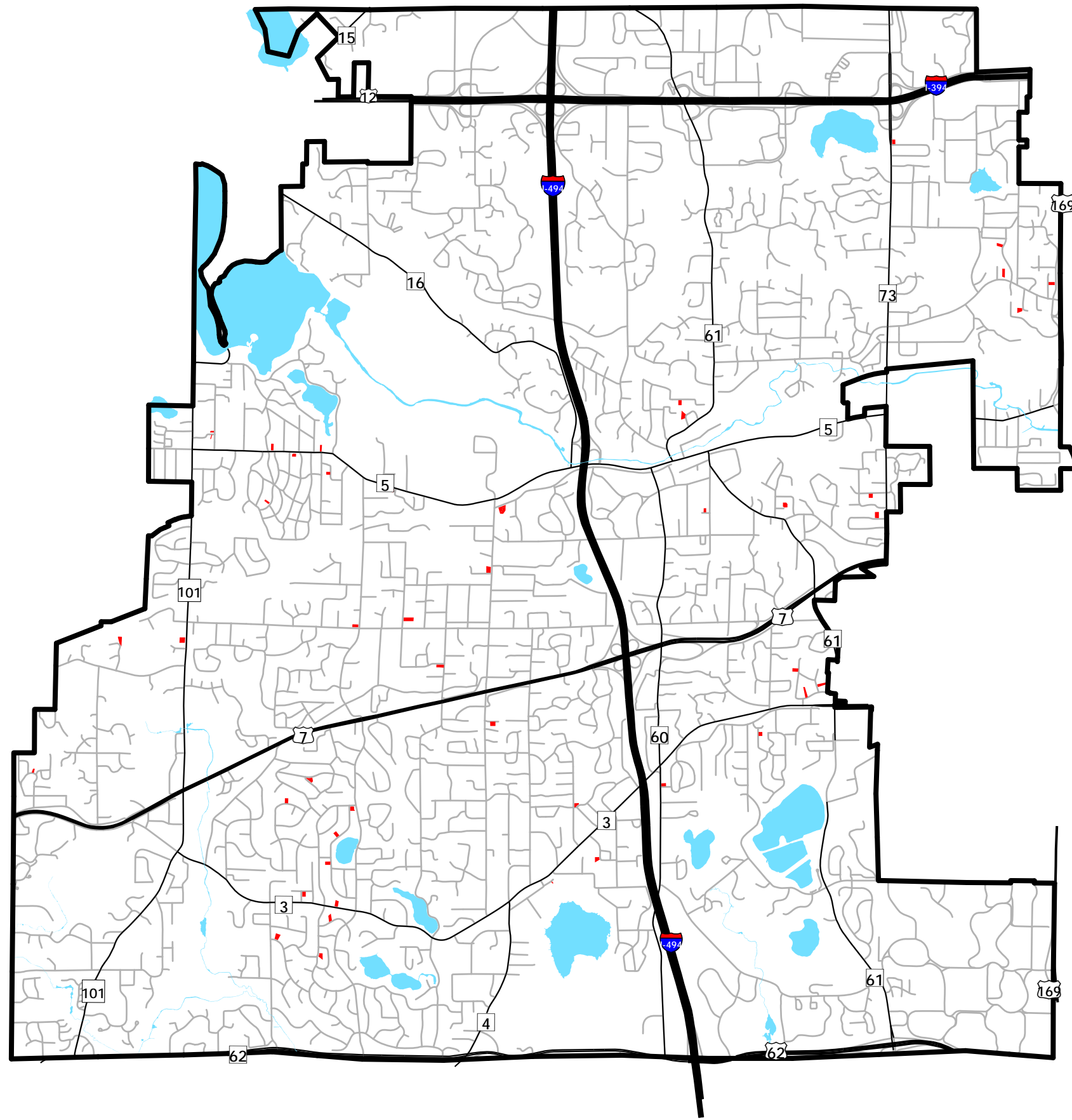
- Upgrades to the city's housing. As the Executive Director pointed out at the last subcommittee meeting, HWR has been working for the past several years in acquiring properties occupied by seniors. In most cases there has been deferred maintenance on these homes. Before HWR sells the home to a qualifying homeowner, they do rehab on the homes, such as a new furnace and new roof. Page A1 shows just some of the investments into each of the homes. Additionally, over the years, approximately six to seven HWR homes have participated in the Small Projects rehab program to continue investing in their properties.
- Other local, regional, state, and federal funds. In addition to city funds, HWR applies for other local, state and federal funds. They have been successful in obtain numerous grants, which are matched with the city's funds, including:
  - Affordable Housing Incentive Fund (from Hennepin County)
  - Local Housing Incentive Fund (from Metropolitan Council)
  - Minnesota Housing funds (from the State of Minnesota)
  - HOME funds (federal HUD funds that flow through Hennepin County)
- Addition of younger households. Staff is working on obtain the average age of a HWR homeowner in Minnetonka; however, they are typically found to be a younger household, many times with younger children.

#### **Next Steps and Recommendation**

The intent is that the subcommittee will provide a recommendation to the full EDAC in early 2014 during the 2015-2019 EIP review process. Staff would like to commit the majority of time during the November subcommittee meeting to discussion on the subcommittee's recommendation to the EDAC.

ADDRESS	YEAR PURCHASED	CITY FINANCIAL CONTRIBUTION	PROPERTY IMPROVEMENTS BY HWR AND/OR HWR OWNER (improvements with permits)
15705 Sussex Drive	2002	\$19,797	New furnace/AC and water heater
16400 Minnetonka Boulevard	2002	\$17,830	New water heater and furnace; re-roof
4129 Victoria Street	2002	\$18,458	
4917 Baker Road	2002	\$24,052	Sewer repair
4236 County Road No 101	2002	\$26,000	New windows, electrical, new water heater
11812 Bradford Road	2002	\$668	
4150 Tonkawood Road	2002	\$15,007	New water heater
11303 Royzelle Lane	2003	\$18,000	Upgrade electrical, new furnace, sewer
4901 Acorn Ridge Drive	2003		
10024 Cedar Lake Road	2003		Re-roof
2533 Westview Terrace	2003		Re-roof
16108 Excelsior Boulevard	2004		New water heater, new furnace
5130 Kimberly Road	2004	\$43,000	
4511 Crawford Road	2004	\$4,830	Upgrade electrical; new furnace, water softener, A/C; garage (no garage previously)
2638 Cedar Crest East	2004	\$25,429	Upgrade electrical, finish basement
17420 Sanctuary Drive	2005	\$2,221	**New Construction when purchased
17424 Sanctuary Drive	2005	\$2,606	**New Construction when purchased
16804 Minnetonka Boulevard	2005	\$47,747	New water heater & furnace
12808 Linde Lane	2005	\$38,986	
16213 Tonkaway Road	2005	\$54,566	
14201 Glen Lake Drive	2006	\$31,194	**New Construction when purchased
5631 Scenic Drive	2006	\$58,993	New air conditioner
11941 Bradford Road	2006	\$46,513	Upgrade electrical; new furnace
17407 Sanctuary Drive	2007		**New Construction when purchased
17745 Valley Cove Court	2007		**New Construction when purchased
14711 Minnetonka Drive	2007	\$18,550	**New Construction when purchased
14717 Minnetonka Drive	2007	\$49,491	**New Construction when purchased
5713 Holiday Road	2007	\$52,223	Upgrade electrical; replace siding
5248 Kimberly Road	2007	\$48,690	Upgrade electrical
5001 Holiday Road	2008	\$47,275	New water heater & furnace
4289 Lindsey Lane	2008	\$46,611	**New Construction when purchased
4285 Lindsey Lane	2008	\$48,334	**New Construction when purchased
16417 Hilltop Terrace	2008	\$60,166	Upgrade electrical, re-roof
3403 The Mall	2008	\$57,099	Upgrade electrical; new A/C
16608 Elm Drive	2009	\$64,242	New A/C, replace siding
11212 Oakvale Road N.	2009	\$66,469	New furnace/AC, upgrade electrical
13019 Stanton Drive	2009	\$60,000	Upgrade electrical & mechanical, re-roof
15205 Court Road	2009	\$72,904	New furnace, AC, water heater; upgrade electrical
5242 Crestwood Drive	2009	\$66,948	Replace water lines, re-roof, new furnace/AC, upgrade electrical
14713 High Point Court	2010	\$57,936	Re-roof; new furnace, AC, water heater; upgrade electrical
11118 Oak Knoll Terrace N	2010	\$110,768	New garage, furnace, water heater; bring electrical to code; landscaping
2338 Cedarwood Ridge	2010	\$70,564	Upgrade electrical, new siding & furnace
16208 Birch Lane	2011	\$66,206	Re-roof, upgrade electrical, new furnace/AC
4729 Winterset Drive	2011	\$73,402	Upgrade electrical, new furnace/AC
12950 Rutledge Circle	2011	\$58,161	New furnace/AC, upgrade electrical, remodel bathroom
3618 Druid Lane	2012	\$72,351	New water heater, furnace, AC; re-roof
14806 Walker Place	2012	\$70,010	Upgrade electrical, new furnace/AC
16332 Temple Terrace	2012	\$83,727	Upgrade plumbing/electrical, new furnace/AC
12100 Robin Circle	2013	\$92,610	Re-roof; new siding, furnace, AC, water heater
5013 Woodridge Road	2013		New water heater and furnace





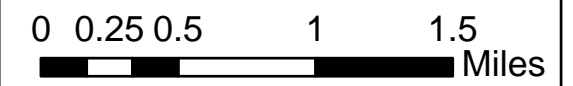
### Legend

- Municipal Boundary
- Homes within Reach
- Waters

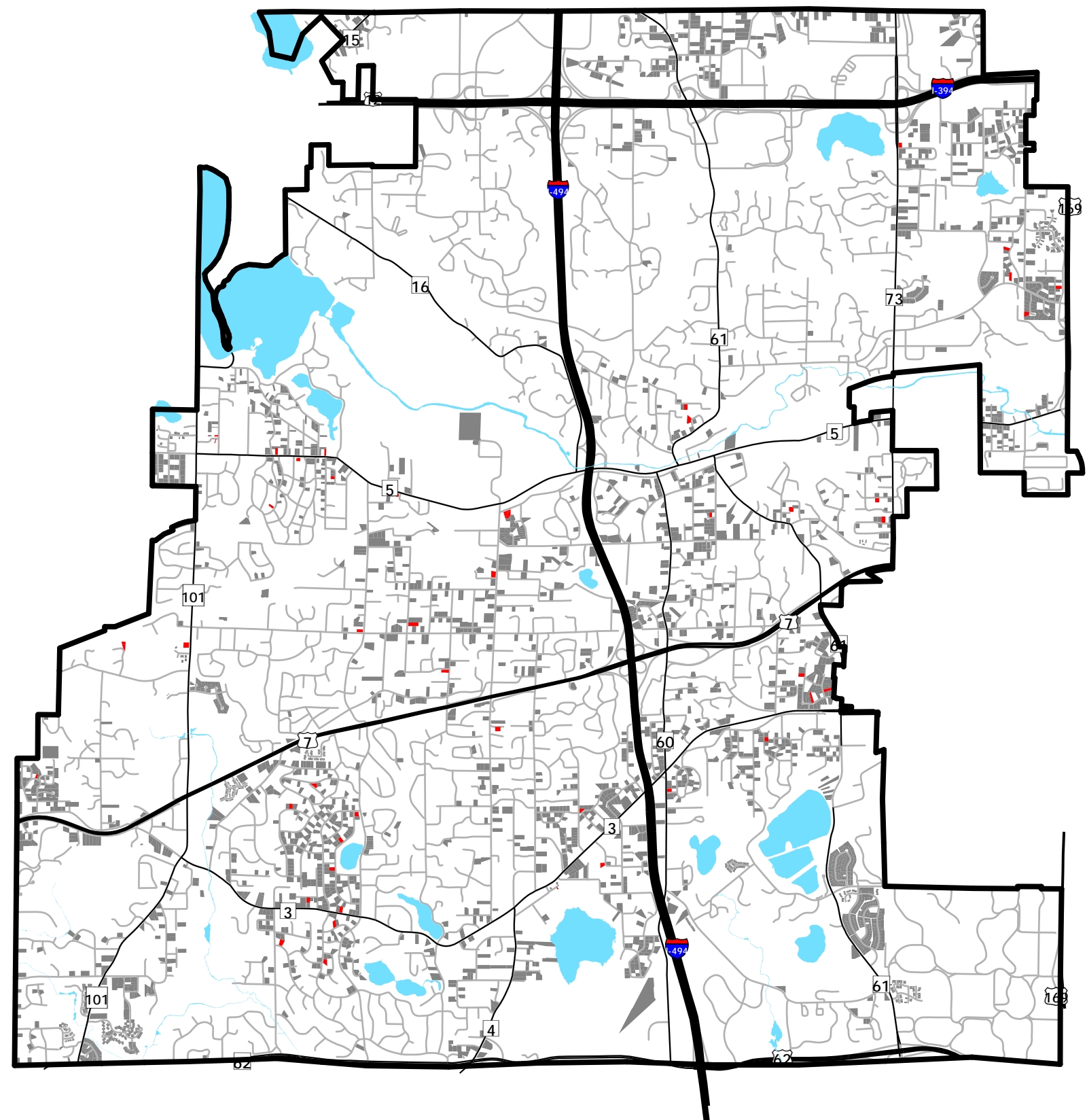
### MAIN ROADS

#### Jurisdiction

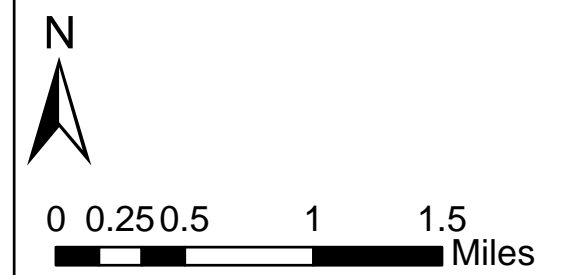
- Interstates (MN/DOT)
- Trunk Highways (MN/DOT)
- Trunk Highways (MN/DOT)
- CSAH (Hennepin County)



Homes Within Reach



- Legend**
- Municipal Boundary
  - Waters
  - Homes within Reach
  - Total property value less than \$250,000
- MAIN ROADS**
- Jurisdiction**
- Interstates (MN/DOT)
  - Trunk Highways (MN/DOT)
  - Trunk Highways (MN/DOT)
  - CSAH (Hennepin County)



Homes Within Reach

## CITY OF MINNETONKA FINANCIAL CONTRIBUTION TO HWR

	Year	Source of Funds	Amount
<div style="border: 1px solid black; padding: 5px; display: inline-block;">                     These are grant funds                 </div>	Ongoing		Up to \$750,000 at one time
	2002	Livable Communities	\$169,650
	2002	CDBG	\$200,000
	2003	Livable Communities	\$200,000
	2004	Livable Communities	\$200,000
	2005	Livable Communities	\$220,000
	2006	Livable Communities	\$230,000
	2007	Livable Communities	\$230,000
	2008	Livable Communities	\$230,000
	2009	Livable Communities & HRA	\$250,000
	2010	Livable Communities	\$225,000
	2011	Livable Communities	\$225,000
	2012	Livable Communities	\$225,000
	2013	Livable Communities	\$225,000
	<b>TOTAL GRANT FUNDS:</b>		

## HWR TIMELINE

HWR acquires, rehabilitates and turns around and sells the home to a qualified family using the land trust practice. The following outlines the major components of HWR housing production timeline, tasks

When reviewing the timeline activities, please keep in mind that multiple steps can be completed concurrently or previously – therefore it does not take 12 months to purchase a home, if the applicant is financially ready and there are available homes in their desired community where they work or live.

MONTHS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Creation of one Affordable Home</b>																	
<b>1. Application Process</b>																	
Informational Meeting																	
Application																	
Orientation & Homebuyer Education																	
Interviews and Income verification																	
Meeting with Lender process application																	
Pre-approvals																	
<b>2. Acquisition</b>																	
Property Search																	
Property Selection																	
Purchase Offer of Selected Property																	
Due-Diligence Period & Admin - Determine Scope of Rehab, LC, Finalize offer, remove contingencies																	
Acquire property																	
Rehab																	
<b>3. Selling/Closing Process</b>																	
Mortgage Application and approval																	
Selection of Property																	
HWR Resident Committee Interview, Finalize income eligibility																	
Execute PA , home inspection, attorney review																	
Closing - coordination with funders, buyers, closer																	

With respect to the applicant process timeline, it can take anywhere from three to nine months to purchase a home if the applicant is credit ready and meets HWR eligibility requirements.

There are multiple stages in creating a HWR affordable home. The above graph highlights the stages in creating an affordable home yet, does not include the steps of raising additional resources to benefit the award. Nonetheless, the list of tasks does not include detail steps, such as income verification and funding requirements; the details not specified in the exhibit are integrated into HWR internal checklists, in all categories.

A point of information when reviewing the timeline, the Application Process can take place at any time, however once a property is located and acquired, many times applicants need to be reapproved for a mortgage, if their pre-approval is more than 60 days old; especially in these times of changing lending requirements.

Furthermore, HWR adheres to practices of acquiring not more than 2-4 properties before successfully executing sales purchase agreements; hence, minimizing holding costs and making the best use of monies to implement the program.

**“Homes Within Reach helped us find the ideal home.”**

Andrej Rodionov knew it was time to find a home, and not just because his young family was growing -- it also made financial sense. “We had a brand new baby and were living in a one-bedroom apartment in Hopkins, so we really needed the extra room. I also thought we could benefit financially from the down real estate market,” he said. Andrej works as a finance clerk for a local firm, and he and his wife Viktoriya were living from one small paycheck to another, so every penny counted.



They initially considered purchasing a foreclosed home, but that turned out to be a difficult challenge. Most of those properties were in questionable neighborhoods and/or required costly renovations to be viable opportunities. He kept looking for other options, and discovered Homes Within Reach while he was researching community land trusts.

HWR’s mission is to create and preserve affordable homeownership opportunities for working families in the western suburbs Hennepin County. The HWR program is offered by the West Hennepin Affordable Housing Land Trust, which uses the community land trust practice to allow qualified clients to purchase the house alone and lease the land at a nominal fee. This significantly reduces the mortgage, property taxes, down payment and closing costs.

Andrej and Viktoriya attended the homeowner’s informational meetings listed on the HWR web site and immediately saw that this might be the right opportunity for their family.

“I was surprised at the quality of homes they offered for our income level. Were very hopeful, but also pretty cautious at first because it seemed too good to be true,” said Andrej. He and Viktoriya worked with the HWR staff to identify and visit potential homes. “We knew we wanted the first one we saw, but we kept looking to be sure we had a good idea of what was available,” he said.

That first home is now their new home -- a small rambler in an established Edina neighborhood that is just five minutes from work and across from an elementary school. They moved in less than three months after they first contacted HWR. “It was exactly what we needed, and we can’t thank their staff enough for helping us work through all the paperwork, financing and closing details,” said Andrej. “The renovations were very thorough – our house had a new furnace, water heater and windows. It was move-in ready.”



Home prior to renovation



Home after renovation:

Major items included – new siding, soffits, gutters, new windows, exterior doors, new HVAC, hot water heater

## **An expanding family finds a home.**

With a one-year old growing like a weed and a desire to have at least one more child, Josh and Debbie Morris were pushing the limits of their two-bedroom apartment in Plymouth.

“We needed more interior space along with a yard for the kids,” said Josh. However, they didn’t want to expand their family at the expense of parenting, so they were committed to Debbie to be able to stay home.

That presented a challenge because it proved to be extremely difficult to find a home with the size and location they needed based solely on Josh’s income as a carpenter.

When a co-worker told Josh about Homes Within Reach (HWR), they attended their first homebuyer’s info meeting right away and subsequently were accepted into the program.

HWR’s mission is to create, sustain and preserve affordable homeownership opportunities for working households in western suburban Hennepin County. The program is offered by the West Hennepin Affordable Housing Land Trust, which uses the Community Land Trust model to allow qualified clients to purchase the house alone and lease the land at a nominal fee, therefore significantly reducing the mortgage, property taxes, down payment and closing costs.

After completing a required homebuyer’s class, they started working with the HWR staff to find a home. “We knew we wanted the very first house we saw, and Doris and Janet from Homes Within Reach agreed that it would be a good choice. As it happened that’s the one we bought,” Josh said.

Located in Minnetonka, the 3 bedroom/1 bath 1700 square foot home was just what they were looking for – a huge yard for the kids, a tuck-under garage for Debbie’s car, and room in the driveway for Josh’s work truck.

“The kids’ bedrooms are close to us on one floor, and the neighborhood is great – lots of young families with kids but also older families and empty-nesters – we really like the mix. And it’s close to a great school. We couldn’t be happier,” said Debbie.

The fact that the house was immediately livable was extremely attractive to me,” said Josh. “I’m handy enough, but with the kids we didn’t have time or space to remodel. The carpets were great, we had new appliances, and I didn’t have to paint a single wall.”

Along with the right floor plan and location, HWR was able to find grants to help with the down payment, and arrange a mortgage with competitive rates. “Homes Within Reach has a very professional program and really lives up to their name, because without them we’d never have been able to buy this house,” said Debbie.

Today, Josh and Debbie have turned the dining room into a playroom and are expecting their third child in June. “Along with having the room to live today, we can plan for the future, which makes all the difference to us,” said Josh.

**Call out quote: “We can hardly believe we own this house. Homes Within Reach really lives up to their name.”**

## **A return to both home and dignity.**

Rebecca Edmonson owned her own home before moving to Mexico 15 years ago to pursue her dream job working as an academic advisor for an international private Catholic school system.

The work and Mexican lifestyle were lucrative and fulfilling for her and her husband and young son. After several years, her employer asked her to transfer to Chicago and take a teaching position. That's when things started to unravel.

"While it was nice in many ways to be back in the U.S., it turned out that I needed a new license to teach, which required years of school. At the same time, my husband and I divorced. I was forced to start over," she explained.

She decided to move back to the Twin Cities to be near family and friends while putting her life back together. "I had no savings and had to take a customer service job and low rent apartment to make ends meet while going to school," Rebecca said. The demands of work, study and motherhood took their toll and created a downward financial and emotional spiral. She knew she needed a home to provide stability for her son... and for her own sanity.

"My credit was good but my income was so low that I couldn't qualify for a mortgage – even on foreclosed homes," she said. She felt she was going nowhere fast and was ready to give up. Then a friend mentioned Homes Within Reach (HWR). She called their office with a long list of questions... and a new door opened.

HWR's mission is to create, sustain and preserve affordable homeownership opportunities for working households in western suburban Hennepin County. The program is offered by the West Hennepin Affordable Housing Land Trust, which uses the Community Land Trust practice to allow qualified clients to purchase the house alone and lease the land at a nominal fee, therefore significantly reducing the mortgage, property taxes, down payment and closing costs.

The HWR staff guided Rebecca through the education and qualifying process to become a homeowner, and other new doors – literally and figuratively – began to open. Using her good credit and a combination of funding from the government, banks and the City of Minnetonka, her approval was completed. "Homes Within Reach assisted her, she said. "Janet and Doris are complete professionals, and everything went smoothly and quickly on our behalf. Now, my mortgage payment is less than what we were paying for rent."

HWR was able to locate a home that fit Rebecca's requirements for space and a safe neighborhood in the same school district her son had already been attending.

"The home they found for us is was amazing. It was walk-in ready and set in a safe neighborhood and close to school," said Rebecca. "When we first walked in, my son cried and said 'It's my home. It's mine.'" Now he spends his free time playing with new friends in the big back yard.

As for Rebecca, she could not be happier. "When I came to Homes Within Reach, I was 50 years old and literally had nothing. Now, I have a lovely and stable home for my son and am close to finishing school and returning to full time work. HWR gave me much more than a home – they also gave me back my dignity."

Rebecca is currently returning the favor by serving on the HWR board of directors, and is less than a year away from completing her master's degree in education.



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**Memorandum**

TO: Mike Happe, EDAC Commissioner  
Laurie McKendry, EDAC Commissioner

FROM: Julie Wischnack, AICP, Community Development Director

DATE: January 22, 2014

SUBJECT: Homes Within Reach subcommittee meeting #4

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At the November subcommittee meeting, Commissioners began working on a recommendation on the future commitment to Homes Within Reach (HWR). At that meeting, Commissioners requested additional information as well as different commitment scenarios.

This memo and the attachments include the information requested by members of the subcommittee. Additionally, this memo includes a summary of the pros and cons of funding HWR, suggested HRA Levy funding commitments for HWR and the next steps that are requested of the Subcommittee and EDAC.

**Additional Information Requested***Benefits of HWR (financially)*

In November, commissioners requested how HWR has benefited the city, financially. Although the city has not historically viewed HWR benefits from a financial benefit standpoint, staff has assembled charts showing two different factors. The chart on page A1 shows the funds contributed by Minnetonka on an annual basis and matching funds brought in by HWR consisting of county, state and regional grants. The funds not only assist in the acquisition but it assists with improvements and reduction in actual mortgage costs.

The chart on page A2 depicts the annual average change in property values of HWR homes at the time they were purchased compared to all Minnetonka homes under \$250,000 in value. The 2004 - 2011 (housing crisis) decrease in average HWR home values is greater than the decrease in values for all other homes in the city valued under \$250,000.



A specific example of the source and use of funds for an HWR home is shown on page A3. Additionally, staff has included a table (page A4) depicting the assistance that the city has provided to various projects, including HWR. This table lists the amount of assistance and the affordability level. The purpose of including this table is to provide a comparison of the various affordable housing projects.

### ***99 year lease***

Commissioners inquired if the 99-year ground lease is mandatory. The purpose of a Community Land Trust (CLT) is to provide permanent, long-term affordability. The maximum length of a ground lease is set in state statute. In Minnesota, as well as the majority of states, that maximum is 99 years. In staff's research of a number of CLT's throughout the United States, 99 years is used 100 percent of the time.

### **Pros and Cons of Funding HWR**

The following table is a summary of the pros and cons of funding HWR from HRA levy proceeds as discussed by the Subcommittee at its meetings last year.

#### ***Continued HRA Levy Funding after 2017:***

##### **Pros**

- Growth of 2-3 new homes per year
- Continued investment in home repairs while preserving affordability
- Guarantees and increases the number of affordable homes for 99 years
- Mtka HWR funds contribute to attracting/leveraging other funding sources
- Assists in adding points to Mtka's LCA score
- Contributes to attracting other sources of funding
- Potential to serve an additional 10 families (approx.) per home over life of HWR home
- Contributes to diversify affordable housing types by providing SF homeownership
- Administration of HWR homes is minimal
- Provides work place housing and attracts younger households, who support the local economy and services, and contributes to neighborhood stability

##### **Cons**

- No or slight decrease in levy for HWR
- At some point there could be an over saturation in certain neighborhoods
- Land values increasing, may make it more costly and possibly prohibitive

***No Funding to HWR***

**Pros**

- Levy savings of \$200,000 annually after 2017
- City administration of existing HWR would not have to occur
- Dollars could be reassigned to other projects for affordable housing

**Cons**

- The number of HWR homes will remain at 60
- Reinvestment in non HWR homes are not guaranteed
- Guaranteed long term affordability capped at 60 units.
- Decrease in a funding source to leverage other funds (MHFA, HOME, AHIF, etc.) for affordable units
- Potential reduction in LCA score - Mtk's score is now one of the top 6 communities
- LCA score affects ability to attract other funds (Tax credits i.e. The Ridge, CDBG, TOD and other grants)
- Caps no. of families served at 600 (approx.) in 60 homes over 99 years
- Caps guaranteed affordable SF homeownership in housing diversification
- Reduces efforts to attract younger households and ability to retain work place housing

**Funding Scenarios**

Below are different scenarios of how a future commitment to HWR could be structured. These are staff suggestions to provide Commissioners with a starting point and some ideas of two different levels of commitment may look. Based upon the conversation in November, each scenario has a commitment to HWR of \$225,000 until 2017 at which time the Livable Communities fund will no longer contain any funds. Additionally, the October 28, 2013 memo (page A5) from the HWR Executive Director is attached for further review by the committee.

***Scenario #1 No Change to Funding***

HWR Funding Assumptions:

1. The city continues the commitment towards long term affordable housing as reflected in the current Comprehensive Plan, to reflect intangible values including a.) the preservation and rehabilitation of existing housing stock to benefit families, b.) the provision of work place housing to benefit existing and new

employers in the city and region, and c.) to provide housing that supports local and regional investments in and near Minnetonka.

2. Other funding mechanisms (such as TIF, TIF Pooling, housing bonds, etc.) will remain available to encourage affordable rental housing and other supportive housing types that are not available to typical single family homes.
3. HWR will be expected to continue to leverage funds to supplement city provided funds such as AHIF (County), LHIF (Metropolitan Council), MHFA (State), HOME (Federal), etc. – see example on page A3.
4. The city will establish funding guidelines (to be reviewed on an annual basis) regarding the percentage of city funds that will be devoted to each single family home. Generally, the city expects that the city financial contribution will be less than 50% of the purchase price of the home.

HRA Levy Funding Commitment: \$225,000 annually after 2017, unless other state and funding sources become available. The funding commitment under this scenario continues to allow HWR to receive funding for three homes in Minnetonka per year.

### ***Scenario #2 Reduced Funding***

HWR Funding Assumptions:

1. The city continues the commitment towards long term affordable housing as reflected in the current Comprehensive Plan, to reflect intangible values including a.) the preservation and rehabilitation of existing housing stock to benefit families, b.) the provision of work place housing to benefit existing and new employers in the city and region, and c.) to provide housing that supports local and regional investments in and near Minnetonka.

However, in recognition of reductions to outside funding sources and the need to judiciously balance competing needs for HRA levy funded activities, the level of funding to HWR will be reduced in a manner that continues to support the activities of HWR in the city and surrounding communities while assisting the long term goal of HWR to become self-sustaining. Likewise, the city will support efforts of HWR to become self-supporting in accordance with their long term strategic goals.

2. The amount of HRA levied funding to support HWR will be dependent upon several factors including the following:
  - a.) the impact to the LCA (Livable Communities Act) housing performance scores that affect the amount of potential regional or state funding/services received by the city.
  - b.) The ability of HWR to gradually become self-sustaining in the coming years.

**EDAC Subcommittee Meeting**  
**January 22, 2014 – Page 5**

3. The city will continue to fund an administration fee, proportionate to the number of HWR homes in Minnetonka, as part of the HRA levy.
4. The city will support efforts by HWR to become self-sufficient, including participation in the Hennepin County CLT Collaboration goals and cooperation with the City of Lakes CLT.

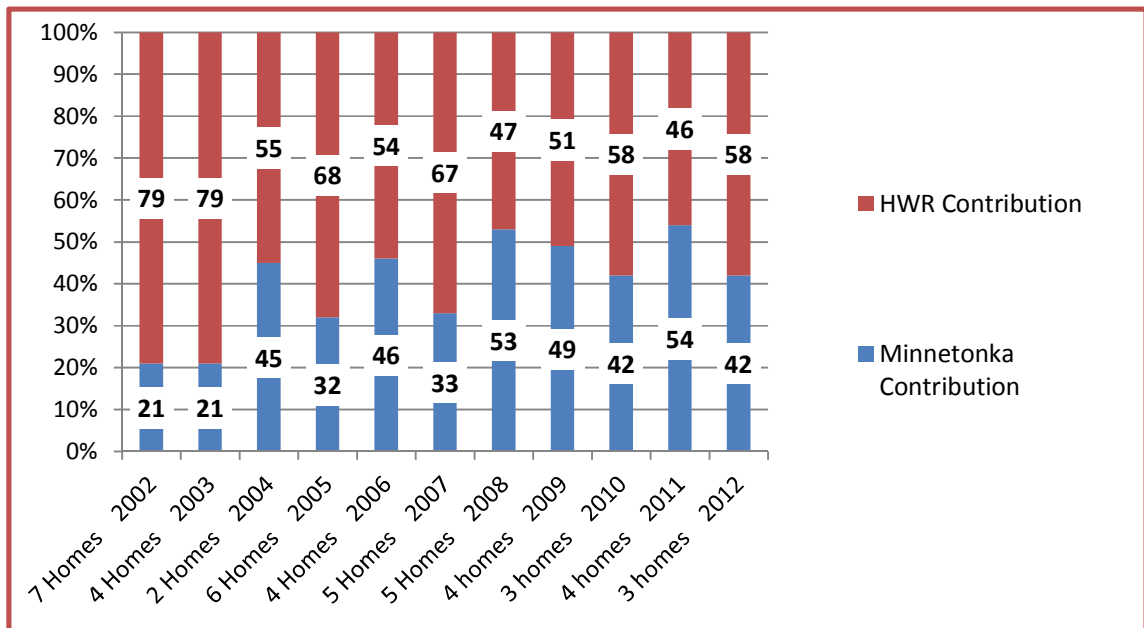
HRA Levy funding commitment would contain no funding for new HWR homes after 2017. If the city went to a sustaining level, it would be \$25,000 annually and there would be no additional HWR homes created.

**Next Steps and Recommendation**

The EDAC will review the 2015-2019 EIP at the March EDAC meeting. As a part of that review, it is staff's intent to have the subcommittee's recommendation on future HWR commitment included in the document.

Originated by: Julie Wischnack, AICP, Community Development Director

## Annual Minnetonka/HWR Contributions In Creating and Sustaining Affordable Homeownership 2002- 2012

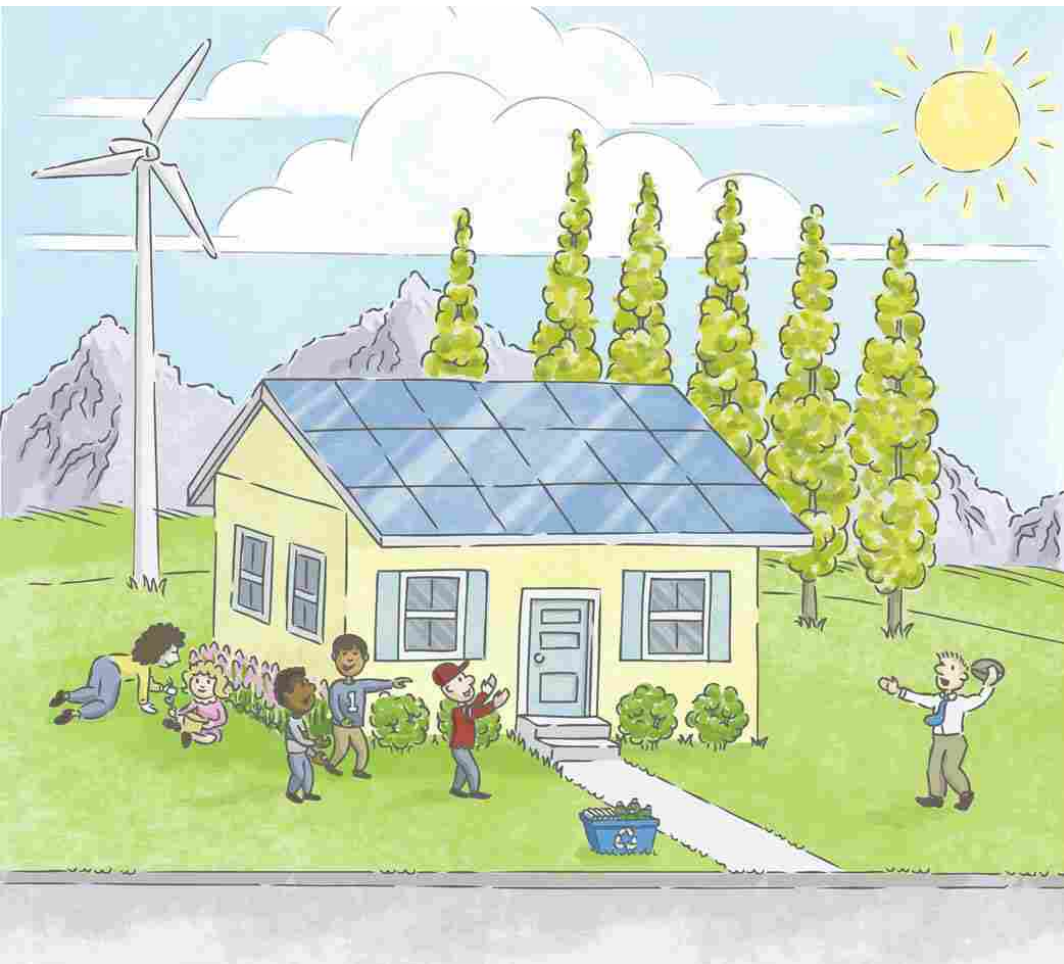


Year	Mtka Contribution	%	HWR Contribution	%	Comments
2002	\$ 319,798	56	\$ 249,656	44	\$200,000 CDBG included in Mtka Contribution
2003	\$ 74,089	21	\$ 278,514	79	
2004	\$ 82,692	45	\$ 100,000	55	
2005	\$ 140,819	32	\$ 300,771	68	
2006	\$ 191,266	46	\$ 226,949	54	
2007	\$ 120,264	33	\$ 245,690	67	
2008	\$ 251,076	53	\$ 227,000	47	2 - Meadowood Twin homes
2009	\$ 247,810	49	\$ 262,894	51	
2010	\$ 197,788	42	\$ 270,800	58	
2011	\$ 320,640	54	\$ 268,000	46	Major renovation of Hopkins Crossroad property per City's request
2012	\$ 200,522	42	\$ 279,000	58	
<b>Total</b>	<b>\$ 2,146,764</b>	<b>44%</b>	<b>\$ 2,709,274</b>	<b>56%</b>	<b>Created 47 affordable homes through 2012</b>

**COMPARISON OF HWR AND MTKA HOME (UNDER \$250,000) VALUE CHANGES**

<b>Year</b>	<b>Number of HWR Homes</b>	<b>AVERAGE HWR PROPERTY VALUE AT TIME OF PURCHASE</b>	<b>AVERAGE HWR 2013 PROPERTY VALUE</b>	<b>AVERAGE CHANGE IN HWR HOME VALUE</b>	<b>AVERAGE 2013 PROPERTY VALUE OF MTKA HOMES UNDER \$250,000</b>
2002	7	\$173,600	\$204,843	18.0%	
2003	4	\$182,925	\$199,900	9.3%	12.5%
2004	4	\$207,825	\$190,624	-8.3%	9.8%
2005	5	\$172,680	\$168,580	-2.4%	5.6%
2006	3	\$194,967	\$186,000	-4.6%	7.8%
2007	6	\$175,417	\$161,783	-7.8%	1.8%
2008	5	\$211,240	\$176,880	-16.3%	-1.8%
2009	5	\$220,500	\$200,260	-9.2%	-4.5%
2010	3	\$206,733	\$176,300	-14.7%	-6.9%
2011	3	\$201,700	\$196,000	-2.8%	-2.2%
2012	3	\$219,133	\$219,133	0.0%	-4.5%
2013	<u>2</u>	\$192,400	\$192,400	0.0%	
	50				

# Example: WHAHLT Real Estate Purchase and Home Sale



- WHAHLT Costs to Buy/Develop Property

- Land price:	\$ 115,000
- Building price:	\$ 122,000
- Closing costs:	\$ <u>1,500</u>
Sub-total:	\$ 238,500
- Rehabilitation costs:	\$ 12,000
- Development expenses:	\$ 12,000
Total	\$ 262,500

- Support/Revenue for WHAHLT Home

- Homeowner Mortgage	\$ 140,000
- Funding Sources:	
➤ City of Mtká:	\$ 49,250
➤ HOME:	\$ 38,250
➤ MHFA:	\$ 10,000
➤ HHP:	\$ <u>25,000</u>
Sub-total:	\$ 122,500

Total: \$262,500

## ASSISTANCE TO AFFORDABLE HOUSING PROJECTS

<b>Name of Project</b>	<b>Number of Affordable Units</b>	<b>Total Assistance</b>	<b>Years of Affordability</b>	<b>Assistance per Unit per Year</b>	<b>Affordability Level</b>
Tonka on the Creek (proposed)	20	\$2,308,336 (est.)	30	\$3,847	50% AMI
Cedar Point Townhomes	9	\$512,000	15	\$3,792	50% AMI
Glen Lake (St. Therese, Exchange)	43	\$4,800,000	30	\$3,721	60% AMI
Ridgebury	56	\$3,243,000	30	\$1,930	Initially--80% AMI Now—No income limit
Beacon Hill (apartments)	62	\$2,484,000	25	\$1,602	50% AMI
West Ridge Market (Crown Ridge, Boulevard Gardens, Gables, West Ridge)	185	\$8,514,000	30	\$1,534	<i>Crown Ridge—60% AMI</i> <i>Boulevard Gardens—60% AMI</i> <i>Gables—initially 80% AMI, now no income limit</i> <i>West Ridge—50% AMI</i>
The Ridge	52	\$1,050,000	30	\$673	60% AMI
Homes Within Reach (2004-2012 grant years)	35	\$1,740,000	99	\$502	80% AMI



# Memo

**To:** Elise Durbin  
**From:** Janet Lindbo  
**Date:** October 28, 2013  
**Re:** Minnetonka's HWR Housing Production/Funding

As you know West Hennepin Affordable Housing Land Trust dba Homes Within Reach (HWR) has completed its strategic planning process and has established a long range vision to guide HWR's growth over the next five years with focus on the following:

- Expand our target market
- Create and sustain a strong mix of both public and private partnership and financing
- Collaborate with the City of Lakes Community Land Trust to increase homeownership equity for underserved families across Hennepin County by creating a Shared Service/Business Model.

In addition, one of the strategic planning tasks was to develop financial projections and absorptions schedules to assist in prioritizing strategies and objectives. One of the tasks was to estimate when HWR sustains itself without new sales and is funded by resales and lease fees to provide asset management for its portfolio of properties and homeowners. The two scenarios of sustainability are as follows.

## **HWR Sustainability Scenarios:**

### *1. Scenario I at 200 Homes*

- a. Self-sustainability with no new sales is 8 to 10 years away and this is predicated on receiving adequate awards to create 10 new homes a year, plus resales.
- b. In this scenario an annual fee to HWR on annual basis is included to manage the assets of 200 homes – of which Minnetonka would pay a portion of the fee based on number of homes. In addition, 10 resales are generated on an annual basis, anticipating this scenario would take place 2023.
  - i. To reach 200 homes is as follows;
    1. 8 years @ 12 new sales
    2. 9.5 years @ 10 new sales
    3. 12 years @ 8 new sales

### *2. Scenario II at 265 Homes*

- a. In scenario II, there is no fee generated by the communities to provide asset management – therefore the total of homes needed for sustainability with 10 resales annually is 265 homes – increasing the portfolio to 265 would take 14 years at 12 new sales a year.

## **Comments:**

An important component of Minnetonka's possible funding modifications is for HWR to find additional communities with available funding resources to serve and increase production in one or two of the current communities served to make up for the loss of Minnetonka housing production.

HWR recommends the City of Minnetonka evaluate their housing goals and products to ascertain the Community Land Trust model viability and its return on investment to the community. In addition, HWR recommends that if the City alters its award, it is done gradually and continues to support the creation of one new affordable home using the HWR, not having Minnetonka as a partner would negatively affect the organization from multiple perspectives – such as receiving grants, expanding its target market and continuing to work with current and future suburban communities.

**UNAPPROVED  
MINNETONKA ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
MEETING SUMMARY**

**MARCH 13, 2014  
6:00 P.M.**

**1. CALL TO ORDER**

Chair Aanenson called the meeting to order at 6:00 p.m.

**2. ROLL CALL**

EDAC commissioners present: Benita Bjorgo, Michael Happe, Ken Isaacson, Jacob Johnson, Jerry Knickerbocker, Laurie McKendry, and Kathryn Aanenson.

Staff present: Community Development Director Julie Wischnack and Community Development Supervisor Elise Durbin.

Chair Aanenson welcomed new commissioner Johnson. Johnson stated that he moved to Minnetonka two years ago. He has a background in technology and startups. He does tech scouting for high-tech companies and has experience in early-stage finance.

**3. APPROVE JANUARY 23, 2014 MEETING MINUTES**

Knickerbocker moved, Isaacson seconded a motion to approve the January 23, 2014 meeting minutes. Bjorgo, Happe, Isaacson, Johnson, Knickerbocker, McKendry, and Aanenson voted yes. Motion passed.

**4. 2015-2019 ECONOMIC IMPROVEMENT PROGRAM (EIP)**

Wischnack introduced the review for the evening and reported on the Homes Within Reach program evaluation.

Regarding the program review for Homes Within Reach, Happe, who sat on the EDAC subcommittee to review this item, provided pictures of properties in Minnetonka that are a part of the land trust.

McKendry noted that the city's current high Livable Communities Act housing score may decrease if the program would be eliminated.

Chair Aanenson thanked staff for the subcommittee meetings. She found the information very helpful.

Happe noted the subcommittee did discuss how the dollars would play out over time. He said that each home already in the program must be sustained for 99 years, and maintaining that existing stock costs \$25,000 a year. The grant amount provided would be \$75,000 in 2017, 2018, and 2019, plus the \$25,000 administrative fee.

McKendry added that \$50,000 would remain in the fund and the program should be reevaluated in 5 years.

Wischnack noted that more years than the standard five years will be added to the EIP page to be able to document the plan.

Knickerbocker asked if the \$75,000 would be taken from the HRA Levy. Wischnack answered in the negative. It would be taken from the Livable Communities Fund.

Isaacson thanked commissioners for their work. He asked if the \$25,000 pays the administrative costs of the land trust. Wischnack answered affirmatively.

Isaacson asked what the concept for a self-sustaining program includes. Wischnack explained that the \$25,000 deals with any of the transactional issues of the land trust. The self-sustaining piece deals with how much transactional production has to happen to get it in a sustainable state.

Isaacson asked if other land trusts are on a self-sustaining model already. Wischnack and Durbin were unsure. Homes Within Reach did include self-sustaining goals in its strategic planning, but did not provide a timeframe.

Knickerbocker felt the recommendation would be an improvement over the current situation. This would put some responsibility back on the Homes Within Reach organization. It is hard to find affordable housing that could be purchased and fixed up. He wondered if purchasing two or three houses a year is the best-case possible. Happe said that was discussed. One of his concerns is that each purchase is a 100-year commitment. Minnetonka has been the key driver and supporter of the program, and it would be brutal to stop the funding immediately. The recommendation is a compromise to gradually phase out new investment into the program.

Isaacson said that over 12 years, the average was four properties purchased per year. Those 50 homes are in Minnetonka and are not going anywhere. There are 90 or more years of affordability left. It is a good investment assuming that the \$25,000 is a reasonable price. He hopes the program can become self-sustaining.

McKendry added that there are 51 affordable houses in Minnetonka now. The houses were run down when purchased, but now look great. All of the houses

benefit the neighborhoods. The housing market has done several flip flops in the last 12 years, but, even during the downturns, the city had houses that look nice. The program is a benefit to the city and is a big deal to the people it serves and who work in the community. The program does need to be self-sustainable. Everything discussed is true.

Bjorgo concurred with commissioners. She liked the program. It would be great to have an incentive to have the program pick properties in Minnetonka.

Wischnack confirmed with commissioners that \$225,000 would remain for each year from 2014 to 2016; \$100,000 (\$75,000 to purchase and \$25,000 for administration) for each year from 2017 to 2019; and \$25,000 starting in 2020.

Wischnack reported on the Minnesota Community Capital Fund program evaluation. The Minnesota Community Capital Fund was recently dissolved.

In response to Knickerbocker's question, Wischnack stated that the funds could be used for redevelopment of an LRT station site.

In response to Johnson's inquiry, Wischnack will find out the size of grants and types of business utilizing gap funding.

Happe noted that the funds could be used for sidewalks related to redevelopment of the Ridgedale area.

Durbin reported on the owner-occupied and small projects housing rehab program evaluation.

Knickerbocker felt the city would continue the home improvement loan program if CDBG funds were not provided. He suggested increasing the loan amount. Durbin explained that if the loan amount is above \$5,000, then there are lead-based paint requirements that could substantially increase the cost of a project.

Bjorgo recognized that funds are limited, but allowing the loan program to be applied to small additions like a mud room or third stall for a garage could be considered since a study showed that those are wanted items. Durbin stated that CDBG funds could not be used for those improvements, but the city's home improvement loan program could.

Durbin reported on the Minnetonka Heights and Crown Ridge program evaluation.

Isaacson was very supportive. For the amount of money given to the programs in the past, it is a tremendous bargain. He advocates for another source to replace the CDBG funds.

Bjorgo added that these program directly help Minnetonka residents.

Happe wanted to be careful when committing programs to run forever. He preferred having a sunset.

Knickerbocker recalled a similar discussion two years ago. Durbin confirmed that the non-profit organizations were made aware. Wischnack said that the challenge will be having a discussion of whether to fund the non-profit organizations in 2017 with other funding mechanisms.

Isaacson noted that he has heard for three years that CDBG funding would be decreased, but it has not yet been decreased. Durbin agreed. She clarified that these programs are funded with the Livable Communities Fund. Wischnack stated that the impending decrease in Livable Communities Fund is more certain.

Knickerbocker felt more facts need to be known on the organizations. Chair Aanenson said that the EIP helps to determine alternative funding sources and the most worthy programs. Wischnack agreed that the city council would appreciate commissioners' opinions on which programs the EDAC would support continuing to fund.

Bjorgo supports the program, but does not think the city should give any organization the appearance that the city will fund a program forever. Things change over time and there might be other needs.

Wischnack reported on the corridor investment framework which was recently completed around each LRT station area.

Happe asked if key decisions will be made soon that might change what commissioners would recommend. Wischnack has learned that plans need to continue to be planned despite whether the project at the moment will be happening, because, at some point, it probably will come back. If it gets permission to move ahead, it will move ahead a lot more quickly than it has in the past.

Knickerbocker asked if a meeting has been held with the landowners to show them the light rail plans. Wischnack answered affirmatively. Formal and one-on-one meetings are being conducted with property owners to discuss where, how, and the impact. The SWLRT project office is also meeting with property owners. Wischnack looks for leadership on the county level to do land banking. That is the number one problem. It deals with the ability to purchase land and hold it while waiting for the transit line to be constructed. The property values are the lowest now and escalate while the project is being built.

McKendry asked how much funding has been included in the capital improvement program (CIP). Wischnack answered \$5 million. Chair Aanenson suggested discussing this more at the work session in April. Wischnack agreed.

Durbin reported on the layout and content of the EIP.

Chair Aanenson suggested the information be located on the housing summary page. It would provide a good snapshot of everything. More discussion on programs funded by the Livable Communities Account may be included on the next meeting's agenda.

In response to Knickerbocker's question, staff will do more research to determine if Livable Communities funds could be given to CDBG recipients.

Wischnack reported on the next section.

Chair Aanenson appreciated the color coding. It made it easy to understand. Wischnack welcomed ideas for programs.

Knickerbocker asked if there would be an opportunity for more than \$200,000 a year for passed-through grants, considering the light rail. Durbin answered affirmatively. Wischnack noted that it is hard to be accurate about the numbers since they are predictions of what could happen.

Wischnack and Durbin reported on transit improvements and light rail.

Knickerbocker suggested restructuring the last sentence of Page A-46 under "Budget Impact/Other." Wischnack agreed.

Chair Aanenson suggested talking about where the turn-back money goes at the study session on Monday.

Wischnack reported on predevelopment money and village center studies.

Isaacson asked if the city or developer pays costs associated with TIF runs using the Tonka on the Creek project as an example. Wischnack explained that, initially, the city runs the TIF calculations to see if the proposal would be viable. At a certain point, there is an end date where the city stops payment and the developer starts payment. That is what happened with Tonka on the Creek.

Wischnack reported on TIF districts and tax abatement.

Chair Aanenson liked looking at the housing goals at the end.

## **5. STAFF REPORT**

Durbin and Wischnack reported on the:

- Light rail update including the status of preliminary engineering/municipal consent, community works, and the housing inventory.
- Marketing study.
- Minnesota Community Capital Fund.
- The Community Development Department's annual report.
- Development updates on Ridgedale Shopping Center, Hampton Inn, Minnetonka Medical Building, Eye Consultants, Shoppes on 101, school projects, Legacy Oaks, Groveland Pond, Carlson Island Apartments, Kraemer's Hardware site, and Applewood Pointe.

## 6. OTHER BUSINESS

- There will be a study session Monday, March 17, 2014 with the city council.
- March 26, 2014 there will be a Sensible Land Use program on townhouses and condominiums.
- Minnesota ULI is having its Inside the Leadership Studio recognition dinner with this year's speaker MNDOT Commissioner Charlie Zelle.
- The next EDAC meeting will be April 24, 2014.

## 7. ADJOURN

Isaacson moved, Knickerbocker seconded a motion to adjourn the meeting at 7:30 p.m. Bjorgo, Happe, Isaacson, Johnson, Knickerbocker, McKendry, and Aanenson voted yes. Motion passed.

**City of Minnetonka Financial Contribution to HWR**

<b>Year</b>	<b>Source of Funds</b>	<b>Amount</b>	<b>Balance</b>
Ongoing	City of MTKA Line of Credit	Up to \$750,000 at one time	\$ 370,000.00
2002	Livable Communities	\$ 169,650.00	\$ -
2002	CDBG	\$ 200,000.00	\$ -
2003	Livable Communities	\$ 200,000.00	\$ -
2004	Livable Communities	\$ 200,000.00	\$ -
2005	Livable Communities	\$ 220,000.00	\$ -
2006	Livable Communities	\$ 230,000.00	\$ -
2007	Livable Communities	\$ 230,000.00	\$ -
2008	Livable Communities	\$ 230,000.00	\$ -
2009	Livable Communities & HRA	\$ 250,000.00	\$ -
2010	Livable Communities	\$ 225,000.00	\$ -
2011	Livable Communities	\$ 225,000.00	\$ -
2012	Livable Communities	\$ 225,000.00	\$ -
2013	Livable Communities	\$ 225,000.00	\$ -
2014	Livable Communities	\$ 225,000.00	\$ -
2015	Livable Communities	\$ 217,000.00	\$ -
2016	Livable Communities	\$ 225,000.00	\$ 6,969.00
2017	Livable Communities	\$ 100,000.00	\$ 100,000.00
2018	HRA Levy	\$ 100,000.00	\$ 100,000.00
2019	HRA Levy	\$ 100,000.00	\$ 100,000.00
2020	HRA Levy	\$ 150,000.00	\$ 150,000.00
	<b>Total Grant Funds *</b>	\$ 3,946,650.00	\$ 456,969.00

\* These grants include operating income support which are not included in the total city subsidy calculation



ADDRESS	YEAR PURCHASED	CITY FINANCIAL CONTRIBUTION	PERCENTAGE OF CITY FUNDS ASSISTED	PROPERTY PURCHASE PRICE	2019 PROPERTY VALUE	CHANGE IN VALUE	MEDIAN HOME SALE PRICE FOR YEAR
16400 Minnetonka Boulevard	2002	\$17,830	10%	\$174,900	\$229,400	31%	\$240,000
4129 Victoria Street	2002	\$18,458	10%	\$188,000	\$281,700	50%	
4917 Baker Road	2002	\$24,052	13%	\$190,000	\$263,300	39%	
4236 County Road No 101	2002	\$26,000	14%	\$190,000	\$248,400	31%	
11812 Bradford Road	2002	\$668	1%	\$120,000	\$245,100	104%	
4150 Tonkawood Road	2002	\$15,007	13%	\$119,500	\$251,500	110%	
11303 Royzelle Lane	2003	\$18,000	10%	\$185,000	\$281,600	52%	
4901 Acorn Ridge Drive	2003	\$57,301	31%	\$187,000	\$344,900	84%	
10024 Cedar Lake Road	2003	\$12,145	7%	\$180,000	\$231,200	28%	
2533 Westview Terrace	2003	\$21,500	10%	\$206,000	\$221,400	7%	
16108 Excelsior Boulevard	2004	\$30,830	16%	\$195,000	\$250,500	28%	
5130 Kimberly Lane	2004	\$43,000	19%	\$230,000	\$275,000	20%	
4511 Crawford Road	2004	\$4,830	3%	\$182,000	\$237,400	30%	
2638 Cedar Crest East	2004	\$25,429	12%	\$215,400	\$272,700	27%	
17420 Sanctuary Drive	2005	\$2,221	1%	\$178,000	\$205,500	15%	
17424 Sanctuary Drive	2005	\$2,606	1%	\$178,000	\$201,700	13%	
16804 Minnetonka Boulevard	2005	\$47,747	21%	\$230,000	\$247,900	8%	
12808 Linde Lane	2005	\$38,986	18%	\$219,000	\$243,800	11%	
16213 Tonkaway Road	2005	\$54,566	24%	\$226,000	\$260,300	15%	
14201 Glen Lake Drive	2006	\$31,194	18%	\$177,435	\$286,800	62%	
5631 Scenic Drive	2006	\$58,993	24%	\$250,000	\$303,800	22%	
11941 Bradford Road	2006	\$46,513	20%	\$229,900	\$244,300	6%	
17407 Sanctuary Drive	2007	\$0	0%	\$178,000	\$205,600	16%	
17745 Valley Cove Court	2007	\$0	0%	\$120,000	\$294,400	145%	
14711 Minnetonka Drive	2007	\$18,550	10%	\$193,700	\$237,100	22%	
14717 Minnetonka Drive	2007	\$49,491	21%	\$240,000	\$237,000	-1%	
5713 Holiday Road	2007	\$52,223	25%	\$210,000	\$290,700	38%	
5248 Kimberly Road	2007	\$98,487	42%	\$237,000	\$274,900	16%	
5001 Holiday Road	2008	\$47,275	20%	\$241,900	\$279,500	16%	
4289 Lindsey Lane	2008	\$46,611	28%	\$169,275	\$222,900	32%	
4285 Lindsey Lane	2008	\$48,334	29%	\$169,215	\$222,900	32%	
16417 Hilltop Terrace	2008	\$60,166	27%	\$225,000	\$243,800	8%	
3403 The Mall	2008	\$57,099	23%	\$248,500	\$232,200	-7%	
16608 Elm Drive	2009	\$64,242	31%	\$204,000	\$256,400	26%	
11212 Oakvale Road N.	2009	\$66,469	29%	\$229,000	\$301,400	32%	
13019 Stanton Drive	2009	\$60,000	29%	\$209,000	\$271,400	30%	
15205 Court Road	2009	\$72,904	32%	\$229,000	\$255,500	12%	
5242 Crestwood Drive	2009	\$66,948	31%	\$219,000	\$284,200	30%	
14713 High Point Court	2010	\$57,936	30%	\$190,000	\$309,900	63%	
11118 Oak Knoll Terrace N	2010	\$110,768	55%	\$200,000	\$232,300	16%	
2338 Cedarwood Ridge	2010	\$70,564	42%	\$170,000	\$292,800	72%	
16208 Birch Lane	2011	\$66,206	32%	\$206,900	\$279,800	35%	
4729 Winterset Drive	2011	\$73,402	37%	\$198,000	\$257,800	30%	
12950 Rutledge Circle	2011	\$58,161	31%	\$190,000	\$297,600	57%	
3618 Druid Lane	2012	\$72,351	31%	\$230,000	\$279,200	21%	
14806 Walker Place	2012	\$70,010	31%	\$225,000	\$299,600	33%	
16332 Temple Terrace	2012	\$83,727	39%	\$214,000	\$297,600	39%	
12100 Robin Circle	2013	\$92,610	43%	\$217,500	\$290,100	33%	
5013 Woodridge Road	2013	\$83,693	38%	\$218,000	\$241,000	11%	
3669 Shady Oak Road	2014	\$83,164	38%	\$218,150	\$285,000	31%	
5013 Prescott Drive	2014	\$85,022	36%	\$233,200	\$272,000	17%	
3000 Chase Drive	2015	\$71,308	32%	\$225,000	\$285,300	27%	
5701 Glen Moor Rd	2016	\$64,090	26%	\$242,500	\$287,100	18%	
2402 Ford Rd	2016	\$69,356	27%	\$257,000	\$294,400	15%	
13823 Knollway Dr	2016	\$84,140	31%	\$268,800	\$289,700	8%	
13521 North Street	2017	\$98,000	42%	\$235,000	\$271,100	15%	
11307 Friar Lane	2018	\$81,974	32%	\$256,900	\$305,500	19%	
5116 Holiday Road	2018	\$98,278	34%	\$291,000	\$256,200	-12%	
3508 Moorland Road	2020	N/A	N/A	\$320,000	\$317,200	-1%	
		\$2,981,435			\$15,679,300		

Project Name	Number of Affordable Units	Total Assistance for affordable units	Years of Affordability	Assistance per unit, per year	Affordability Level
Homes Within Reach	60	\$2,981,435	99	\$ 501.93	80% AMI
Beacon Hill	62	\$ 2,484,000.00	25	\$ 1,602.00	50% AMI
Applewood Pointe (Highest Assistance per unit per year)	9	\$ 1,290,000.00	Initial Sale / Ongoing maximum %	\$ 4,777.00	80% AMI

**EDAC Agenda Item #5  
Meeting of June 25, 2020**

**Brief Description**

Staff Report

**Transit Updates**

*Green Line Extension (Southwest LRT)*

Construction updates for Minnetonka:

- Multiple detours remain in effect in the Opus area including on Red Circle, Yellow Circle, and Bren Road West. ([More info on Opus detours](#))
- Construction of a pedestrian tunnel north of Bren Road West has begun. Work on surrounding retaining walls also continues.
- Construction of the Opus Station is underway, with utility work and grading. Station foundation work will start next week, followed by structural steel installation.
- Pile driving for the Smetana Road bridge has begun. Crews are installing sheeting to support excavation and piles to support the bridge abutments.

Construction updates from the Metro Transit project office are available [online](#) or to sign up to receive construction updates every Friday, please visit [www.swlrt.org](http://www.swlrt.org)

*Metro Transit Service Reduction*

Community Development staff continues to meet with Metro Transit each quarter. Most of the discussion is devoted to new development connections and preparing for the LRT opening. However, more recently Metro Transit is providing updates on service reductions related to the pandemic. Metro Transit staff is anticipating a phased increase in transit services in response to COVID-19.

*Metro Transit Cooperation Agreement*

At the June 8, 2020 city council meeting, the city council voted to extend the term of the agreement to July 31, 2022. The extension will allow for the emergence of more detailed transit changes in anticipation of opening day for the green line extension and the Network Next engagement.

Over the next two years, Metro Transit will be conducting an extensive two-year process to develop a plan that will guide the expansion of the bus network across a spectrum of improvements over the next 20 years. This engagement, called Network Next, is planned to begin by the fall of 2021 and conclude in 2022. Staff will begin negotiations for the new contract in early 2022, leading up to the July 31, 2022 extension deadline.

## Development Updates

Projects	Location	Status
<b>Retail</b>		
Dairy Queen	4912 Co Rd 101	Under review
<b>Housing</b>		
The Pointe	801 Carlson	Under Review
Avidor	Ridgedale	Framing
The Luxe	Ridgedale	Interior work taking place
Doran (The Birke)	394 Frontage	Framing 5 <sup>th</sup> floor
Shady Oak Crossing	Shady Oak Road / Mainstreet	Annexation approved, demolition to begin mid-July
Legends (Dominium)	Bren Road	All phases under construction
Lake Minnetonka Care Center	16913 Hwy 7	Concept Plan Review
<b>Misc Projects</b>		
Ridgedale Drive	Road reconstruction	Phase 2 underway, Phase 3 beginning this summer
Minnetonka Police/Fire Project	Minnetonka Civic Center Campus	Grading underway

## Business Development Updates

### *Hennepin County COVID Response*

This past May, in response to COVID-19, Hennepin County began accepting applications for its Small Business Relief Fund. Over the course of the application period, the county received 2,290 applications. City staff assisted County staff in reviewing local businesses whom submitted applications. About 43 Minnetonka businesses were in position to receive a \$5,000 grant from this program.

At the June 2, board meeting, the Hennepin County Board voted to provide an additional \$10 million in resources to fund the remaining applicants whom were not selected in the first round of funding.

### *Back to Business Funding (B2B)*

In June, city staff was contacted by Hennepin County staff to assist in administering funds that are designed to help businesses fund costs associated with reopening safely under COVID-19 orders. Eligible costs include physical barriers, personal protective equipment, tech improvements, furnishing for outdoor dining, etc. Each city will be awarded an allocation based on its size and number of businesses. Minnetonka is estimated to receive an allocation of approximately \$200,000 for business assistance through this program. Information on how to apply for this program will be available on the city's website.

## Housing Updates

### *Emergency Rental Assistance Program*

On April 20, the city council approved funding for an emergency rental assistance program to assist Minnetonka residents impacted by COVID-19. To establish the program, the city approved a temporary ordinance that allows the city to set up a housing trust fund for this purpose. The city dedicated \$150,000 of the existing fund balance from the Development Fund. This amount represented the balance of conduit bond administrative fees city collected by the city, which are available for this purpose and not committed to other programming.

Minnetonka residents earning up to 120 percent of the area median income may apply for assistance.

- Qualified households may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.
- Eligible household income limits include:
  - One person: up to \$84,000
  - Two people: up to \$96,000
  - Three people: up to \$108,000
  - Four people: up to \$120,000

As of May 2020, ICA has spent \$12,997.64 of the Minnetonka money on assistance for residents. This equates to:

- 10 households assisted
- Average per check is \$1,300  
Dollar range of checks is \$430-\$1,500

Applications continue to be accepted through ICA by calling 952-938-0729.

### *Homes Within Reach*

HWR has purchased the Minnetonka property located at 3508 Moorland Road. That brings the total number of homes within Minnetonka to 61.

## Upcoming Events

July 16, 2020 - EDAC Meeting

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager  
Rob Hanson, EDFP, Economic Development Coordinator