



HOUSING FORUM

Thursday, October 2, 2025

Roseville, MN

Metro Cities

Association of Metropolitan Municipalities

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HOUSING FORUM

Thursday, October 2, 2025

8:00 am to 12:00 noon

**Roseville Skating Center, Rose Room
2660 Civic Center Drive, Roseville**

AGENDA

8:00 Registration & Refreshments

8:20 Welcome Remarks

Patrick Trudgeon, City Manager, Roseville

Patricia Nauman, Executive Director, Metro Cities

Ania McDonnell, Government Relations Specialist, Metro Cities

8:30 Addressing Local Housing Needs, Part 1

In a two part panel, city officials will discuss local actions, tools and projects to address specific housing needs in their community, and local impacts and challenges. Panelists will address city communications, incentives and resources, inclusionary housing policy implementation, zoning code updates, and innovative housing developments.

Julie Wischnack, FAICP, Community Development Director, City of Minnetonka

Eric Searles, Assistant Community Development Director, City of Woodbury

Nate Kabat, AICP, Community Development Director, City of Chaska

9:15 Addressing Local Housing Needs, Part 2

Rachel Juba, Community Development Director, City of Hugo

Sean Walther, AICP, Deputy Community Development Director/Planning Manager, City of Saint Louis Park

Meg McMahan, AICP, Planning Director, City of Minneapolis

10:00 Homeowner Associations (HOAs): Functions and City Nexus

Speakers will focus on what HOAs are, how they function, trends in HOAs across the housing sector, how Housing Improvement Areas (HIAs) are used and city resources for residents, a recent city-led HOA study, and recommendations by a legislative task force on HOAs.

Patrick Hynes, Community Associations Institute, MN Chapter

Alisha Gray, EDPF, Economic Development and Housing Manager, City of Minnetonka

Kim Berggren, AICP, Community Development Director, City of Bloomington

John Kinara, HDPF, Housing and Redevelopment Coordinator, City of Brooklyn Park

10:45 Break

11:00 Preserving Affordable Housing

Preserving affordable housing is an integral component of meeting needs for affordable housing in a community. Speakers will discuss changes in the low income rental classification, tax increment financing for housing related developments, city funding programs for housing preservation, ideas for utilizing local affordable housing aid (LAHA), and specific preservation projects.

Stacie Kvilvang, Senior Municipal Advisor, Ehlers and Associates

Paul Bolin, AICP, Community Development Director, City of Fridley

Melissa Taphorn, Executive Director, Washington County CDA

Julie Urban, Assistant Community Development Director, City of Richfield

11:50 Looking Ahead; Closing Remarks



Speaker Contact Information

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Housing Terms Glossary

(Definitions excerpted from the Metropolitan Council Housing Policy Plan, and other sources.)

Accessibility

Refers to an original or modified housing element that enables independent living for persons with disabilities, including: an accessible building entrance and route through the dwelling unit; accessible common areas; doors usable by a person in a wheelchair; environmental controls such as light switches in accessible locations; and usable kitchens and bathrooms.

Accessible Unit

A dwelling unit that has physical features, such as grab bars or an entrance ramp, that help tenants with mobility impairments gain full use and enjoyment of their apartment.

Accessory Dwelling Units (also known as accessory apartments, guest apartments, in-law apartments, family apartments, or secondary units)

Dwelling units that provide supplementary housing and can be integrated into existing neighborhoods with little or no impact on the character of the neighborhood. Because the units are usually small, they are more affordable than full-size rentals and include units both attached to or detached from the primary housing unit.

Affordable Housing

The Met Council adopts the affordability definitions as set forth by HUD, under which housing is “affordable” for low- and moderate-income households when they pay no more than 30% of gross household income on housing. The Council has adopted three tiers of affordable housing in allocating the regional need for affordable housing: up to 30 percent area median income, 31-50 percent AMI, and 51-60 percent AMI for Futural Affordable Housing Need for 2031-2040.

Area Median Income

100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD. The area median income is a critical component of housing-related activity, including eligibility for affordable housing programs.

Bridge Loan (also known as interim financing or gap financing)

A short-term loan that is used until an entity secures permanent financing or removes an existing financial obligation. The loans are short-term (up to one year) with relatively high interest rates and are backed by some form of collateral such as real estate or inventory.

Consolidated Request for Proposals/Super RFP

To streamline the process of securing and deploying funding for affordable housing development, Minnesota Housing coordinates the Consolidated Request for Proposals (Super RFP). The Super RFP

allows Minnesota Housing and its funding partners (the Metropolitan Council, Department of Employment and Economic Development, Family Housing Fund, and Greater Minnesota Housing Fund) to use a single funding application and allows developers to apply for multiple funding resources at once. Creative finance packages that best fit each project and the strategic priorities of each funder can be assembled during the project review and selection processes.

Community Development Block Grant (CDBG)

Created under the Housing and Community Development Act of 1974, this HUD program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

Community Fix-Up Program

This Minnesota Housing program assists communities in addressing specific home improvement needs and goals by promoting partnerships between Fix Up lenders and community organizations to add supplemental funds or other incentives to borrowers.

Community Land Trust (CLT)

Community Land Trusts help low- and moderate-income families benefit from the equity built through home ownership and at the same time preserve the affordability of these homes so future residents will have the same affordable homeownership opportunities. A Community Land Trust (CLT) creates affordable housing by taking the cost of land out of the purchase price of a home and maintains affordability by controlling the resale price of houses on CLT land through a ground lease and resale formula.

Comprehensive Plan

Cities, townships and counties in the seven-county area are statutorily required to provide comprehensive plan updates every 10 years to the Metropolitan Council. The Metropolitan Council reviews local plans for conformity with regional systems, and consistency with regional policy plans, including housing, and provides guidance to cities in the preparation of plans through a Local Planning Handbook.

Construction Loan

A short-term loan typically with a high interest rate used to finance the building of housing or other real estate. Developers or builders take out a construction loan in order to begin the project while they obtain long-term funding.

Credit Enhancement

Credit enhancement is a measure taken with the goal of reducing credit risk and boosting the credit rating of an entity. Through credit enhancement, the lender is provided with reassurance that the borrower will honor the obligation through additional collateral, insurance, or a third party guarantee.

Density

The Council measures minimum net density across all areas identified to support forecasted growth by taking the minimum number of planned housing units and dividing by the net acreage. Net acreage does not include land covered by wetlands, water bodies, public parks and trails, public open space, arterial road rights-of-way, and other undevelopable acres identified in or protected by local ordinances such as steep slopes.

Density Bonus

Density bonuses are a zoning tool that permits developers to build more housing units, taller buildings, or more floor space than normally allowed in exchange for a defined public benefit, such as a specified number or percentage of affordable units included in the development.

Disadvantaged Business Enterprise (DBE) Program

The Council receives funding for projects and procurements from several sources, including federal funding from the United States Department of Transportation (US DOT) and the Environmental Protection Agency (EPA). Both the US DOT and the EPA require their fund recipients to have a DBE Program. Under the DBE program, prime contractors subcontract project work to DBE firms. Achievements are measured by the percent of contract dollars subcontracted to DBE firms.

Due Diligence

An analysis that includes reviewing all financial and legal records, title, or history of a property that is being considered for purchase by a potential buyer. Sellers of property, finance providers, and investors also typically perform a due diligence analysis on a buyer's or borrower's capacity to acquire the property. Due diligence helps parties analyze and minimize risks in a development project.

Emergency Loan Program

This Minnesota Housing program provides a zero interest, deferred, and forgivable loan for extremely-low-income homeowners for basic improvements that directly affect the safety of the home and health of its inhabitants. This can involve addressing lead paint hazards, repair or replacement of failed electrical, plumbing, heating, or other systems, structural repairs, and other emergency conditions.

Enhanced Vouchers (used under the Project-Based Section 8 Program)

When a private owner leaves a HUD project-based subsidy program, usually by prepayment of a subsidized mortgage or opt-out of a project-based Section 8 contract, the owner's obligation to maintain the low rents or accept the project-based assistance at the property is lifted, leaving most of the residents unable to pay the new rent without a new rental assistance subsidy. Enhanced vouchers subsidize rents for tenants facing opt-out or prepayment.

Entitlement Communities

Local entitlement communities are larger cities and urban counties that receive annual grants directly from HUD through the CDBG program to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Fair Housing Act

Originally passed in 1968, the federal Fair Housing Act prohibits discrimination that makes housing unavailable to people because of race or color, religion, sex, national origin, family status, or disability.

Fair Market Rent

HUD calculates a Fair Market Rent (or FMR) to estimate the rent that would be required to be paid in a particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing with suitable amenities. Fair Market Rent includes the cost of utilities (except telephone).

Feasibility Study

An analysis of the ability to complete a project successfully, taking into account legal, economic, technological, scheduling, and other factors. Feasibility studies allow project managers to investigate the possible negative and positive outcomes of a project before investing too much time and money.

Federal Home Loan Banks (FHLB)

The Federal Home Loan Bank Act of 1932 created Federal Home Loan Banks to increase the amount of funds available for lending institutions that provide mortgages and similar loan agreements to individuals. The FHLB system currently focuses on increasing the amount of funds available for lending to support affordable housing and community development projects.

Federal Housing Administration (FHA)

FHA is a United States government agency that provides mortgage insurance to qualified, FHA-approved lenders. FHA mortgage insurance helps protect lenders from losses associated with mortgage default; if a borrower defaults on a loan, the FHA will pay a specified claim amount to the lender. FHA loans are generally given to people who otherwise would be unable to qualify for a conventional home mortgage loan.

Financial Intermediaries

Notable for providing higher-risk loans such as predevelopment, construction, bridge, or gap loans, financial intermediaries such as the Local Initiatives Support Corporation (LISC) and Enterprise Community Partners play a particular role in affordable and mixed-income development. Because of their unique combination of mission-orientation and financial strength, they are often able to provide financing at more favorable rates than private lenders and may be willing to make loans the private sector would not.

Fiscal Tools

Policies concerned with government revenues (such as taxes or fees) and expenditures. Fiscal tools are one means that local communities can use to enable and support housing development, preservation, and other housing activities, and may involve direct financing support in the form of loans or grants, abatement or exemption from property taxes, waiver of local fees, or other means.

Floor Area Ratio (FAR)

The total square feet of a building divided by the total square feet of the lot the building is located on. FAR is used by local governments in zoning codes. Higher FARs tend to indicate more urban (dense) construction. Buildings of varying numbers of stories can have the same FAR, because the FAR counts the total floor area of a building, not just the building's footprint. On a 4,000 square-foot lot, a 1,000 square-foot, one-story building would have the same FAR (0.25) as a two-story building where each floor was 500 square feet.

Foreclosure

A specific legal process in which a lender attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by forcing the sale of the asset used as collateral for the loan. Foreclosure relief, recovery, mitigation, and counseling programs in response to the impacts of the Great Recession are still a high priority for governments and housing-focused nonprofits.

Funding Gaps

A major part of financing affordable housing is covering funding gaps. A funding gap is the difference between the cost a developer pays to produce the housing and the available, secured financial resources to help pay for costs. Three primary types of funding gaps are:

- **Affordability Gap:** occurs when the housing cost is higher than a household can afford to pay at the targeted income level.
- **Multifamily Underwriting Gap:** occurs when the financing sources secured for an affordable or mixed-income project are less than the total development cost, or TDC.
- **Value Gap:** occurs when the cost to construct an affordable unit is greater than the purchase price or rent that the local market will bear.

General Obligation, or G.O. Bond

A municipal bond backed by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project.

Guaranteed Loan

A loan guaranteed by a third party in the event that the borrower defaults. The loan is quite often guaranteed by a government agency which will purchase the debt from the lending financial institution and take on responsibility for the loan.

Holding Costs

Costs incurred by a developer if the property sits idle. Typical examples of holding costs include interest on loans, taxes, and property maintenance and security.

HOME Investment Partnerships Program

This HUD program provides grants to states and localities that communities use, often in partnership with local nonprofit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

Housing Discrimination

Discrimination based on protected class status, including race, gender, age, ethnicity, national origin, sexual orientation, gender identity, marital status, or veteran status. Specific areas of housing discrimination are rental discrimination, sales discrimination, lending and mortgage discrimination, and discrimination in the approval of homeowner's insurance.

Housing Element (part of the Comprehensive Plan)

Under state statute, a local comprehensive and land use plan must include a housing element containing standards, plans, and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low- and moderate-income housing.

Housing Implementation Program (part of the Comprehensive Plan)

Local comprehensive plans must include an implementation section identifying the programs, fiscal devices, and official controls the community will use to address their share of the region's need for low- and moderate-income housing (the Need).

Housing Improvement Areas

A defined area within a city where housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

HousingLink

HousingLink is an affordable housing information clearinghouse established as a result of the 1995 Hollman v. Cisneros consent decree to ensure that low-to-moderate-income families have access to the affordable housing information they need.

Housing Revenue Bonds

Bonds issued to finance construction or rehabilitation of multifamily housing projects where a specified proportion of the units will be rented to moderate- and low-income families, in some cases specifically

targeted toward elderly residents. These securities may provide financing either directly or through a loans-to-lenders program, and may be secured by federal agency guarantees or subsidies.

Inclusionary Housing Account, Livable Communities Act

The Inclusionary Housing Account was created under the Livable Communities Act but has only been funded once by one-time state appropriation. The account was created to help spur construction of new mixed-income development.

Inclusionary Zoning

Zoning code requirements that originated in the early 1970s aiming to stimulate the production of affordable housing. Generally, these ordinances require that a minimum percentage of new housing units be set aside for low-income households. Inclusionary zoning can be mandatory or voluntary.

Infill Development

Infill development is the construction of a building or buildings on vacant land within otherwise developed neighborhoods.

Livable Communities Act

The 1995 Livable Communities Act (LCA) funds community investment that revitalizes economies, creates affordable housing, and links different land uses and transportation. The LCA's voluntary, incentive-based approach leverages partnerships and shared resources to help communities achieve their regional and local goals. Under the LCA, the Council makes grant and loan awards from three accounts:

- Policy & Program Development: Provides support to cities to develop locally adopted policies, programs, or partnerships that influence the physical environment and further both LCA and Imagine 2050 goals, with an emphasis on equitable development.
- Pre-Development: Supports early-stage development activities like design workshops, financial studies, project impact analyses, and community engagement.
- Livable Communities Demonstration Account (LCDA): Supports development and redevelopment that links housing, jobs, and services while demonstrating innovative, efficient and cost-effective use of land and infrastructure.
- Local Housing Incentives Account (LHIA): Produces and preserves affordable housing choices for households with low to moderate incomes to help municipalities meet their negotiated LCA housing goals.
- Tax Base Revitalization Account (TBRA): Cleans up brownfields for redevelopment, job creation, and affordable housing.

A portion of the funds in the LCDA and TBRA are targeted for transit-oriented development (TOD) projects.

Low Income Housing Tax Credit (LIHTC) Program

Since its creation via the Federal Tax Reform Act of 1986, the Low Income Housing Tax Credit Program (LIHTC) has become the premier financing tool for the development of new affordable housing as well as the acquisition and/or rehabilitation of existing affordable housing. Administered at the federal level by the Internal Revenue Service, the LIHTC provides tax credits to investors of qualifying projects.

Manufactured Housing and Manufactured Housing Parks

Manufactured housing (formerly known as mobile homes) is built to the Manufactured Home Construction and Safety Standards (HUD Code). Manufactured housing units are constructed primarily off-site prior to being moved to a piece of property where it is set. Manufactured housing parks provide access to utilities and solid foundations for manufactured homes.

Market Demand

The total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to all applicable households, independent of income.

Market Rate Rent

The rent that an apartment commands in the primary market area considering its location, features and amenities. Market rent should be adjusted for concessions and owner-paid utilities.

Market Study

A comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project-specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market-specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Metropolitan Land Planning Act

The Metropolitan Land Planning Act, passed in 1976, provides the basis for local comprehensive plans in the seven-county Twin Cities region.

Minnesota Housing (also known as Minnesota Housing Finance Agency)

Created in 1971, Minnesota Housing issues mortgage revenue bonds to raise capital for first-time homebuyer loans, allocates Low Income Housing Tax Credits, and distributes federal and state funds to support single-family and multifamily affordable housing. For more information on Minnesota Housing, visit www.mnhousing.gov.

Mixed-Income Housing

A mixed-income housing development is comprised of housing units with differing levels of affordability, typically with some market-rate housing and some housing that is affordable to low- or moderate-income households below market-rate.

Mixed-Use Development

Mixed-use developments provide more than one use or purpose within a shared building or development area and may include any combination, of housing, office, retail, medical, recreational, commercial, or industrial components.

Mortgage Interest Deduction

A common itemized income tax deduction that allows homeowners to deduct the interest they pay on any loan used to build, purchase, or make improvements upon their residence.

Mortgage Revenue Bond (MRB) Programs

Mortgage revenue bonds raise capital used as a funding source for home mortgages. Mortgage revenue bonds help low- and middle-income first-time home buyers obtain long-term mortgages at below-market rates. In order to qualify, prospective home buyers must earn less than stated threshold levels for annual income and must otherwise financially qualify for a mortgage from a conventional lender.

Multifamily Housing

Multifamily housing refers to residential structures of five or more attached units.

Multifamily Housing Revenue Bonds

Bonds issued to finance construction or rehabilitation of multifamily housing projects where a specified proportion of the units will be rented to low- and moderate-income families.

Multigenerational Living

A family household that contains at least two adult generations or a grandparent and at least one other generation.

Permanent Loan or Financing

Long-term (maturity period of 15 to 30 years) mortgage loan obtained after completion of construction, usually to repay a shorter-term construction loan.

Project-Based Rent Assistance

Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income-eligible tenant of the property or an assisted unit.

Public Housing

Public housing is housing financed by the federal government under HUD's Public Housing Program and owned and operated by local housing authorities (often Public Housing Authorities, or PHAs).

Rehabilitation Loan Program

Minnesota Housing's Rehabilitation Loan/Emergency and Accessibility Loan Programs assist very-low-income homeowners in financing basic home improvements that directly affect the safety, habitability, energy efficiency or accessibility of their homes. The Emergency and Accessibility Loan Program is available for home improvements addressing emergency conditions of the home or accessibility needs for a person with a disability.

Section 202 Program

HUD's Section 202 program provides nonprofit organizations funds for the construction, rehabilitation or acquisition of supportive housing for very-low-income elderly persons, and provides rent subsidies for the projects to keep them affordable.

Section 3

Under Section 3, recipients of HUD funding for housing construction, reconstruction, conversion or rehabilitation must make dedicated efforts to extend contractual, labor, and procurement opportunities to Section 3 residents and Section 3 business concerns. A Section 3 resident is either a public housing resident or a low- or very low-income person. A Section 3 business concern is a business that is at least 51% owned by Section 3 residents, employs Section 3 residents as at least 30% of its full-time employees, or commits to subcontract more than 25% of all subcontracts to businesses meeting the criteria.

Section 8 Housing Choice Voucher Program

This HUD program provides rental assistance to low-income families in the form of vouchers eligible households may use for the housing of their choice. The voucher payment subsidizes the difference between the gross rent and the tenant's contribution of 30% of their adjusted income (or 10% of their gross income, whichever is greater).

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling. In many funding programs, properties with up to four units (including duplexes, triplexes, and quadplexes) are treated as single-family housing.

Steering

A term used to describe the illegal practice of real estate agents only showing certain ethnic and/or racial groups housing located in certain areas.

Suballocators

The cities of Minneapolis and Saint Paul and Dakota and Washington counties receive their own allocations of Low-Income Housing Tax Credits that they, as suballocators, may allocate to eligible affordable housing projects.

Subsidized Housing

Subsidized housing is housing that is made available at below-market rates through the use of government subsidies. Unlike other government support programs, such as food stamps or Medicaid, housing subsidies are not an entitlement and are generally in short supply. Most subsidized housing is reserved for income-qualifying low-income households and have rents that do not exceed a specific percentage (usually 30%) of a household's gross annual income.

Tax Exemption

A deduction allowed by law to reduce the amount of income that would otherwise be taxed.

Tax Increment Financing (TIF)

A financing tool available to local governments for redevelopment and improvement projects. TIF uses the projected increase in property taxes that a redevelopment will generate to finance the costs of the development.

Transit Oriented Development (TOD)

TOD is walkable, moderate- to high-density development served by frequent transit that can include a mix of housing, retail, and employment choices designed to allow people to live and work with less or no dependence on a personal car.

Universal Design

Universal design is design practices intended to produce buildings, products, and environments that are accessible and usable to the greatest extent feasible regardless of age, ability, or status in life. Often used to refer to building accommodations made for older and disabled people, universal design features might include curb cuts or sidewalk ramps, cabinets with pull-out shelves, or placement of countertops at several heights to accommodate different tasks or postures.

Unsubsidized Affordable Housing

Unsubsidized affordable housing, also known as naturally occurring affordable housing, is housing that is not currently publicly subsidized. The rent prices that the housing can demand in the unsubsidized private market given the properties' quality, size, or amenities is low enough such that the tenants of these properties, whose income might otherwise qualify them to be a participant in publicly funded housing programs, can reasonably afford them.

US Department of Housing and Urban Development (HUD)

A federal agency established in 1965, HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination.

Zoning

Zoning is the regulation of the use of real property by local government, and places specific requirements on land including the type of use (e.g., residential, commercial, industrial, mixed-use),

parking requirements, floor area ratio (see definition above) and other size and dimension requirements, and many other site and design considerations.



Welcome to the 2025 Metro Cities Housing Forum

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The slide features a background with geometric shapes in beige, orange, and blue. In the top right corner is the METRO CITIES logo, which includes the text "METRO CITIES" and "Association of Metropolitan Municipalities" below it. A white rectangular box in the center contains the title "Panel 1: Addressing Local Housing Needs" in a blue serif font.

Panel 1: Addressing Local Housing Needs

METRO
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The slide has a white background with a horizontal bar at the top composed of three segments: dark blue, olive green, and dark grey. Below this bar, the title "HOUSING UPDATE" is written in a large, bold, dark blue sans-serif font. Underneath the title, the text "METRO CITIES – OCT. 2, 2025 – JULIE WISCHNACK, FAICP, MINNETONKA COMMUNITY DEVELOPMENT DIRECTOR" is displayed in a smaller, olive green sans-serif font. A large, solid dark blue rectangle occupies the bottom half of the slide.

HOUSING UPDATE

METRO CITIES – OCT. 2, 2025 – JULIE WISCHNACK, FAICP, MINNETONKA COMMUNITY DEVELOPMENT DIRECTOR

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OVERVIEW

- Some of the latest housing work in Minnetonka (Legacy, Homelessness, Manufactured Homes)
- Communication about housing
- Metropolitan Housing Survey – just completed

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MINNETONKA LEGACY HOUSING

- Preserving Naturally Occurring Affordable Housing
- What the city already does to preserve affordability:
 - Indexed Units
 - Homes Within Reach
 - Purchasing Property for redevelopment
- This initiative is to provide residents with various avenues to preserve their homes for future generations.
- The goal is to preserve housing that is affordable to a household earning 50% to 120% AMI, which, for a household of 4 in 2025, would be an annual income ranging between \$66,200 and \$158,900.
- Additionally, the initiative could also provide connections for owners of multi-unit buildings to preserve affordability.

Single Household Options

Keep your home affordable long term and consider selling your home to:

- Habitat for Humanity
tchabitat.org/donate/real-estate
- Twin Cities Land Bank
landbanktwincities.org/about
- Homes within Reach
homeswithinreach.org

Add a restrictive covenant on your property.

- Work with the City of Minnetonka to place a restrictive covenant on your property. Call 952-939-8267 to discuss.



Multi-Unit Options

We can help:

- Provide connections to private, philanthropic and public investors in affordable housing, as well as for-profit and nonprofit developers creating and preserving affordable homes in Minnesota communities.
- Connect you with local organizations that provide equity investments to support the preservation of existing affordable rental housing in the seven-county metro area.



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LEGACY HOUSING – RESEARCH

- Staff explored alternative methods to preserve ownership opportunities nationwide.
 - Many programs for preservation focused on providing funds for repairs. The city already does this.
 - The chart shows programs that instead focused on preserving single-family homes instead of through funding repairs.
- Video from Housing Legacy Program in Boulder, CO
 - <https://vimeo.com/999240194?p=1>

		Program Information
St Louis Park, MN	St. Louis Park Legacy Program	<ul style="list-style-type: none"> For homeowners and rental property owners. An education-based program that provides residents with connections to various entities in affordable housing. During the program, it has directed people to work with HWR.
Edina, MN	Affordable Ownership Preservation Program	<ul style="list-style-type: none"> City purchases property under existing HRA programs, including a partnership with HWR. Houses have to have an assessed value at or below \$425,000.
Golden Valley, MN	Home Ownership Program for Equity (HOPE)	<ul style="list-style-type: none"> Development Focus City-owned property is made available for the development of affordable and equitable homeownership. City utilizes a Public Land Disposition Policy to provide a land write-down as an incentive for development.
Boulder, CO	Housing Legacy Program	<ul style="list-style-type: none"> The homeowner places an interim covenant on the property to restrict the future sale price of the home. A permanent covenant is placed at the time of closing. Home is required to be sold through the Boulder Regional Affordable Homeownership Program. City staff manages the sale of the home to ensure the covenant is enforced.

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LEGACY HOUSING – NEXT STEPS

- Next Steps
 - Create Marketing Plan
 - Update website with information

LEGACY HOUSING

Single Household Options

Keep your home affordable long term and consider selling your home to:

- Habitat for Humanity
- HomeLight.org/affordable-housing
- HomeLight.org/affordable-housing
- HomeLight.org/affordable-housing
- HomeLight.org/affordable-housing

Multi-Unit Options

We can help:

- Provide connections to private, philanthropic and public investors in affordable housing, as well as for-profit and nonprofit developers, creating and preserving affordable homes in Minneapolis communities.
- Connect you with local organizations that provide equity investments to support the preservation of existing affordable rental housing in the seven-county metro area.

Why consider legacy housing?

Property owners may see the following benefits:

- A preservation buyer maintains the seller's legacy
- Current residents have the chance to remain in their homes
- Positive social return of preserving an affordable housing resource
- Streamlined sales process
- Potential tax benefits available, if sold to a nonprofit buyer
- Property is reinvested in for the long term

Preserving Affordable Housing

Affordable housing reduces the housing cost burden for people, allowing them to afford basic needs like quality food and health care. Affordable housing allows people to achieve mobility and greater economic opportunity. As a result, communities thrive, individuals are healthier and children achieve better educational outcomes.

Preserving affordable housing is important because new housing is costly to build.

About Minnetonka Legacy Housing

The city is committed to working with property owners to promote the preservation of affordable housing in the community. Specifically, the city aims to preserve existing affordable housing - residential properties that are affordable but unaffordable by any city or government program.

Legacy housing aims to give homeowners and multi-unit property owners the ability to maintain the affordability of their homes or property for the next generation.

The city has put together some options for homeowners to consider to create new affordable housing and prevent the loss of existing affordable housing.

City of Minnetonka

Community Development Department
952.839.8267

City of Minnetonka

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HOMELESSNESS RESPONSE

- 2022: The city partnered with His House Foundation (HHF) to provide emergency homeless assistance.
- 2023: The Police Department issued a formal policy for homelessness individuals.
 - In addition, staff formed internal Homelessness Workgroup which developed an internal response model and a homeless intake form and dashboard
- 2024: Homelessness Workgroup researched homelessness initiatives, procedures, policies and best practices to support Minnetonka's housing insecure residents.

Residents Assisted by HHF (2022-25)	84 (40 households)
Referral from the Minnetonka Police	18 households
Referral from a Minnetonka School	8 households
Referred to a Shelter	7 households
Referred for Mental Health or Substance Use Assistance	4 households
Provided Direct Coordinated Entry Assistance	5 households



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HOMELESSNESS ENCAMPMENT POLICY

- Minnetonka hasn't experienced encampments but is looking to proactively address homeless situations.
- Minnetonka employs an outreach and resource approach; however, the existing homeless policy does not provide specific language to address camping or homeless encampments on public property.
- Staff has seen more remnants of a few camps in the city
- Staff began researching other cities pursuing various approaches to enforcing regulations on camping and homeless encampments on public property, often centered around anti-camping ordinances or policies.
 - In many cities, enforcement is not the primary method of addressing homelessness.
 - Each of the cities researched agree that homelessness is not a crime.



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OTHER POLICIES - RESEARCH

City	Main Points
Wichita, KS (ordinance)	<ul style="list-style-type: none"> Prohibits camping in or upon any public property or public right-of-way unless a temporary permit has been granted. Enforcement includes: 48 hour notice to vacate property, a violation is a misdemeanor with up to \$200 fine or by imprisonment for no more than 30 days. Person not cited with violation if deemed homeless and no shelter beds are available
San Diego, CA (ordinance)	<ul style="list-style-type: none"> Prohibits camps or encampments in or upon any public property. Provides outreach to those who need it before enforcement begins. Enforcement of violations in specific locations such as city parks, within 2 blocks of schools or a shelter. Abatement procedures for encampment happen 24hrs after notice.
Boulder, CO (ordinance)	<ul style="list-style-type: none"> Prohibits camping within any park, parkway, recreation area, open space or other city property.
Minneapolis, MN (ordinance)	<ul style="list-style-type: none"> Prohibits cars, tents or other temporary structures from being placed/parked on any public street, public or private premises or street in the city and used as a shelter for living purposes. Homeless Response Team provides outreach and assistance for those in a homeless encampment
Saint Paul, MN (city policy) <ul style="list-style-type: none"> Police Policy 423.02 is also used 	<ul style="list-style-type: none"> Establishes a standard procedure for clearing encampments on property being used unlawfully for shelter or temporary residence. Provides guidance to city governmental officials and staff in evaluating and closing areas of public spaces being used by for temporary shelter. Homeless Assistance Response Team provides resources and alternative housing options.
Rochester, MN (ordinance)	<ul style="list-style-type: none"> Prohibit camping in or upon any city land or right away. Violation is a misdemeanor; specific situations for prosecution Prioritization of spaces in the community
Duluth, MN (ordinance)	<ul style="list-style-type: none"> Prohibit camping or establishing a campsite on city property as it is a public health and safety risk. Penalties are included: fine of no more than \$200 and specific situations of prosecution for violations.

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MANUFACTURED AND MODULAR HOMES



- Looking for new ways to build affordable homeownership options on city-owned residential lots.
- Staff visited Excelsior Homes West, Inc. in April 2025 to learn more about manufactured and modular home construction, design and process.
- Staff toured 18 model homes of various sizes, layouts and finishes.
- Including site work, foundation, and the home, a manufactured home could be anywhere between \$200,000 and \$300,000; depending on the size.
- Staff is currently reviewing legal requirements and processes for purchasing a manufactured home.

Tour Photos



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HOMEOWNERSHIP

Pathways to Homeownership

Year	Funding Allocated	Loans Completed	Average Loan Amount
2023	\$300,000 (AHTF)	1	\$16,000
2024	\$200,000 (AHTF)	12	\$35,517
2025	\$100,000 (HRA Levy) and \$300,000 (AHTF)	4 (2 in process)	\$48,167

- Pathways to Homeownership (19 loans)
 - 79% identified as White
 - 16% identified as Black/African American
 - 5% identified as Asian or Pacific Islander
 - All 2025 funds were expended in June. On July 14, the council approved an additional \$200,000 from the AHTF for 2025.
- Welcome to Minnetonka DPA and Minnetonka Home Enhancement (rehab loan)
 - \$283,215 is the current fund balance
 - 25 loans outstanding (15 Welcome to Minnetonka and 10 Minnetonka Home Enhancement)
 - Average Loan amounts
 - Welcome to Minnetonka: \$15,613
 - Minnetonka Home Enhancement: \$13,619

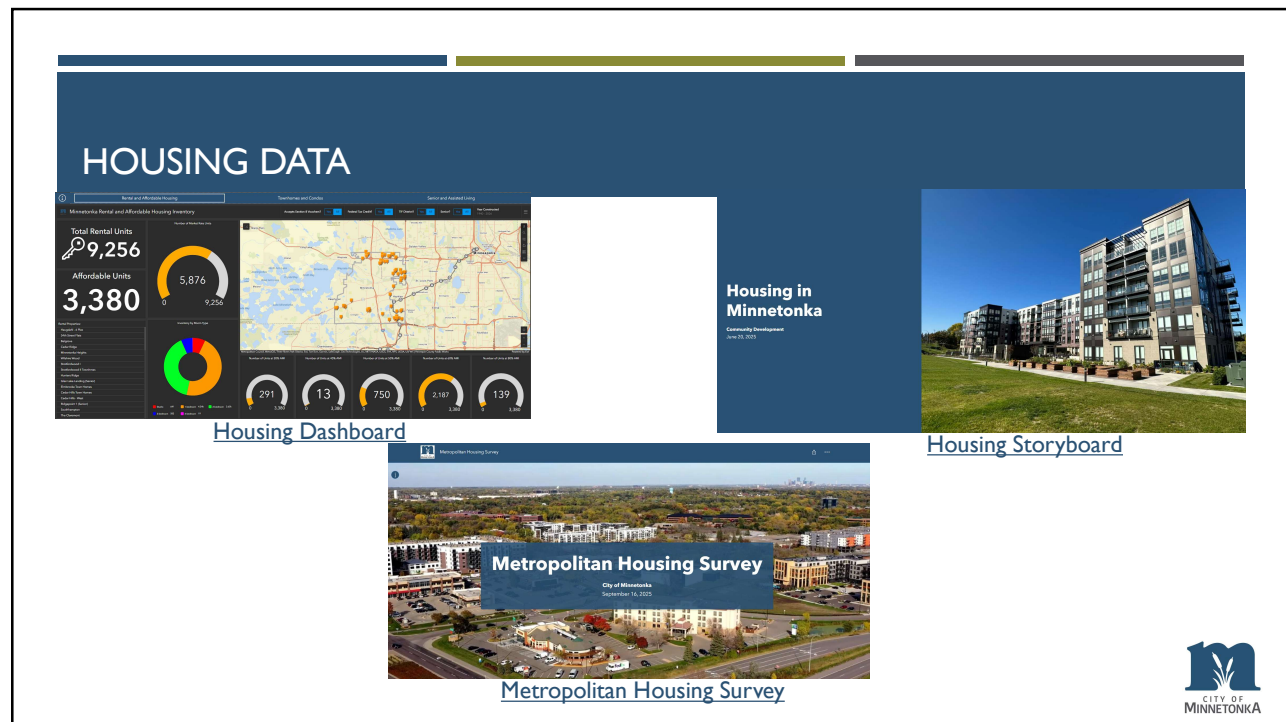
Program	Racial Demographics
Welcome to Minnetonka	50% identified as White; 50% identified as Black/ African American
Minnetonka Home Enhancement	100% identified as White

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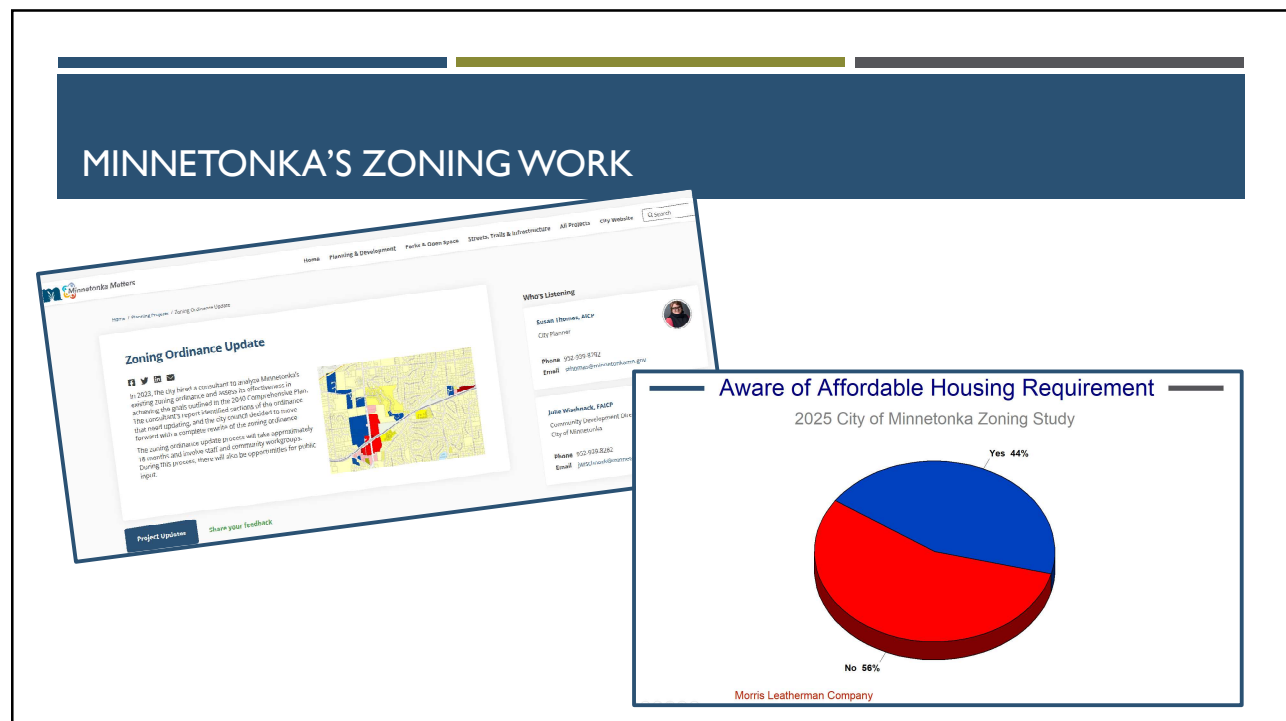
HOUSING PROGRAMS

Program	Fund	Type	2024	2025
Minnetonka Home Enhancement	Housing and Redevelopment Authority (HRA) Levy	Loan	1 loan	0 loans
Welcome to Minnetonka DPA Loan Program	HRA Levy	Loan	3 loans	1 loan
Pathways to Homeownership DPA	Affordable Housing Trust Fund (AHTF)	Loan	12 loans	6 loans
Home Rehabilitation Program	Community Development Block Grant (CDBG) Consortium	Loan	10 loans	1 loan
Rental Registration (new registrations)	-	Program	367 rentals	126 rentals
Homelessness Assistance	AHTF	Program	15 individual	4 individual
Homelessness Response	-	Internal Program	13 individuals	6 individuals
Rental Assistance	AHTF	Program	5 households	0 households
Homes Within Reach	HRA Levy	Program	63 homes	63 homes

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2025 Metro Cities Housing Forum

Eric Searles, Assistant Community Development Director



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Introduction to Policy Tools

- **The City of Woodbury's 2040 Comprehensive Plan outlines a vision for managed, sustainable growth. A key component of this plan is the use of strategic policy tools to achieve specific community goals.**
 - **Three key policy areas and their effectiveness:**
 - **Affordable Housing:** Ensuring housing accessibility for all income levels. Additional affordable density bonuses can be received near transit corridors.
 - **Greenway Corridors:** Preserving natural spaces and providing non-motorized connections.
 - **Sustainable Design:** development deliberately designed to a higher standard to reduce the overall impact of the built environment on human health and the natural environment by efficiently using energy, water and other resources.

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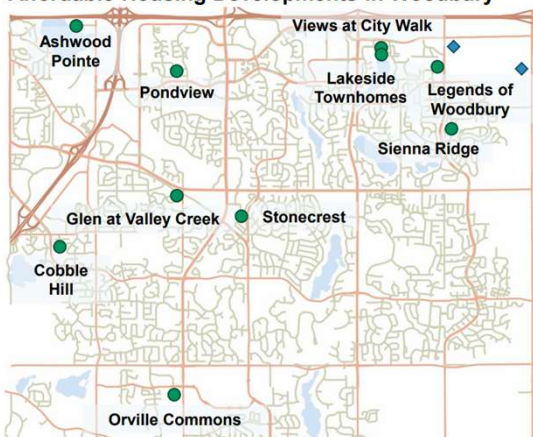
The Density Bonus Policy

- A Density Bonus is a land-use tool that allows developers to exceed the maximum allowed residential density on a site.
- This is a powerful incentive for developers. It's a land-use tool, not a financial subsidy. The ability to build more units per acre can significantly increase a project's net operating income, making the project more financially viable.
- In exchange for this increased density, developers must meet a public benefit requirement.

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Affordable Housing Density Bonus

Affordable Housing Developments in Woodbury

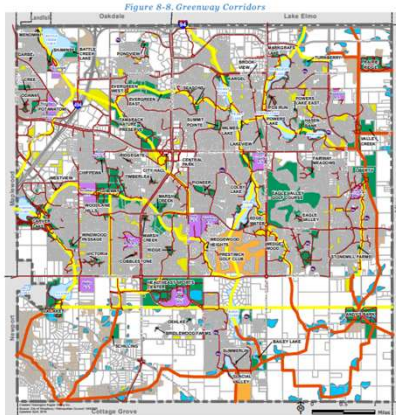


Land Use Category	Base Density Per Comp Plan	Maximum Density Bonus with minimum 20% Affordable Units
Medium Density	4.5 to 8 units/acre	1 unit per acre
Mixed Use/High Density	10 to 15 units/acre	1.5 units per acre

◆ Under Construction Affordable Housing Projects

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Greenway Corridor Density Bonus



Existing Parks, Schools & Open Space
 Parks
 Other City-Owned Property
 Non-City Parks and Open Space
 Private Amenity

Natural Resource Areas
 Natural Resource Inventory
 Future Ponding
 Existing Trails
 Proposed Greenways
 Existing Greenways

Schools
 Woodbury Boundary

The City reserves the right to modify this.

Greenway Dedication	Maximum Density Bonus
Exceeds Required Park Dedication by 50%	0.5 units per acre
Exceeds Required Park Dedication by 100%	1.0 unit per acre

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Sustainable Design Density Bonus



Land Use Category	Maximum Density Bonus
80% of the units meet or exceed LEED or other City-approved rating program	0.5 units per acre

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Project Examples

- **Legends of Woodbury**
- **Orville Commons**
- **The Meadows at Prairie Ridge**

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Legends of Woodbury- 216 unit affordable senior units



Type	Density Bonus	Units Added
Affordable Housing	1.5 units per acre	18 units
Greenway Policy	1.0 unit per acre	12 units

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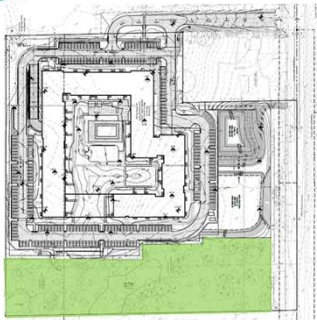
Orville Commons- 211 unit family affordable apartment and 24 affordable townhomes



Type	Density Bonus	Units Added
Affordable Housing	1.5 units per acre	29 units

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The Meadows at Prairie Ridge- 237 unit family affordable apartment



CONCEPT RENDERING 04 - OVERALL VIEW FROM THE SOUTHEAST

Type	Density Bonus	Units Added
Affordable Housing	1.5 units per acre	20
Greenway Policy	1.0 unit per acre	13
Sustainable Development	0.5 units per acre	6

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Density Bonus Cumulative Impact

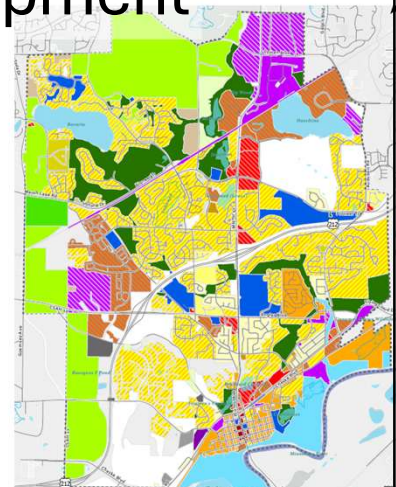
Project	Number of Total Units	Number of Bonus Units
Legends of Woodbury	216 units	30 units
Orville Commons	235 units	29 units
The Meadows at Prairie Ridge	237 units	39 units
TOTAL	688 units	98 units

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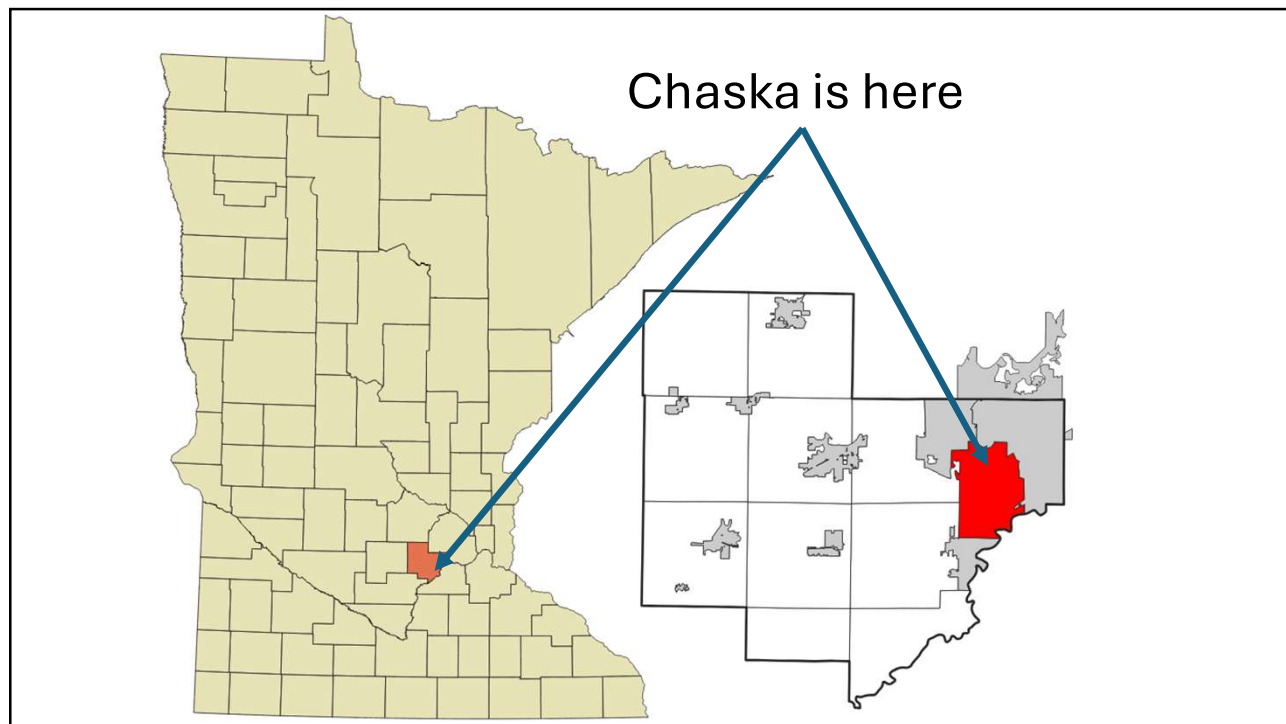
Chaska Zoning Code Update and Chaska Yards Redevelopment



Metro Cities Housing Forum
October 2, 2025



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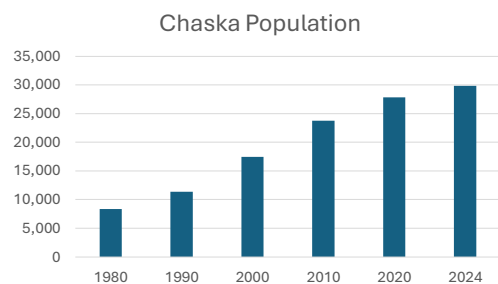
City of Chaska Basics

Founded: 1852

Incorporated: 1891

Total Population: 29,830

Total Households: 11,292



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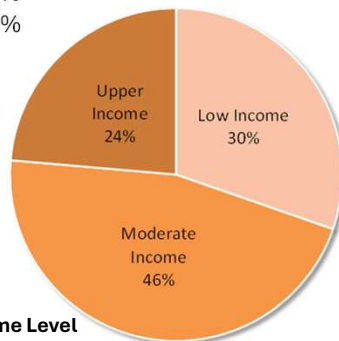
City of Chaska Basics

Housing Units:

- Single-Family Detached: 7,580
- Townhomes: 739
- Duplex: 44
- Multifamily (5+ units): 2,858

Owner-Occupied: ~70%

Renter-Occupied: ~30%



Chaska Housing Mix by Income Level

Source: Maxfield Research, 2024

Chaska Housing Starts by Type

Source: Met Council

Year	Single-Family Detached	Townhomes (Single-Family Attached)	Multifamily (5+ units)	Total New Units
2020	105	8	-	113
2021	182	44	-	226
2022	151	24	175	350
2023	206	-	491	697
2024	175	-	-	175
Total	819	76	666	1,561

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Zoning Code Update – Why?

1. Zoning code written in 1970's, only added to since
2. Disconnect between PUD's and base districts
3. Awarding variances within PUD's
4. Lots of confusion

Update Goals

1. Streamline
2. Continue practice of flexibility and creativity
 - Functional PUD's and relevant base districts
3. Reduce variances

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Zoning Code Update – Audit

High Level Findings

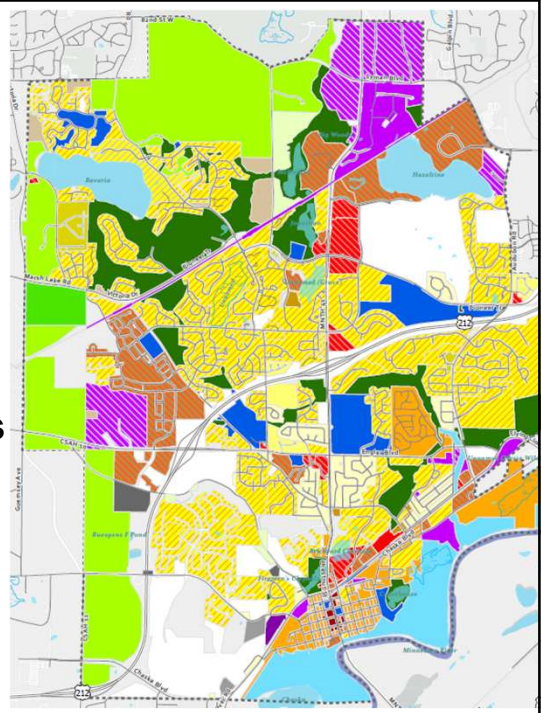
- **Planned Development Districts** – update to reduce restrictions and increase flexibility
- **Comprehensive Plan** - align zoning districts, base and PDD, with the Comp Plan
- **Base Districts** – outdated districts (intents, uses, standards) need updating to be usable and support flexible PDDs
- **Subdivision Regulations** – outdated regulations do not reflect best practices and support contemporary development practices
- **Development Procedures** – consolidate into one place and streamline complex procedures
- **General Development Standards (Special Regulations)** – updates based on State Statutes, model ordinances, and best practices, e.g. parking, landscaping, signs, shoreland
- **Code Reorganization** – improve the code’s usability, e.g. reorganize related standards and procedures in one location, create tables for uses and dimensional standards

Audit completed by HKGI

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Project Scope

- Understand **base districts** and comp plan land use categories
- Update **special regulations**
- Update **subdivision** regulations
- Update **planned development districts**
- Finalize and adopt code amendments



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Residential Land Uses

Comprehensive Plan Land Use Descriptions

Residential Land Use Categories	Descriptions / Housing Types
Low Density Residential	Single-family detached, single-family attached, mid-rise multi-family
Medium Density Residential	Single-family attached, mid-rise multi-family, manufactured home parks
High Density Residential	Multi-family
Mixed Residential	All housing types
<i>Downtown Mixed Use</i>	<i>All housing types</i>

Base Zoning Districts

Residential Zoning Districts	Permitted Uses	Conditional Uses
R1	Single-family detached	Two-family
R1A	Single-family detached	Two-family
R1B	Single-family detached	
R2	Single-family detached	Two-family, multi-family (no more than two stories and no more than eight units)
R3	Multi-family	

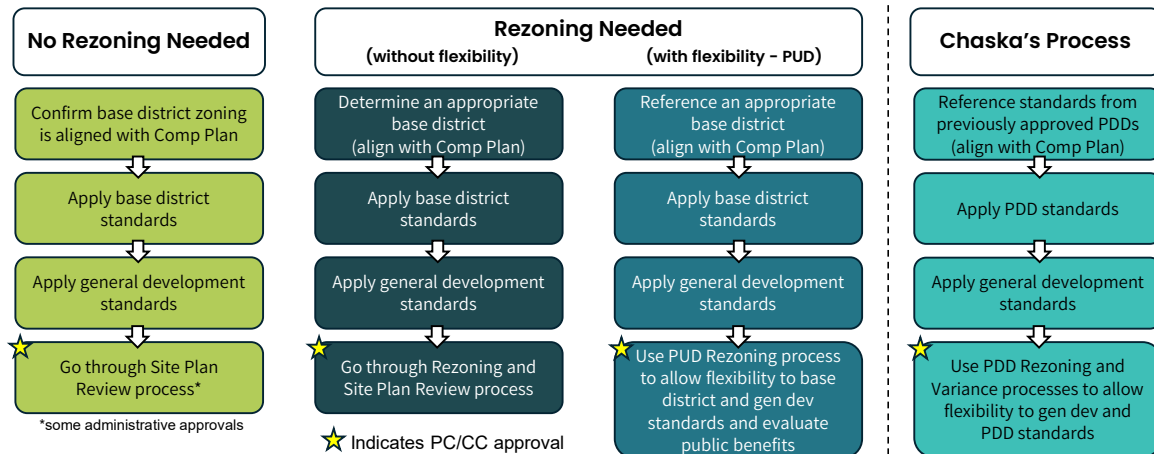
35

Overlapping Standards

Code Standard	Where the standard is found in the Zoning Code:		
	Base Districts	General Development Standards	Planned Development Districts
Allowed uses	X		X
Lot area / width / depth	X		
Area per dwelling unit	X		
Density	X		X
Building setbacks / spacing between	X	X	X
Building height	X		
Building coverage	X		X
FAR	X		X
Open space	X	X	X
Parking		X	
Landscaping		X	X
Building design		X	X
Fences		X	
Outdoor lighting		X	
Stormwater		X	

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Best Practices – Development Approaches



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Proposed Updates to PUDs

As directed by the City Council and Planning Commission jointly

- Clarified focus on PUDs providing a public benefit in exchange for flexibility
- Existing PUD numerical standards will be relocated to the base districts
- Proposed revisions to base districts:
 - Consolidate low density residential districts,
 - Refine the medium density residential district
 - Add a Business Park district
 - Move standards and uses to table format
- Revisions to prioritized Special Regulation sections

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Public Benefit – New PUDs

Public Benefits from a PUD

- Advancement of goals from the Comprehensive Plan or other adopted plans/policies
- Provision of long-term affordable housing above what is otherwise required
- Greater preservation of existing natural resources, in number or quality, than would otherwise be provided under non-PUD development
- Greater energy conservation than would otherwise be achieved under non-PUD development
- Inclusion of innovative stormwater management techniques beyond what is required by the City or watershed district
- Incorporation of elements that support public transit or other alternative modes of transportation
- Enhanced placemaking through the inclusion of visible and accessible public art
- Others public benefits proposed for consideration by the applicant and recognized by the City

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Residential Zoning Districts

Current Base Zoning Districts

Residential Zoning Districts	Permitted Uses	Conditional Uses
R1	Single-family detached	Two-family
R1A	Single-family detached	Two-family
R1B	Single-family detached	
R2	Single-family detached	Two-family, multi-family (no more than two stories and no more than eight units)
R3	Multi-family	

Potential Base Zoning Districts

Residential Zoning Districts	Permitted Uses	Conditional Uses
R1-L	Single unit detached	Two unit, manufactured home park
R1-S	Single unit detached	Two unit, manufactured home park
R2	Single unit detached, duplex/twinhome, townhome/rowhouse, apartment	Manufactured home park
R3	Townhouse/rowhouse, apartment	Manufactured home park

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Special Regulations

Zoning Audit Findings

- Special Regulations article today → catch-all area with 29 sections that are not necessarily related to each other
- Best practices → group together general development standards that apply to all or most zoning districts
 - Parking, landscaping, screening / fences, exterior lighting, building design, stormwater management / erosion control
- Relocate remaining sections → a new Use Specific Standards article
 - existing articles of the zoning code

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Special Regulations

Current Issues

- Exterior Materials and Building Design – updates to modernize lists of building materials in terms of technology
- Usable Open Space – resolve overlapping and conflicting standards
- Off-Street Parking and Loading – update parking standards for multifamily, commercial, and industrial uses
- Landscaping – adjust application of standards to better scale for building size instead of lot/site size
- Additional Setbacks – reduce the number and complexity of setbacks current spread throughout the code

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Subdivision Ordinance

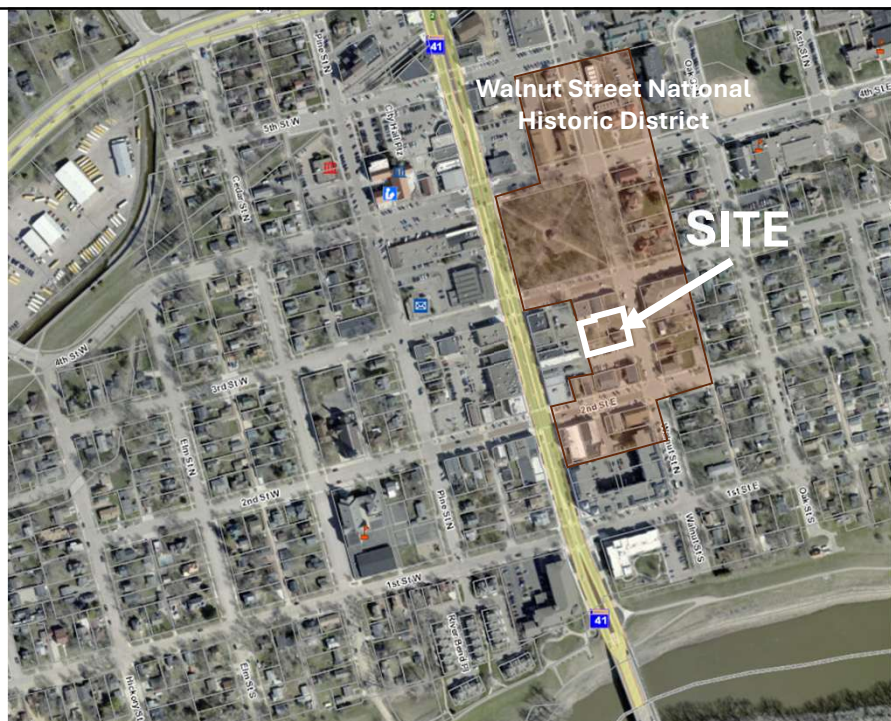
1. General reorganization to make the code more user friendly and easier to follow
2. Revised language for clarity and simplicity
3. Moved application requirements outside of the code and into an Application Manual on the Department website – provides more flexibility to modify over time and reduces the length of the code
4. Introduced the Administrative Adjustment option – allows staff to approve a lot line adjustment that does not increase the number of parcels, but modifies the line between them, without going to the City Council
5. Clarified the procedures for approving a Minor Subdivision
6. Added language to reference Minn. Statute with respect to easement vacations
7. Updated the considerations for Public Land (Park) Dedication and/or cash in lieu of land

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Chaska Yards

Basic Info

- 4 owner-occupied units
- Supported by Carver County Land Trust
- Within the Walnut Street National Historic District
- Restored a locally designated historic home



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Chaska Yards

Key Date – 1880's

- Ess House built in 1886
- Location of the homes of Joseph Ess and family
- Owned and operated a foundry which supported Chaska's brick making industry



An 1890's view of Walnut Street across from the Ess Foundry. At the right are two of the three houses once occupied by the Joseph Ess family. The newest, on the far right was built in 1883. Both houses are still owned by the Ess family.

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Chaska Yards

July 2015

- City of Chaska is building Firemen's Park and Curling Center.
- The historic Ernst House is moved from the park to 211 Walnut Street.
- It is now a contributing structure to the Walnut Street National Historic District.
- The home was:
 - Built in 1884
 - Use by:
 - Foreman of the brickyards
 - Gene Ernst, Landscape Architect, who designed many areas of Chaska.



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Chaska Yards

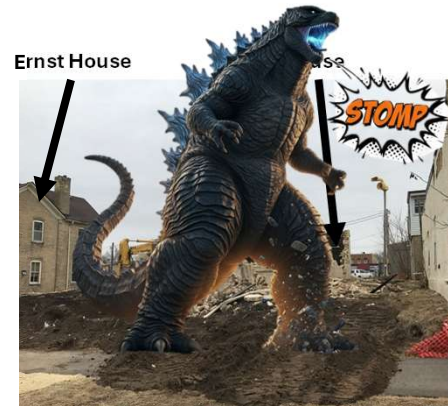


2015

- A basement dwelling iguana's heat lamp causes a fire.

2017

- The historic home, with SHPO's permission, is torn down.



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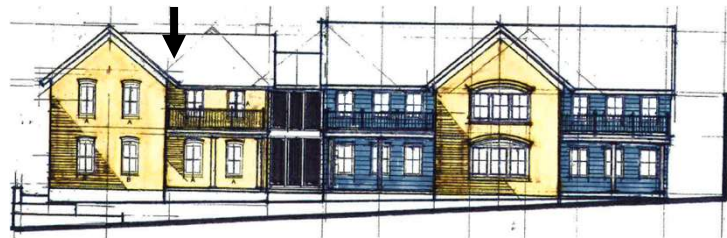
Chaska Yards

2018

- City of Chaska puts up a for sale sign



Ernst House



We thought it could maybe look like this

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Chaska Yards

2020

- Chaska enters into an LOI with the Carver County CDA to redevelop the site

2023

- Project receives final approval



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Chaska Yards

2025

- The build is complete
- Designed by MacDonald & Mac Architects
 - Todd Grover, Lead
- Built by DDK Construction
 - Nate Holasek, Job Superintendent



Unit Summary

- Income of 80% AMI or less
- New Homes:
 - \$250,000
 - 3 BR, 2.5 BA
 - 1,730 SF
- Ernst House:
 - \$300,000
 - 4 BR, 3 BA
 - 2,750 SF

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Chaska Yards - Tools

Financing

- Down Payment Assistance utilizing 4d tax program
- Land trust ensures long-term affordability

Project Sources

First Mortgages/Buyer Equity	\$1,040,000
Closing Cost Assistance	\$14,000
MHFA Impact Fund - New Construction (3)	\$339,210
MHFA Impact Fund - Ernst House (1)	\$100,000
Met Council LHIA	\$189,000
City of Chaska - Housing Trust Funds (LAHA)	\$500,000
Carver County CDA	\$625,000
Energy Rebates	\$7,500
Other	\$484,703
Total Permanent Financing	\$3,299,413

Planning

- Land Use: Downtown Mixed Use
- Zoning: PUD
- Additional Flexibility:
 - Setback Variance
 - Multiple shared access easements

Relationships:

- SHPO
- Carver County CDA
- DDK Construction
- Iguana



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Metro Cities Housing Forum

Overview of Housing City of Hugo

Thursday, October 2, 2025



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City of Hugo

- Northeast Suburb – Washington County
- Population: 17,354
- Growing steadily since 2000. Population: 6,588
- 36 square miles
- 63% SF 37% MF 137 Manufactured homes
- 4 School Districts



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Housing Development

- Zoning regulations
- History of flexibility for housing development
 - Reduced lot size, setbacks, etc.
 - Comp plan amendments for high density housing
- Planned Unit Developments
 - Transfer of density
- Mixed-Use land use allowed up to 60 units/acre



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What we are seeing...

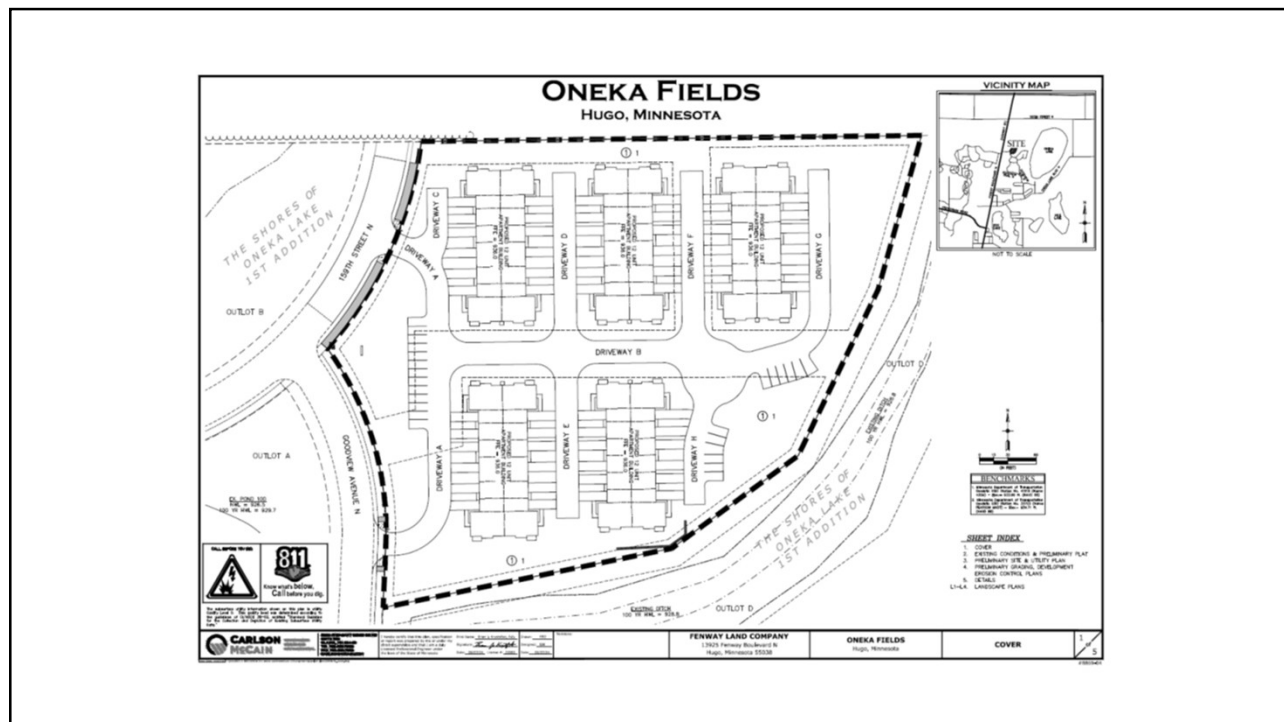
- Rental Townhomes – Missing Middle Housing
- Some interest in larger apartment projects
- Requests for reduced setbacks and lot sizes
- Areas guided as Medium Density Residential (3 to 8 units/acre)
 - Developers want to do a lower density single-family project, so not capitalizing on the allowed density
 - Some have changed twin home lots to detached single family lots
- Residents that have small lots want added amenities
- Although we have approved very small lots, it does not make the homes more affordable
- Hugo allows twin homes in single family zoning and ADU's
 - This is not being proposed



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Challenges

- When we talk about making changes to the zoning code there are some challenges.
- Hugo can be (and has been) as flexible as it wants and has not added much diversity in housing prices.
 - We have single family homes, villas, cottages, bungalows, ramblers, etc.....but all cost around the same.
 - Sometimes the homes on the small lots cost more.
- Small lots can be affordable, if smaller houses are actually built.
 - Commit to a maximum house size or price?
- Hugo has not been approached by developers who want to build smaller more affordable homes.



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Revisions to Zoning Regulations

- Policy Development Grant – Met Council
- Analysis of existing regulations
- Goal: to reduce regulatory barriers, but continue good planning
- Adding residential zoning districts
- Allowing small lots and reduced setbacks - by right
- Flexibility in zoning districts – More housing options
- Incentivizing missing middle projects
 - Smaller rental townhome projects
 - Reduced requirements
 - Density bonuses
 - Allowing them by right in commercial districts



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City of St. Louis Park

Inclusionary housing policy and zoning code reforms

Sean Walther, AICP

Deputy Community Development Director/Planning Mgr.



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Inclusionary housing policy

Applies to developments requesting:

- **City financial assistance**
- **PUD with 10+ housing units**
- **Rental and ownership**

Requires at least:

- **20% affordable at 60% AMI; or**
- **10% affordable at 50% AMI; or**
- **5% affordable at 30% AMI**

Affordability period: 26 years min.



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Inclusionary housing policy

- Other requirements:
 - Similar in size and finish to market rate units
 - Dispersed throughout the building
 - 1 for 1 replacement of NOAH units
 - Payment-in-lieu for ownership units
 - Parking
 - Family-sized units
 - Must accept housing vouchers
- Flexibility for council to vary



St. Louis Park
MINNESOTA

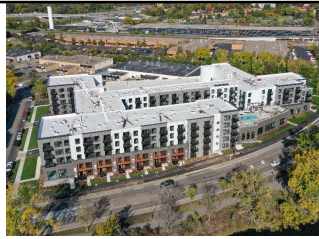
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Inclusionary housing policy



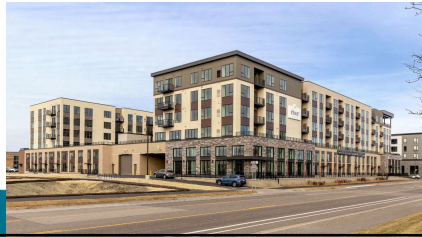
St. Louis Park
MINNESOTA

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Opened 2024: mixed-income residential

- Corsa
- Risor
- Mera
- Caraway West End
- Zelia on Seven



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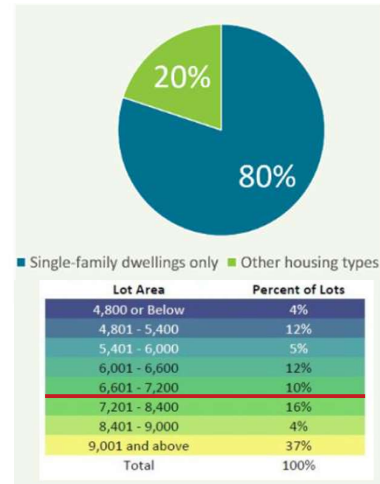
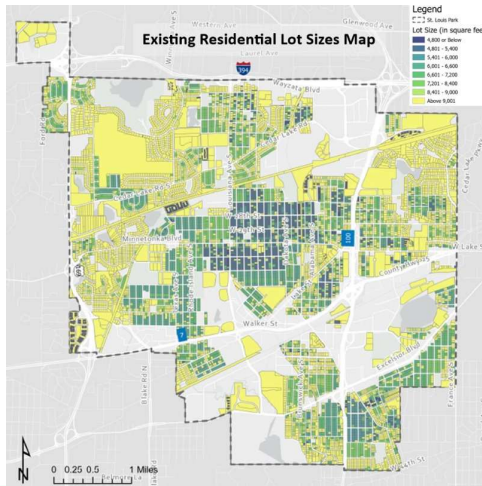
Opened 2024: all-affordable residential

- Arbor Court
- Rise on 7
- Union Park Flats



68

Expanding housing options in zoning



St. Louis Park
MINNESOTA

69

Expanding housing options in zoning



St. Louis Park
MINNESOTA

70

Expanding housing options in zoning

Current Residential Districts	Proposed Neighborhood Districts	Allowed Uses				
R-1 single-family residence	N-1 neighborhood					
R-2 single-family residence	N-2 neighborhood					
R-3 two-family residence	N-3 neighborhood					
R-4 multiple-family residence	N-4 neighborhood					
R-C high-density multiple-family residence	N-4 neighborhood					

Allowed Uses		N-1	N-2	N-3	N-4
House scale	- Single-unit dwelling	✓	✓		
	- Courtyard cottages/ bungalows, detached	✓	✓		
	- Two-unit dwelling (duplex)	✓	✓		
	- Attached two-unit dwelling (twinhome)	✓	✓		
	- Three-unit dwelling	✓	✓		
Low-rise scale		N-1	N-2	N-3	N-4
Four-unit dwelling	- Four-unit dwelling		✓	✓	
	- Small townhouse building (up to 4 units per building)		✓	✓	
	- Low-rise apartment building (up to 3 stories)		✓	✓	
Mid-rise scale		N-1	N-2	N-3	N-4
Large townhouse building (up to 8 units per building)	- Large townhouse building (up to 8 units per building)			✓	✓
	- Mid-rise apartment building (up to 6 stories)			✓	✓
High-rise scale		N-1	N-2	N-3	N-4
High-rise apartment building (7 or more stories)	- High-rise apartment building (7 or more stories)				✓

71

Expanding housing options in zoning

Low-rise housing scale:

- N-2 district expanded, rezoned 64 acres.
- This corresponds to the medium density, 18-30 units/acre.
- Along main transportation corridors.
- Surrounding neighborhood commercial nodes.



72

Community engagement



Three Surveys

1,000+ visits



15 posts

1,153+ people interacted with



Eight open houses



Three articles



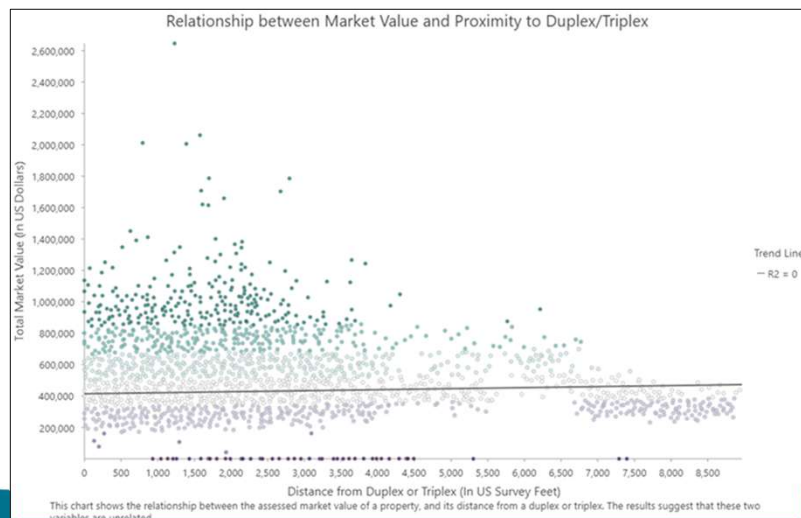
Over 9,000 subscribers

73

Community engagement

Comments received – property values

No correlation between property values and proximity to 2 or 3-unit housing



74

Community engagement

Comments received – visual impact

Two and three-unit dwellings abide by the same dimensional requirements as are permitted for single-unit dwellings.



75

minneapolis | 2040

Zoning Reform in Minneapolis

Meg McMahan, Planning Director
City of Minneapolis
Community Planning and Economic Development



76

minneapolis | 2040

Eliminating Single-Family Zoning

Minneapolis 2040

Policy 1—Access to Housing: Increase the supply of housing and its diversity of locations and types.

Action step e. In neighborhood interiors farthest from downtown that today contain primarily single-family homes, achieve greater housing supply and diversity by allowing small-scale residential structures with up to three dwelling units on an individual lot.



77

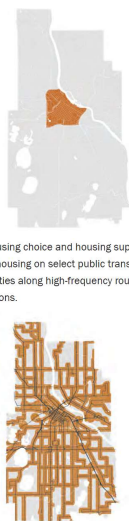
minneapolis | 2040

• Increase housing choice and supply by allowing the highest-density housing in and near Downtown.



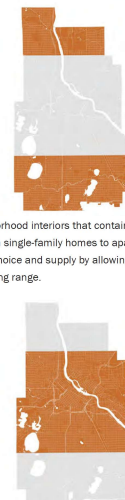
Substantial

• Increase housing choice and housing supply by allowing multifamily housing on select public transit routes, with higher densities along high-frequency routes and near METRO stations.



Incremental

• In neighborhood interiors farthest from downtown that today contain primarily single-family homes, increase housing choice and supply by allowing up to three dwelling units on an individual lot.



• In neighborhood interiors that contain a mix of housing types from single-family homes to apartments, increase housing choice and supply by allowing new housing within that existing range.

78

Code Adoption Process

Multi-year Work Plan

- Phased approach
- In-house team
- Public engagement



- 2020**
- Comp plan in effect
 - Inclusionary zoning in effect
 - Eliminated single family exclusive zoning

- 2021**
- New built form regulations and districts
 - Parking and travel demand management regulations

- 2023**
- New zoning code and primary zoning districts

79

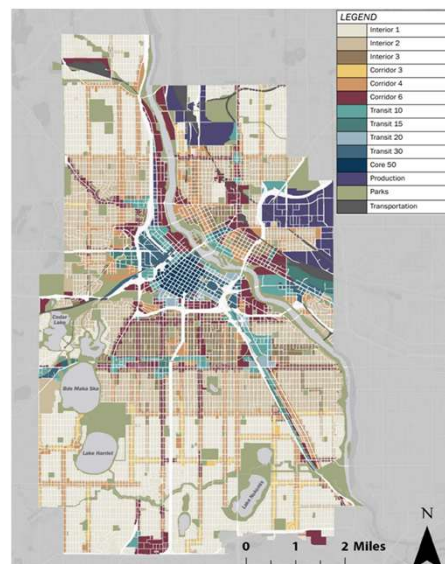
Built Form Regulations

14 districts guide building scale

Built Form District	Floor Area Ratio
Interior 1	0.5 (for 1-3 units)
Interior 2	0.5 (for 1-3 units) 0.8 (4+ units)
Interior 3	0.5 (single-family) 0.6 (duplex) 0.7 (triplex) 1.4 (4+ units)

Height:

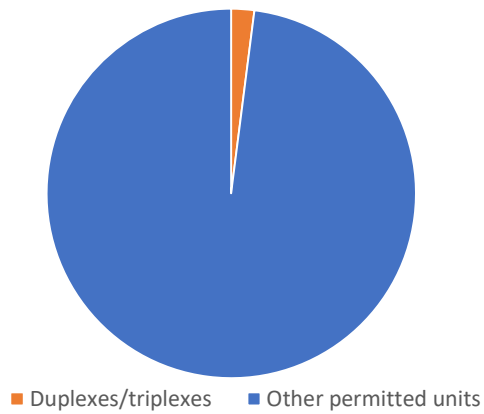
Interior 1 & 2: 2.5 stories, generally.
All other built form districts, district name refers to the as-of-right height (e.g., Transit 15 = 15 stories by right).



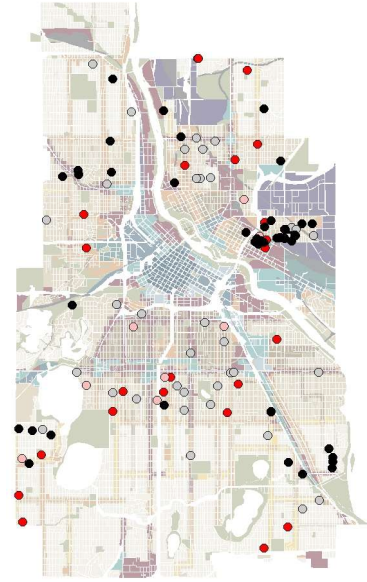
80

Eliminating Single-Family Exclusive Zoning

Dwelling Units Permitted 2020-2023

2020-2023
Duplex and Triplex Construction

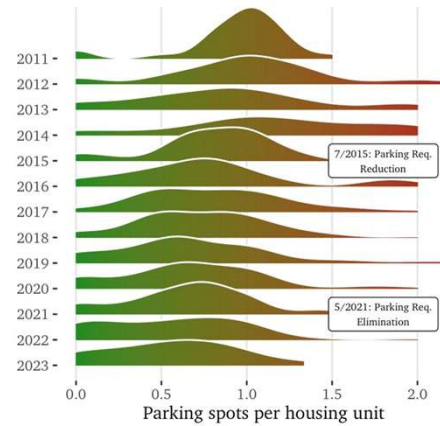
- Duplex Conversion
- New Duplex
- New Triplex
- Triplex Conversion



81

Parking reform has been critical to expanding housing options in Minneapolis

Minneapolis is building less parking
Annual density distributions of building parking ratios



Graph by Zak Yudhishtu
Data from Minneapolis Planning Commission
Collected by Alex Schieferdecker, updated July 2023

82



- 12 units.
- No automobile parking
- Replaced a single-family home
- Former zoning would have allowed no more than a duplex

83

Before



After



84



- 23 units. No automobile parking
- Replaced a single-family home
- Former zoning would have allowed no more than single-family home
- Not without controversy
- Block was later downzoned

85

- Yes, it's still a challenge to build triplexes in Minneapolis Interior 1 and Interior 2.
- Missing middle is difficult even without zoning barriers.
 - But perhaps it's more resilient?
- The building code continues to pose challenges. That's true for new construction and conversions.
 - Some 3-6 unit buildings have been built under the IRC as townhomes rather than under the IBC.
- Parking reform is critical.
- Streamlining processes and making more decisions administrative is critical.
- It's not only about creating more affordable housing. It's about creating more housing at all income levels in more places



86



Questions?



Panel 2: Homeowner Associations (HOAs): Functions and City Nexus

1

Patrick Hynes, Community
Associations Institute, MN Chapter

2



3



HOUSING IMPROVEMENT AREAS

Minnesota Statutes Chapter 428A grants cities the authority to create Housing Improvement Areas (HIA).

- A Housing Improvement Area (HIA) is a defined area in a city in which housing improvements to common element areas in condominium, townhome complexes, or manufactured home parks.
- Within an HIA, the City/HRA/EDA has the authority to finance housing improvements through bonds or available city funding and collect the payments for the improvements in a similar manner to a special assessment (Housing Improvement Fee).
- Consideration of an HIA must come from a petition of the owners of at least 60 percent of the housing units where the HIA fee would be imposed. If the city approves a HIA, and if more than 45 percent of the owners file an objection after the approval, then the HIA is not effective.
- A city may choose to establish its own criteria that are more restrictive than the statutory requirements.

4



ELIGIBLE USES OF HIA FINANCING

- Promote neighborhood stabilization or remove blight, improve housing stock
- Correct code violations or meet compliance (roof, siding, decks, etc.)
 - Aesthetic purposes are ineligible
- To maintain FHA mortgage eligibility
- Prevent loss of tax base
- Stabilize or increase homeownership opportunities
- Meet other areas of public policy (energy conservation, preservation of affordable housing, etc.)



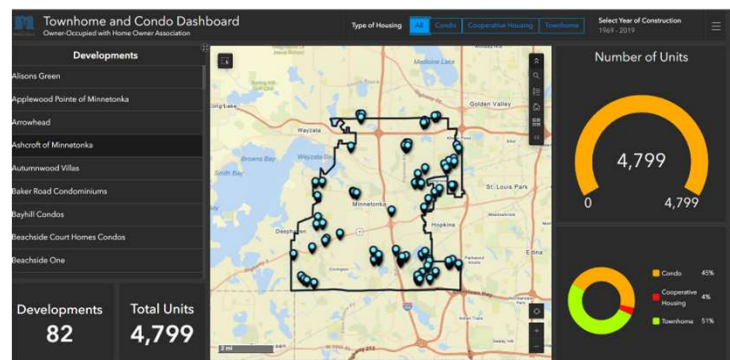
Chasewood Villas – Sept. 2025

5



EVALUATION CRITERIA

- Does the project meet the But For Test?
 - Must provide evidence that other financing options are not available.
- Must show action toward the cost of future improvements
 - Not intended to provide 100% of the funding for the long-term replacement schedule.
- Emphasis on improvements needed for life, safety, or regulatory compliance.
- Other criteria related to city policies, comp plan, etc.



6



CLOUD 9 – 5601 SMETANA DR

2004 – Rezoned from office to 164 condos

- 34 units indexed at \$193,700 or less
- 16 units indexed at \$170,000 or less

2011 – Hired Encompass Engineering

- Assess the curtain wall (water leakage through windows deteriorated curtain wall window systems), HVAC.

2015 – Applied for HIA with Minnetonka

- Obtained petitions from 71% of homeowners (117 or 164)

2017 – City approves establishment of HIA

2019 – Project Completed



Cloud 9 Condominiums

7



PROJECT SUMMARY

Project	Work to be done	Initial estimated project costs	Final project costs
Curtain Wall Repairs	Curtain wall repairs, perimeter seal repairs, window replacement	\$2,110,000	\$2,000,548
HVAC Repairs	Ductwork damper repairs/improvements, system balancing	\$100,000	\$1,700
Elevator Upgrades	4 elevators in need of upgrades	\$925,000	\$845,387
Related Costs	Engineering fees, construction, contingency	\$435,700	\$56,887
Other Costs	HIA Consultant, Construction Financing, Fees	\$359,300	\$377,776
		\$3,930,000	\$3,282,300

8



CLOUD 9 – 5601 SMETANA DR

Example Unit	Owner Share of Association	2016 association monthly dues	Projected 20 years term monthly dues**	Total projected monthly fee
318	.3472	\$181	\$98	\$279
101	.5783	\$302	\$163	\$465
109	.6784	\$354	\$191	\$545
213	.7892	\$412	\$222	\$634

- Project \$647,000 under budget (Cost reduction to homeowners \$2-6K)
- Interest rate of 3.35% at bond issuance
 - Payments over 20 year term
- Prepayments were allowed prior to bond issuance
 - Refunds issued at completion



Cloud 9 Condominiums

9



BENEFITS AND CHALLENGES

Benefits

- Housing is preserved
- Property brought up to code
- Last resort financing

Challenges

- Buy-in from residents can be difficult
- The process can be long and confusing for residents
- The required notification process is inflexible and time-consuming
- Little “wiggle room” for changes to scope once initiated

10



Alisha Gray, EDP, Economic Development and Housing Manager
Agray@minnetonkamn.gov
952-939-8285

[Minnetonka Housing Improvement Area Policy](#)

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Homeowners Associations (HOAs)

October 2, 2025
Metro Cities Event

BLOOMINGTON.

tomorrow.together.

Kim Berggren
Director of Community Development
M: 612-400-5711
kberggren@bloomingtonmn.gov

12

Overview

- HOA State Working Group
- HOAs in Bloomington
- Case Study



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HOA State Working Group

- Purpose: “To study the prevalence and impact of CICs and HOAs in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing”
 - Minnesota Laws 2024, Chapter 127, Article 15, Section 48
- Members: elected officials, various HOA and housing organizational reps; attorneys; government reps; community reps
- Sept 2024 to Feb 2025
- <https://www.lcc.mn.gov/cichoa/meetings.html>

Members:

Rep Bahner – Chair
 Senator Lucero
 Rep Mekeland
 Senator Pha
 Roxanne Kimball
 Shaun Zavadsky
 JoAnn Borden
 Colleen Daly
 Emily Green
 Matthew Anderson
 Phaedra Howard
 Kim Berggren
 Tal Anderson
 Carin Mrotz
 Joel Hanson
 Joe Nemo
 Denise Butler
 Jonathan Murray
 Becky Cole
 Ivory Taylor



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14

Final Report: 8 Issues / recommendations

1. Governance
2. Financial interests
3. Dispute resolution
4. Registration and licensing; education and training
5. Assessments; documents
6. Foreclosure
7. Municipalities
8. Civil rights / disabilities

<https://www.lcc.mn.gov/cichoa/Final-CIC-HOA-Report.pdf>



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15

Issue 7: Municipalities

- 7.01 Make HIA-type loans available to all HOAs.
 - Require all cities or state entity to offer HIA loans as an option (recognizing that currently, some cities do not).
 - Eliminate the "sunset" scheduled to terminate on 6/30/28 so this option continues to be available (421A.21).
- 7.02 Ensure elimination of "double taxation" (taxes + HOA dues)
- 7.03 HIA should allow for a payoff of the loan before the end of the term (at the time of the loan or over time), if the homeowner so desires, if it does not add cost to the municipality.
- 7.04 Prohibit municipalities from requiring common elements that would necessitate the creation of an HOA. Require cities to maintain public infrastructure as a responsibility of collecting property taxes.



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Common Interest Community Ombudsperson

- Will be appointed by the commissioner of the department of commerce, starting Jan 2026 (Minn. Stat. 45.0137).
- Created to help facilitate disputes between homeowners and HOAs
 - Assist homeowners, tenants, and associations in better understanding their rights under Minnesota law and the CIC's governing documents
 - Maintain a website with information and resources in plain language
 - Provide informal mediation services
 - cannot assist with complaints that are pending in a judicial or administrative proceeding or in arbitration
 - Compile and analyze complaints received to identify issues and trends, issue reports and recommendations to the legislature

<https://www.revisor.mn.gov/laws/2025/1/Session+Law/Chapter/4/>



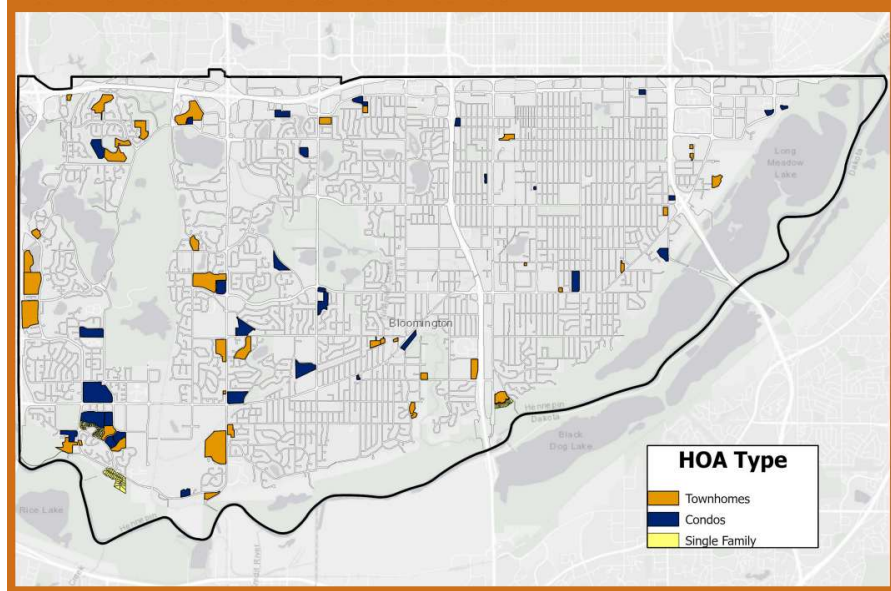
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Bloomington's HOA Study

- 13% of Housing Units are in HOAs (5,681 of 42,705 total housing units)
- Median year built 1982
- Fees \$300-1,000 per month
- <https://www.bloomingtonmn.gov/hraresources>
- <https://www.bloomingtonmn.gov/sites/default/files/2025-06/HOA%20Study%20Report.pdf>

FIGURE 1.2. LOCATIONS OF HOMEOWNERS ASSOCIATIONS IN BLOOMINGTON.

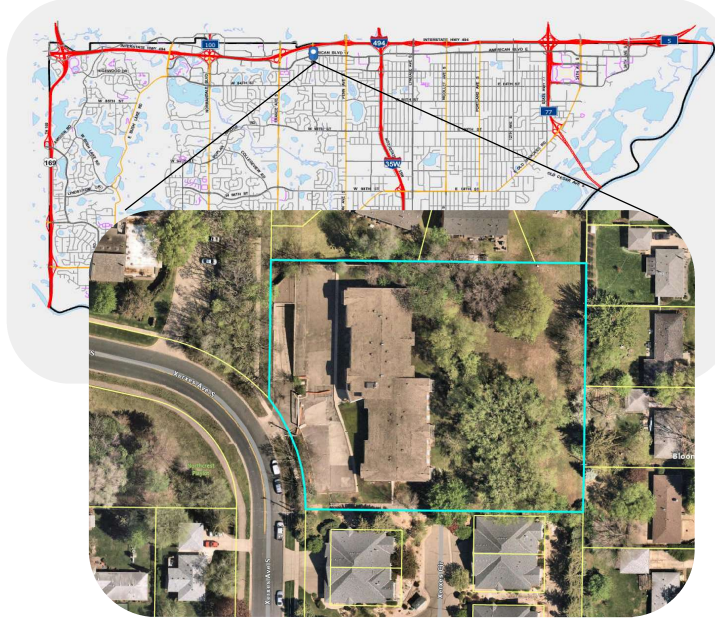


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Heights Condos

- 30-unit condominium
- Built in 1972
- Severe lack of maintenance
 - Condemned parking structure and balconies
- Sought funding for 7 years
- Owner / leadership turnover



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Heights Condominium Association

\$3.8M Housing Improvement Area (HIA) loan

- Source of cash for loan:
 - City issued GO bonds
 - HRA levy (interfund loan)
- Source of funds for repayment of loan:
 - HIA fees paid by 30 owners
 - New Tax Increment Financing (TIF) district
 - Local Affordable Housing Aid (LAHA)*
- Security: property tax assessment

*LAHA:

Income-qualified owners could apply for an affordability forgivable loan, which reduced their HIA fee amount



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20

Heights Condos – Take aways

- Controversial due to scale of deferred maintenance and rehab needed
- HIA loans = valuable and essential tool to preserve affordable housing; last option
- As time passes, costs go up
 - HIA loan approved in December 2024; City/HRA added \$350K in fall 2025
- Cities have limited options in extreme situations
 - Loan funds for rehab or revoke certificate of occupancy?



Exterior wall of parking structure with flowing water



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21

Brooklyn Park 

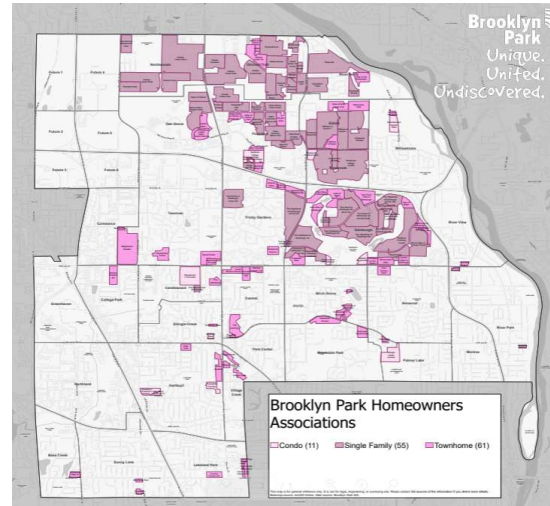
Homeowners' Associations (HOAs) in Brooklyn Park

John Kinara, Housing and Redevelopment Coordinator

22

Brooklyn Park HOAs Overview

- Homeowner Association (HOA): an organization in a subdivision, planned community, or condominium building that makes and enforces rules for the properties and residents.
 - 11 condo associations
 - 55 single family associations
 - 61 townhome associations
 - 127 HOAs in total
- Approximately 40% of Brooklyn Park housing units are within an HOA
- City ordinances and laws will affect how the HOA operates.
- For instance, the city requires rental licenses and regulates times for events.



23

HOA Laws in Minnesota

- The Minnesota Common Interest Ownership Act governs HOAs and other Common Interest Communities.
 - According to Attorney General's Office, HOA boards are expected to "preserve, enhance, and protect the HOA's value."
 - Boards are elected by, and accountable to, all unit owners within the defined geographic boundaries of the HOA.
 - Unit owners are billed for their portion of an association's upkeep
 - Including for landscaping and common area maintenance
 - Unpaid assessments can lead to interest and late charges, collection costs, or attorney's fees, and can turn into liens on an owner's unit.
 - Associations are allowed to pursue personal judgements or a foreclosure and potential repossession of the housing unit to pay for the liens due.

24

How does the City interact with HOAs?

- Semi-annual HOA workshops for both board members and homeowners
- Collecting HOA board member contact information
- Answering resident questions and sharing information
- Providing welcome bags to share with new neighbors in HOAs
- Funding community building activities with the Neighborhood Activity Fund
- Providing Housing Improvement (HIA) Loans
- Organizing crime prevention meetings to offer tips and address concerns
- Free use of conference rooms at city-owned facilities
- Environmental Health- staff enforce City code; Covenants and bylaws are enforced by association or management company

25

Brooklyn Park HOA Workshops Focus

- What is a homeowner association?
- How is a homeowner association formed?
- What are CIC types of Common Interest Communities
- Governing documents, hierarchy, conflicts, differences
- General HOA Governance and MCIOA - Minnesota Common Interest Ownership Act
- Board of directors
- Fiduciary duties of the board
- What is given during the board transition?
- Rules and Consequences
- Dispute resolution, litigation, arbitration
- Annual meetings
- HOA municipality/City governance
- Roles and responsibilities of HOAs / Homeowners
- Other applicable resources

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Benefits of Living in HOAs



Ensures that the community maintains a specific level of decorum through its architectural controls.



Helps preserve property values in the community.



Homes are traditionally kept up.



Amenities – Pool, gym, clubhouse, trash removal, cable tv, parks, playgrounds, social events, etc.



Enhances community engagement which leads to a safer neighborhoods.



Maintains common areas of the community



Routine Maintenance roofs and exteriors of homes.



Provides lawn care, pest control & and snow removal services.

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Challenges of Living in HOAs



Impose fees, dues, and assessments



Maintains restrictive regulations



Operate inefficiently/ bureaucracy

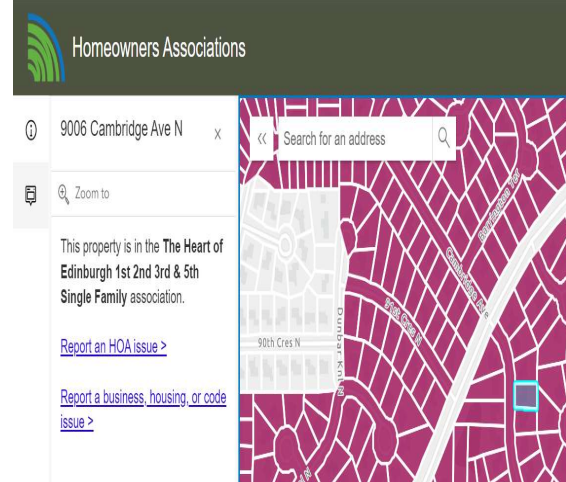


May be managed unprofessionally

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Brooklyn Park HOA's Current Initiatives

- Created content on City's website with HOA-related resources such as legal and technical assistance
- Established a streamlined communication channel for residents: homeowners-associations-dl@brooklynpark.org
- Collecting data on the types of requests the city receives related to HOAs
- Hosting HOA workshops twice a year featuring industry experts
- Workshops focus on board training and sharing homeowner resources



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Reported HOA Issues

- Lack of information sharing/non-responsiveness
- Role ambiguity between homeowners and associations
- Low engagement between association boards and residents
- Poor administration by contracted HOA management companies
- Disagreement about fees, fines, and/or rules
- Discriminatory behaviors, rules, and/or fines by HOAs
- Deferred Maintenance
- Financial mismanagement – Inadequate liquidity for needed repairs
- Renters whose property owners are not current on HOA dues
- Lack of governing documents – NOT made available to homeowners.
- Increased assessments and insurance

30

Resources Links

- <https://www.brooklynpark.org/housing/homeowner-resources/homeowners-associations/>
- <https://www.vlnmn.org/> (Volunteer Lawyers Network)
- <https://www.cmrsnmn.org/> (Community Mediation & Restorative Services)
- <https://www.revisor.mn.gov/statutes/cite/> (317AMinn. Stat. § 515B)
- <https://www.ag.state.mn.us/consumer/Publications/CondoTownAssoc.asp>
- <https://mn.gov/mdhr/> (MN Department of Human Rights)
- <https://www.hennepinsheriff.org/en/services/foreclosure-sales/Slide-out-group/foreclosure-sale-process>
- <https://www.caionline.org/> (Community Association Institute)
- <https://team-rig.com/industry-specialties/community-association-insurance/>
- https://www.hud.gov/helping-americans/fair-housing-act-overview#The_Fair_Housing

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Other Resources

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 O. 763.746.0880 | brieanna@sterlingrealtymgmt.com

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John T. Kinara
Housing & Redevelopment Coordinator
Email: john.kinara@BrooklynPark.Org
Direct: 763 493 8054

Brooklyn Park 
Unique. United. Undiscovered.



Panel 3: Preserving Affordable Housing

1

1



Funding Affordable Housing

October 2, 2025

2

Topics to Cover



4d Tax
Classification



TIF For Affordable
Housing



Local Affordable
Housing Aid
(LAHA)



3

3

Types of Affordable Housing

Rental

1. Low Income Housing Tax Credit (LIHTC)
 - ✓ **Typically 100%** affordable
 - **9%** Tax Credit – 100% at or below **50%** AMI
 - Deeper affordability
 - **4%** Tax Credit – 100% at or below **60%** AMI
 - ✓ Always qualify for 4d tax rate
 - ✓ Due to compressed 4d tax rate, not always receiving TIF
2. Mixed Income
 - ✓ Typically funded with TIF
 - ✓ Most developments select **20%** at **50%** AMI
 - ✓ Those units can qualify for 4d tax rate

VS

Owner Occupied

- ✓ 2025 Median Income = **\$132,400**
- ✓ TIF
 - Family of **2 or less** affordable at greater of **100%** of AMI or State median
 - Family of **3 or more** at greater of **115%** of AMI or State median
- ✓ LAHA
 - **115%** AMI



4

4

4d Tax Classification

Lower Tax Rate	Requirements	Restrictions	Use of Tax Savings
<ul style="list-style-type: none"> • .25% vs. 1.25% on market rate • Annual application to MN Housing by March 1st • Annual certification to MN Housing regarding use of savings 	<ul style="list-style-type: none"> • Subject to Section 8 contract • LIHTC Project • Financed by Rural Hsg. Services of USDA • Subject to rent / income restrictions under financial assistance agreement with unit of government & recorded against the property 	<ul style="list-style-type: none"> • At least 20% of units at 60% AMI • Only receive lower tax rate on qualifying units 	<ul style="list-style-type: none"> • Property maintenance • Security • Improvements • Rent stabilization • Increase replacement reserves



5

5

Tax Differential

		City XYZ Overall Tax Rate		126.19%		City XYZ Tax Rate		48.85%	
Tax Rate Type	# of Units	Value Per Unit	Taxable Value	Tax Capacity	Overall Taxes	City Portion of Taxes			
Market Rate	150	\$ 200,000	\$ 30,000,000	375,385	\$ 473,695	\$ 183,361			
4d(1)	150	\$ 200,000	\$ 30,000,000	75,000	\$ 94,642	\$ 36,635			

Units classified as 4d(1) pay approximately 1/4 of what market rate units pay



6

6

TIF Available for Affordable Housing – Housing District



Rental

20% of units have to be affordable at 50% of area median income (AMI) **OR** 40% of units have to be affordable at 60% AMI

Annual certification for meeting compliance



Owner Occupied

95% of units must meet income requirements

Family of **2 or less** affordable at greater of 100% of AMI or State median and for family of **3 or more** greater of 115% of AMI or State median

First owner only



7

7

TIF Available for Affordable Housing – Economic Development District



Workforce Housing (Rental)

Located outside metro area

Average vacancy rate for rental housing in any city located within 15 miles = 3% or less for preceding 2 years



Requires County and School District Approval



Business Requirement

At least 1 business in the City or within 15 miles employs a minimum of 20 FTE equivalent

Provides written statement indicating lack of available rental housing impedes ability to recruit and hire employees



8

8

TIF Available for Affordable Housing – Pooling



Non-Housing TIF Districts

Up to **35%** available for affordable housing (if you don't use your pooling dollars for other qualified district pooling expenditures and admin)



Can be used for rental or owner-occupied housing

Has to meet income requirements of Housing TIF district



Has to be utilized for capital costs

Land/building acquisition (land bank or write down)
Rehabilitation or new construction
Demolition / Site preparation
Public improvements directly related to the housing

Can't be used as annual rent subsidy



City determines terms of affordability

Number of units, income restrictions (**but must meet minimums per statute**) & term of affordability



9

9

Affordable Housing Aid: Metro & Greater MN

Local Affordable Housing Aid (LAHA): 7 County Metro

- Funded by **0.25%** Metro Sales Tax
- Tax started October 1, 2023
- First disbursement in 2024
- Populations over **10,000**

Statewide Affordable Housing Aid (SAHA): Non-Metro

- Funded by State via **\$10M** appropriation (*legislative risk*)
- Populations under **10,000** (*MN Housing discretionary grant program*)
- First disbursement in 2023



10

10

Allowable Uses - LAHA

Emergency rental assistance & operating emergency shelter facilities

Financial support to nonprofit affordable housing providers

Qualifying ownership or rental projects
(new construction, acquisition-rehab, gap financing)

Operations & management of financially distressed residential properties

Supportive services & staff for supportive housing



11

11

Allowable Uses (LAHA): Typical City Programs

Single-Family Housing Rehabilitation

Down Payment Assistance

Acquisition / demolition of sites for development for affordable housing

Grants/loans for affordable units in new market rate construction

Administration



12

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Income Requirements

Eligible Activity	Income Requirements
Emergency Rental Assistance	80% of Area Median Income (AMI)
Nonprofit Affordable Housing Developers Aid	Legislation is silent
Qualifying Ownership	115% AMI
Qualifying Rental	80% AMI

Spending Requirement



- Funds must be committed within 3 years & expended within 4 years by December 31
 - ✓ Funds may not be used to reimburse prior expenditures

If Unable To Spend In Four Years...



Any funds transferred to a Housing Trust Fund must still be expended in accordance with the housing aid restrictions!

Other Program Requirements: 2024 Legislation



The aid must **supplement** and not **supplant** any existing “Locally Funded Housing Expenditures.”



To comply with this requirement, local governments must...

Report their local funded housing expenditures from the two previous fiscal years
Detail and justify any expenditure reduction(s)
Post the report publicly on their website



Preserving Naturally Occurring Affordable Housing (NOAH)

Metro Cities Housing Forum

October 2, 2025



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Fridley Context - The NOAH Challenge

- **Our Community Profile:**
- Fully developed first-ring suburb
- Housing stock: Primarily 1950-1980 rambler-style homes
- Naturally affordable due to age and style
- Challenge: Maintaining quality while preserving affordability



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Fridley's NOAH Preservation Philosophy

- **Strategic Approach:**

- Invest in existing housing stock rather than replacement only
- Target improvements that extend housing life
- Maintain affordability through low/no interest financing
- Focus on owner-occupied improvements to build community equity



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Comprehensive Program Portfolio

- **Citywide Access:**

- 2% Home Improvement Loan Program (No income limits)
- Front Door Grant Program (\$1K-\$5K for curb appeal)

- **Income-Targeted Programs:**

- Senior Deferred Loans ($\leq 60\%$ AMI)
- Down Payment Assistance Deferred Loans (Up to 110% AMI : $\leq 80\%$ AMI gets additional \$5K)
- Home Betterment Deferred Loans ($\leq 80\%$ AMI, up to \$25K)
- Residential Paint Rebate Program ($\leq 110\%$ AMI)



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Program Impact – Jan. 2024-Sep. 2025

- **Citywide Access**
 - **\$1.7M** in 2% interest loans issued to 69 homeowners
 - **\$141,000** in Front Door grants distributed to 42 homeowners, leveraging \$859,827 (2023 & 2024)
- **Income-Targeted Programs**
 - **\$301,000** in Senior Deferred Loans to 19 seniors
 - **\$90,000** in Down Payment Assistance to 13 new homeowners
 - **\$123,000** in Home Betterment Deferred Loans to 9 homeowners
 - **\$6,722** in Paint Rebates to 39 homeowners
 - **\$2,361,722 - Total**



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Front Door Grant – Siding, Stone, Doors

Before



After



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Paint Rebate

Before



After



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Innovative Funding Strategy

- **Diversified Revenue Streams:**
- **HRA Levy** - Traditional property tax funding
- **Revolving Loan Fund** - Self-sustaining through repayments
- **LAHA Sales Tax** (0.25%) - \$450K annually
- **Special Legislation** - Excess TIF capture - \$560K annually through 2027



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Program Design Features

- **Smart Program Structure:**
- **Deferred/Forgivable Options** - Reduces immediate burden
- **Income Targeting** - Ensures assistance reaches those in need
- **Seasonal Application Cycles** - Aligns with funding receipt
- **Specific Use Requirements** - Maximizes community benefit
- **Enhanced Requirements Example:**
- Front Door Grant now requires two beautification projects (not just driveway replacement)



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Program Promotion

- **Homeowner Open House**
- **Social media**
- **City newsletter**
- **Local lenders**
- **Local realtors**



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Lessons Learned & Best Practices

- **What's Working:**

- High demand indicates community need and program accessibility
- Diversified funding creates program stability
- Income targeting ensures assistance reaches intended beneficiaries
- Deferred payment structures remove barriers

- **Program Evolution:**

- Adjusting requirements based on outcomes (Front Door Grant changes)
- Adding income tiers for greater targeting
- Seasonal cycles improve administration



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Replication Framework

- **Key Success Factors for Other Communities:**

- **Know Your Housing Stock** - Target programs to housing type/age
- **Diversify Funding** - Don't rely on single revenue source
- **Remove Payment Barriers** - Use deferred/forgivable structures
- **Target by Income** - Ensure programs reach intended beneficiaries
- **Monitor and Adjust** - Evolution based on actual outcomes



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Questions & Contact Information



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Preserving Affordable Housing With Local Resources

October 2, 2025

Metro Cities Housing Forum

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Owned Housing Preservation



- Home Improvement Loans
- Focus on health, safety and energy efficiency improvements
- Programs serving 30%, 80%, and 115% Area Median Income
- LAHA and SAHA funded

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Manufactured Home Preservation



- Community Assistance
 - Infrastructure Improvements
 - Well, Water, and Sewer
- Homeowner Assistance
 - Home Improvement Loans
 - Home Replacement

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Community Land Trusts

- Long-term Affordability
- Shared Equity and Ground Lease
- Entry Level Buyers
- Funding for value gap
- Funding for affordability gap



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Washington County Rental Context



Housing Tax Credits have affordability periods of 15-50 years.

New tax credits required to extend affordability.



Project Based Rental units have contracts of 20+ years.

Renewal of affordability is voluntary and federal funding availability.



Naturally Occurring Affordable Housing is unsubsidized with at least some units affordable.

Market, amenities only limit to affordability

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NOAH Preservation

- Funded through Local Housing Trust Fund (levy and LAHA)
- Maximum loan amount based on unit affordability
 - \$25,000 to \$55,000 per unit
 - \$2 Million per development
 - Rent Limits at 30% to 70% of Area Median Income
- Flexible financing with below market interest rate
 - Amortizing loan 10-15 year term (3%)
 - Interest-only deferred loan 15-20 year term (3.5%)
 - Forgivable loan: 25% forgiven @ 15 years, 25% @ 20 years, 25% @ 25 years, 25% @30 years (1%, any payments made not refunded)

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MELISSA TAPHORN

Executive Director

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WE'LL
HELP
YOU
GET
THERE

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Affordable Rental Housing Preservation

Metro Cities Housing Forum
October 2, 2025
Julie Urban
Assistant Community Development Director

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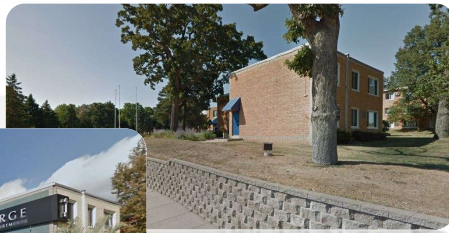
Rental Housing in Richfield

- 4,000 NOAH units
- Aging buildings
- Predominantly one-bedroom units
- Affordable Rents
- Small buildings and family ownership
- Limited investment in improvements
- Small # of subsidized units

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NOAH Sales

- 2015: Crossroads at Penn becomes Concierge
- 2017: Seasons Park preserved



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2024 – Three NOAH Properties for Sale

- Highland Management Group
- 236 units
- Well-managed and maintained
- Affordable
- Mix of 1-, 2-, 3- bedrooms
- Voucher-friendly



NOAH Properties

New Orleans Court
Richland Court
Winton House



09/2025

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Preservation Buyer

- Greater Minnesota Housing Fund - NOAH Impact Fund II
- Hempel Real Estate

Market price
+ Interest rates
+ Rehab costs
\$\$\$ GAP

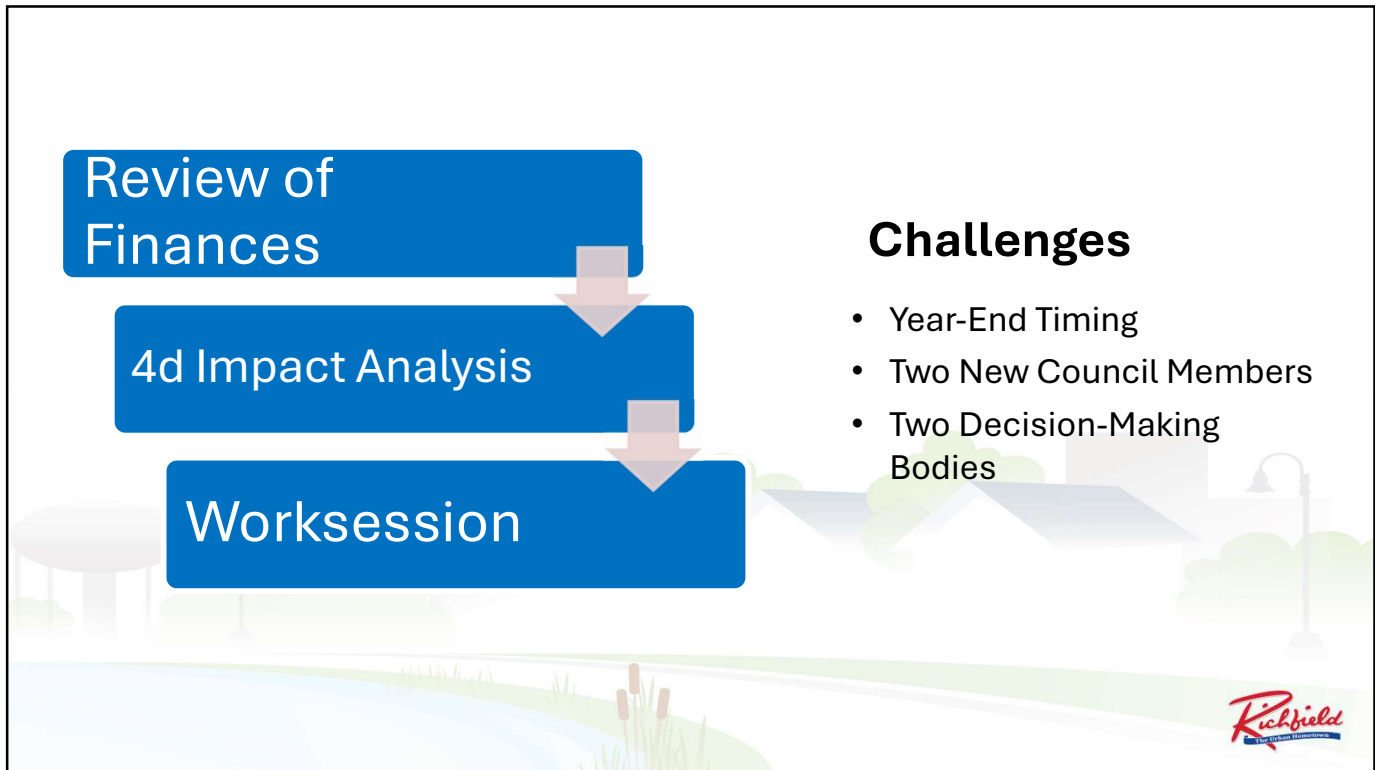


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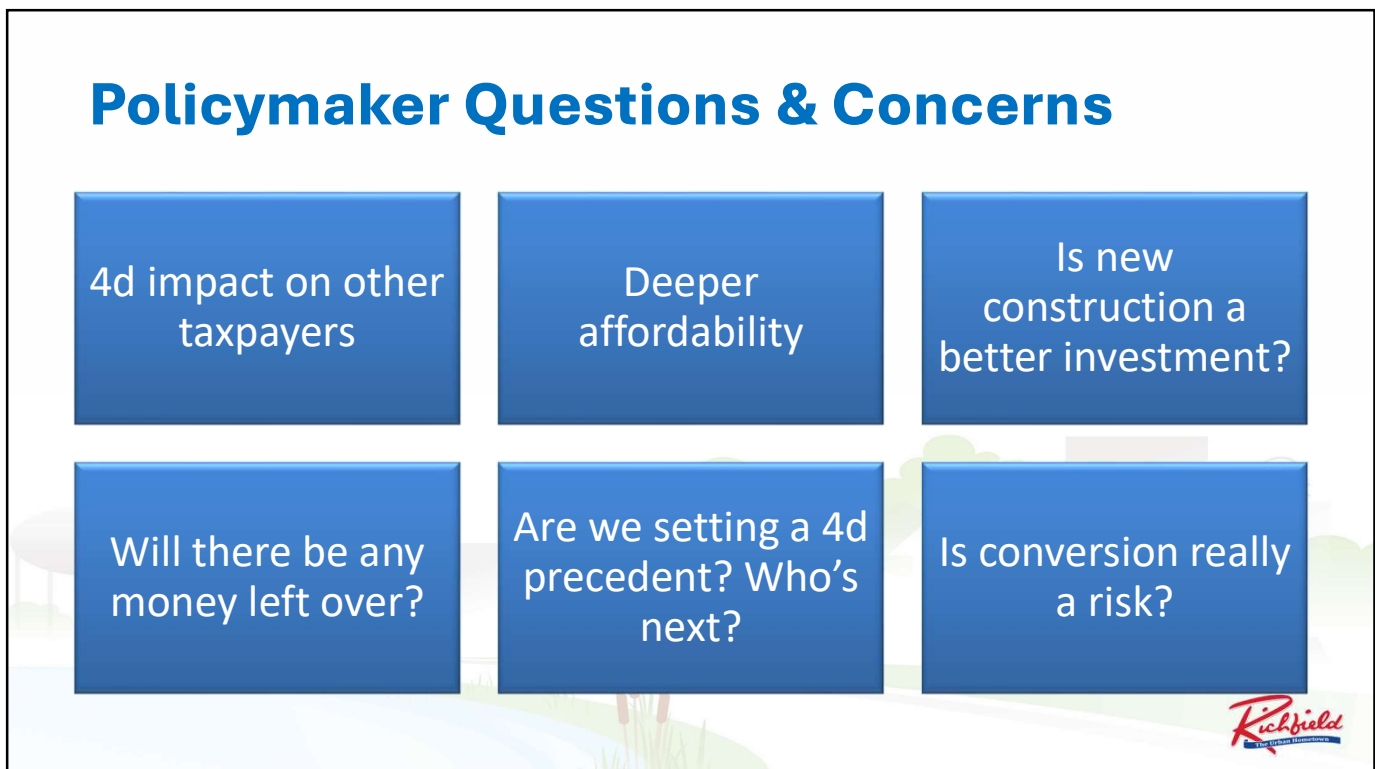
Filling the Gap



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How We Got to “Yes”

- Availability of pooled TIF in Trust Fund and loan repayments
- New tax capacity: two large TIF Districts expiring
- Meets our goals and addresses critical needs:
 - ☐ 48 rental assistance households
 - ☐ 3 bedrooms
 - ☐ Family housing
 - ☐ Housing stability (477+ residents)
 - ☐ Rehab investment



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Other Keys to Success



- Local owner and management
- City willing and able to work quickly
- Community support
- Pooled TIF to Trust Fund
- NOAH Impact Fund



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2024 U.S. NATIONAL AND STATE Statistical Review

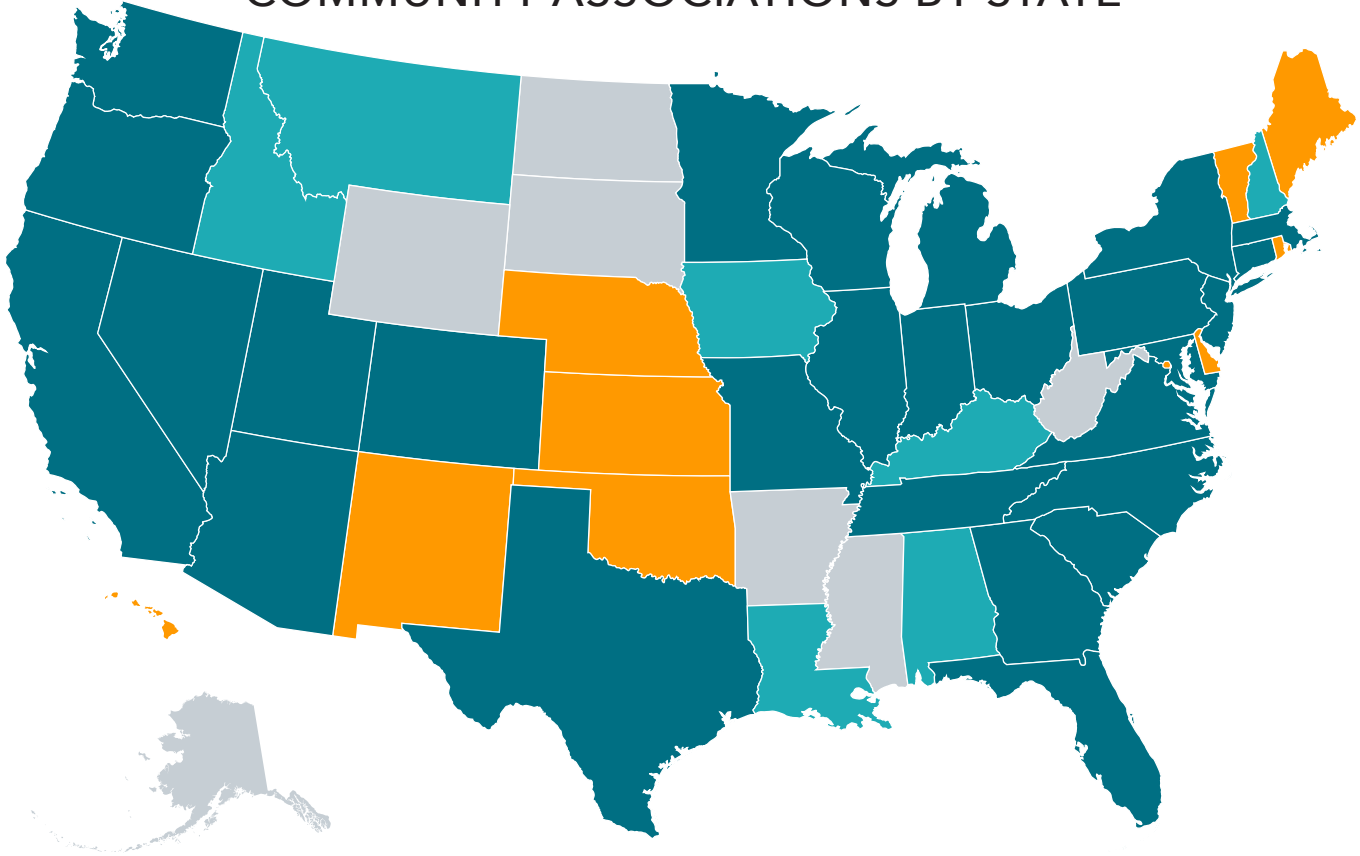
U.S. COMMUNITY ASSOCIATIONS, HOUSING UNITS, AND RESIDENTS

Year	Communities	Housing Units	Residents
1970	10,000	.7 million	2.1 million
1980	36,000	3.6	9.6
1990	130,000	11.6	29.6
2000	222,500	17.8	45.2
2002	240,000	19.2	48.0
2004	260,000	20.8	51.8
2006	286,000	23.1	57.0
2008	300,800	24.1	59.5
2010	311,600	24.8	62.0
2011	317,200	25.4	62.7
2012	323,600	25.9	63.4
2013	328,500	26.3	65.7
2014	333,600	26.7	66.7
2015	338,000	26.2	68.0
2016	342,000	26.3	69.0
2017	344,500	26.6	70.0
2018	347,000	26.9	73.5
2019	351,000	27.2	73.9
2020	355,000	27.5	74.1
2021	358,000	27.7	74.2
2022	362,000	28.0	75.0
2023	365,000	28.2	75.5
2024	369,000	28.8	77.1

Homeowners associations account for about 58-63% of the totals, condominium communities for 35-40%, and cooperatives for 2-4%.

FCAR ESTIMATES THE NUMBER OF U.S. COMMUNITY ASSOCIATIONS IN 2025 IS BETWEEN 370,000-374,000

COMMUNITY ASSOCIATIONS BY STATE



STATE	NUMBER OF ASSOCIATIONS	ROUNDED ESTIMATED NUMBER OF RESIDENTS IN ASSOCIATIONS	ROUNDED ESTIMATED NUMBER OF UNITS IN ASSOCIATIONS
California	51,250	14,412,000	5,064,000
Florida	50,100	9,506,000	3,908,000
Texas	22,900	6,244,000	2,263,000
Illinois	19,750	3,896,000	1,541,000
North Carolina	15,050	2,878,000	1,174,000
New York	14,500	3,705,000	1,433,000
Colorado	11,700	2,556,000	995,000
Massachusetts	11,600	1,678,000	664,000
Georgia	11,300	2,314,000	881,000
Washington	10,900	2,455,000	964,000
Arizona	10,200	2,254,000	902,000
Virginia	9,200	2,064,000	813,000
Ohio	8,800	1,657,000	686,000
Michigan	8,700	1,442,000	588,000
Minnesota	8,000	1,560,000	624,000
South Carolina	7,500	1,412,000	585,000
New Jersey	7,200	1,480,000	562,000
Maryland	7,200	1,069,000	412,000
Pennsylvania	7,150	1,357,000	558,000
Missouri	5,750	953,000	323,000
Wisconsin	5,650	777,000	441,000
Tennessee	5,400	757,000	309,000
Indiana	5,200	879,000	352,000
Connecticut	5,150	472,000	187,000
Oregon	4,150	584,000	237,000
Nevada	3,800	1,298,000	502,000
Utah	3,700	645,000	212,000

Between 2,000 and 3,000 associations

Alabama, Idaho, Iowa, Kentucky, Louisiana, Montana, and New Hampshire

Between 1,000 and 2,000

Delaware, District of Columbia, Hawaii, Kansas, Maine, Nebraska, New Mexico, Oklahoma, Rhode Island, and Vermont

Fewer than 1,000

Alaska, Arkansas, Mississippi, North Dakota, South Dakota, West Virginia, and Wyoming

Total U.S. associations: 369,000

NOTE: The term "community association" in this summary refers to condominiums, cooperatives, and planned communities with the latter sometimes referred to as HOAs. See the *Community Association Fact Book 2024* at foundation.caionline.org/factbook for association terminology.

NATIONAL DATA, 2024



33.6

Percent of U.S. housing in community associations.



\$12.9 trillion

Value of homes in community associations.



\$417.1 billion

Community association economic contributions in 2024 including volunteer time, real estate taxes, home improvements, and housing services.



\$120.9 billion

Assessments collected from homeowners. Assessments fund many essential association obligations, including professional management services, utilities, security, insurance, common area maintenance, landscaping, capital improvement projects, and amenities like pools and club houses.



\$30.2 billion

Assessment dollars contributed to association reserve funds for the repair, replacement, and enhancement of common property, e.g., replacing roofs, resurfacing streets, repairing swimming pools and elevators, meeting new environmental standards, and implementing new energy-saving features.



60,000-65,000

Community association managers (includes on-site managers and those who provide part-time support to a number of communities).



7,000-9,000

Large-scale associations, i.e., those meeting at least two of the following three characteristics: a single, contiguous community with a general manager; a minimum of 1,000 lots and/or homes; and a minimum annual budget of \$2 million.



30-40

Percentage of community associations that are self-managed, meaning they may use professional assistance for specific projects, activities, and services, but do not employ a professional manager or management company.



65% of homes completed & 81% of homes sold

Percent of housing in a community association.



9,000-10,000

Community association management companies.



105,000-110,000

Individuals employed by management companies and onsite for associations with staff.



2,500,000

Community association elected members of boards of directors and appointed committee members.



101,500,000

Volunteer hours of service performed annually by association board and committee members to provide governance, community, and related services.



\$3.4 billion

Estimated value of time provided by homeowner board and committee members. Volunteer hourly time is calculated for each state with the average at \$33.49 per hour based on data from Independent Sector.



ABOUT THE FOUNDATION FOR COMMUNITY ASSOCIATION RESEARCH

Our mission—with your support—is to provide research-based information for homeowners, association board members, community managers, developers, and other stakeholders. Since the Foundation's inception in 1975, we've built a solid reputation for producing accurate, insightful, and timely information, and we continue to build on that legacy. Visit foundation.caionline.org.



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CAIsocial



Community Associations Institute



@CAIsocial and @CALadvocacy

The Community Association Fact Book data is compiled from a blend of trusted sources to provide accurate and comprehensive insights. We draw from U.S. Census data, including the American Community Survey, alongside housing development and real estate data sources. The statistics presented are curated estimates derived from distinct data streams, ensuring a well-rounded and authoritative representation of community association trends and demographics.

Permission to reprint the data in this publication is granted provided no changes are made and the material is cited: "Reprinted with permission of the Foundation for Community Association Research. Learn more by visiting foundation.caionline.org or calling (888) 224-4321."

MINNESOTA COMMUNITY ASSOCIATIONS FACTS & FIGURES

Approximately 1,560,000 Minnesotans live in 625,000 homes in more than 8,000 community associations.

| 88% | say their association's rules protect and enhance property values (63%) or have a neutral effect (25%).

| 66 % | of residents oppose additional regulation of community associations.

| 86% | of residents rate their community association experience as positive (60%) or neutral (26%).

| 77% | say they always or usually vote in state and local elections. 83% vote in national elections.

By 2040 the community association housing model is expected to become the most common form of housing.

SOURCES: Community Associations Fact Book 2024, FOUNDATION FOR COMMUNITY ASSOCIATION RESEARCH, foundation.caionline.org. Note: Statistics published are estimates generated from seven public/private data sources, including the American Communities Survey.

These residents pay \$3.3 billion a year to maintain their communities. These costs would otherwise fall to the local government.

52,800 Minnesotans serve as volunteer leaders in their community associations each year, providing \$77.8 million in service.

The median home value in Minnesota is \$330,240. Homes in community associations are generally valued at least 4% more than other homes.

The financial engine of the community is based on mandatory assessments paid by every homeowner to cover the costs of conducting association business—such as common area maintenance, repair and replacement, essential services, routine operations, insurance, legal compliance, landscaping, facilities maintenance as well as savings for future needs.

CAI supports public policy that recognizes the rights and responsibilities of homeowners and promotes the self-governance of community associations—affording associations the ability to operate efficiently and protect the investment owners make in their homes and communities.



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Housing Improvement Areas

October 2024

What are housing improvement areas?

A housing improvement area (HIA) is a defined area in a city in which housing improvements in condominium, townhome complexes, or manufactured home parks may be financed with the assistance of the city, or the city's economic development authority (EDA) or housing and redevelopment authority (HRA).

Prior to 1996, cities needed special legislation to establish an HIA. In 1996, cities were granted the authority under general law. The general law, codified in [Minnesota Statutes, sections 428A.11 to 428A.21](#), sunsets June 30, 2028.

What improvements can be made in an HIA?

Allowable improvements include improvements to the common elements in a condominium complex, townhome development, or manufactured home park, such as roofing, siding, landscaping, roadways, and walkways.

How is an HIA established?

At property owners' request. An HIA can only be established at the request (petition) of at least 50 percent of the owners of the housing units in the proposed area. If the petition is filed, then the city prepares an ordinance that:

- describes the area specifically;
- states the basis for imposing fees and the number of years the fees will be imposed;
- makes a finding that without the HIA, the proposed improvements could not be made; and
- specifies if the city, the EDA, or HRA will implement the ordinance.

In addition, the city must fully disclose the public expenditures and financing for the projects, and determine whether the association or the implementing agency will contract for the work.

Before adopting the ordinance, the city must hold a public hearing at which the proposed improvements, affected housing units, and the exempt units are listed. Potentially affected property owners may testify at the hearing. Prior to the adoption of the ordinance or at the hearing, an owner of property in the proposed HIA may file a written objection with the city clerk asserting that the property should not be included in the HIA or should not be subjected to the fee because the property will not benefit from the improvements. The city must make a determination regarding the exclusion of the property in the HIA within 60 days. Within 30 days after that determination is made, a property owner may appeal the city's decision to the district court.

The ordinance may be adopted within six months after the conclusion of the public hearing. If 45 percent or more of the affected residents file an objection, the HIA is not established.

How are the improvements financed?

The city may finance the housing improvements by:

- 1) advancing funds available to the city and then recovering the costs by charging the property owners fees; or
- 2) issuing bonds and then imposing fees to repay the bonds. The bonds are not included in the city's net debt and no election is required for their issuance.

After adopting the ordinance establishing an HIA, the city must separately adopt a resolution in order to impose a fee within the HIA. As with the process for establishing the HIA, the city must provide public notice and hold a public hearing on the proposed resolution. Within six months of the conclusion of the public hearing, the city may adopt the resolution to impose the fee.

Fees can be imposed on the basis of the tax capacity (value) of the housing unit, total square footage of the housing unit, or a method determined by the city and specified in the resolution. Before a city uses an alternative method to set fees, it must make a finding that the alternative basis is more fair and reasonable.

The city, HRA, or EDA may collect the fees in the same manner as provided for the collection of property taxes. The due dates, penalties, and interest applicable to property taxes apply to fees collected under this authority.

What plans or reports are required?

Before the city imposes and collects the fee, the condominium, townhome association, or manufactured home park must develop a long-term plan to maintain the complex. The plan must address operations, maintenance, and necessary capital improvements of the common elements. It must identify financing for the projects. The association must also submit its audited financial report to the city annually.

Are any other local units of government allowed to establish an HIA?

In 2014, the legislature passed a law authorizing the Ramsey County Housing and Redevelopment Authority to exercise housing improvement district powers. This is the same authority granted to the Dakota County Community Development Agency in 2013.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | Third Floor, State Office Building | St. Paul, MN 55155

Policy Number 2.15
Housing Improvement Areas

Purpose of Policy: This policy establishes evaluation criteria that guide the city council in consideration of a housing improvement area

Introduction

Under the Minnesota Statutes Chapter 428A, cities are given authority to create Housing Improvement Areas (HIA). A HIA is a defined area where private housing improvements are made, including common elements in a common interest community or condominium, and where costs associated with the improvements are paid for by fees imposed on property owners. Within a HIA, the city has the authority to finance housing improvements through levying fees and assessments, and may issue bonds to pay for improvements.

Consideration of a HIA must come from a petition of the owners of at least 60 percent of the housing units where the HIA fee would be imposed. If the city approves a HIA, and if more than 45 percent of the owners file an objection after the approval, then the HIA is not effective.

The council is aware that creation of a HIA may be of benefit to the city and will consider requests subject to this council policy. The council considers the creation of a HIA to be a privilege, not a right.

It is the judgment of the council that the creation of a HIA be used on a selective basis. It is the applicant's responsibility to demonstrate the benefit to the city, and that they should understand that although approval for another HIA may have been granted previously by the city for a similar project, the council is not bound by that earlier approval.

Eligible Uses of HIA Financing

The City of Minnetonka will consider using HIA financing to assist private property owners only in those circumstances in which the proposed private project addresses one or more of the following goals:

- To promote neighborhood stabilization and revitalization by the removal or prevention of blight and/or the upgrading of the existing housing stock in a neighborhood.
- To correct housing or building code violations as identified by the city's Building Official, to meet compliance on other regulatory matters, or to improve the livability of the housing stock. Roofs and siding are eligible in order prevent further and/or future deterioration. Improvements done solely for aesthetic purposes are ineligible.

- To maintain or obtain FHA mortgage eligibility for a particular condominium or townhouse association.
- To prevent the loss of the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents.
- To stabilize or increase the owner-occupied level within an association or neighborhood.
- To meet other uses of public policy, as adopted by the City of Minnetonka from time to time, including energy conservation, preservation of affordable units, decreasing the capital and operating costs of local government, etc.

Evaluation Criteria

The city will use the following criteria when evaluating a HIA request:

- The HIA funding resolves current capital improvements for the association and the association must show that it has taken measures to remedy the costs of future improvements. The association must submit an adopted financial plan for both the capital and operating budgets, prepared by an independent third party that provides for the maintenance and operation of the common elements within the association and a long-range plan to conduct and finance capital improvements. Compliance with Minnesota Statutes 515B.3-1141 should be maintained.
- The improvements financed by the HIA will help to meet the goals identified in the comprehensive plan and ULI study of preserving existing owner-occupied housing stock and neighborhood character.
- Weight will be given when the values of the housing units are in the affordable to mid-priced range (approximately \$350,000 or less).
- Emphasis will be placed on improvements needed to remedy life, safety or other regulatory compliance issues or to prevent future life and safety issues.
- The HIA funds are not intended to provide 100% of the funding for the association's long range replacement schedule, and that the association's own current and future funds are being contributed, in addition to the HIA funding.
- All other funding sources have been explored and are not feasible. Evidence that the association has sought other financing must be provided and should include an explanation and verification that an assessment by the association is not feasible along with letters from private lenders or other evidence indicating a lack of financing options. Coordination and partnering among other lending agencies for financing the improvements is allowed and encouraged.

Other Provisions

- The petition with at least 60 percent of the property owners from the proposed housing improvement area must first be received prior to any city review.
- Applications and petitions will be reviewed annually and are due to the city by March 1.
- An administrative fee of \$5,000 will be required at the time of application and is non-refundable.
- A fee of one-half percent of a bond issuance will be charged to cover the consulting expenses if a bond is issued. The city will determine if and when a bond may be issued to finance the improvements. Therefore, this fee may not be collected upfront, but would be added to the assessment at the time of bond issuance.
- A surcharge will be assessed with the project assessment to cover day to day costs associated with managing the assessment.
- The commonly owned areas must be current on all fees, charges, taxes, special assessments and other debts or obligations that are payable to the city regarding any matter.
- The applicant will be required to enter into a development agreement with the city outlining the terms of the HIA, which may include, but is not limited to, the following terms:
 - Staffing requirements related to third party involvement on annual reporting requirements
 - Annual reporting requirements, including annual financial audits
 - Conditions of disbursement
 - Required dues increases
 - Notification to new owners levied fees
 - Minimum number of bids to be submitted for the construction work
 - Development and construction of plans relating to the improvements
- The maximum financing term will be for 20 years, unless otherwise approved by the council.

Adopted by Resolution No. 2011-110
Council Meeting of November 14, 2011

STUDY OF HOMEOWNERS ASSOCIATIONS IN BLOOMINGTON

MAY 2025



PLANNING
DIVISION



BLM.MN/PLANNING

TABLE OF CONTENTS

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STUDY OVERVIEW

The City of Bloomington's Planning Division, in collaboration with the Housing and Redevelopment Authority (HRA), initiated the Homeowner's Association (HOA or HOAs) Study in response to a growing number of inquiries regarding the management and operations of HOAs within the city. The study was adopted as part of the 2025 Planning Commission Work Plan. Preliminary research highlighted a significant gap in the availability and accessibility of comprehensive data on HOAs and their associated assets.

To address this knowledge gap, the study aims to develop a detailed inventory and mapping of existing HOAs across Bloomington. By compiling critical information, such as HOA structure, governance, estimated fees, property management, and infrastructure, the study seeks to establish a reliable dataset that supports transparency and informed decision-making.

The outcomes of this effort will provide a foundational resource for City staff, policymakers, and the public, enabling more efficient responses to HOA-related concerns and guiding future City operations and policies that intersect with these entities.

DEFINITIONS

HOMEOWNERS ASSOCIATION (HOA):

An HOA is a governing body in a residential neighborhood, usually made up of property owners within a specific development or subdivision.

COMMON INTEREST COMMUNITY (CIC):

A CIC is a broader legal term used to describe any type of community where individuals have ownership of dwelling units and also a shared interest in certain common property or amenities, like in condominiums, townhouses, or co-ops.

MINNESOTA COMMON INTEREST OWNERSHIP ACT (MCIOA):

The Minnesota Common Interest Ownership Act (MCIOA) is a State Law (Minnesota Statutes Chapter 515B) that governs the creation, management, and operation of common interest communities, such as condominiums, townhome associations, and planned communities. Enacted in 1994, MCIOA establishes legal rights and responsibilities for both homeowners and associations, covering topics like budgeting, maintenance obligations, rule enforcement, meetings, recordkeeping, and dispute resolution. MCIOA applies to most common interest communities formed in Minnesota on or after June 1, 1994, and may also apply (fully or partially) to older communities that have opted in. Its goal is to provide consistency, transparency, and consumer protection in the governance of shared-property communities.

HOA FEE (OR DUES):

A regular payment required from property owners to fund the operations, maintenance, and reserves of the HOA. Fees vary based on property type, amenities, and services offered.

PROPERTY MANAGEMENT COMPANY:

A third-party company hired at a cost by the HOA to act as its agent to handle administrative and operational tasks, including budgeting, maintenance coordination, and resident communication.

DOMESTIC NONPROFIT CORPORATIONS:

An HOA is a Minnesota-based, legally recognized organization that exists to serve its members—not to make a profit. It must comply with State Laws that govern nonprofit corporations, such as the Minnesota Common Interest Ownership Act (MCIOA).

GOVERNING DOCUMENTS:

These may include a Declaration, Bylaws, and Covenants, Conditions, and Restrictions (CCandRs), which outline the rules and regulations specific to each HOA.

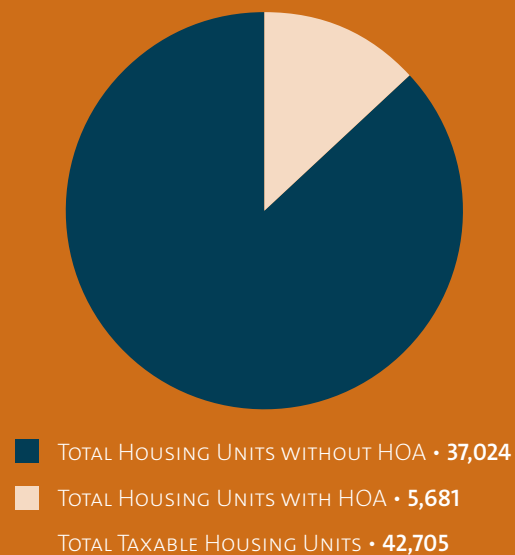
Note: While all HOAs are CICs, not all CICs are HOAs. For example, a condominium association operates under a CIC model but may have different legal and financial structures compared to a traditional HOA governing single-family homes or townhouses.

FINDINGS

The study identified a total of 5,681 housing units in Bloomington that are governed by an HOA, accounting for 13.3% of all taxable housing units citywide.

HOA-managed properties in Bloomington are not confined to one neighborhood or geographical area, but are instead dispersed throughout the city, highlighting the broad presence and role of HOAs in the city's housing stock.

FIGURE 1.1. HOUSING UNITS TOTAL IN BLOOMINGTON



The median year-built is 1982. Most HOA-governed complexes were established in the mid-1980s, with ages ranging from 1972 to the early 1990s.



The average monthly HOA fee is \$520, but fees range from \$300 to \$1,000+, depending on size, services, physical assets, and amenities.



Many HOAs hire professional management companies, but smaller complexes often are self-managed.

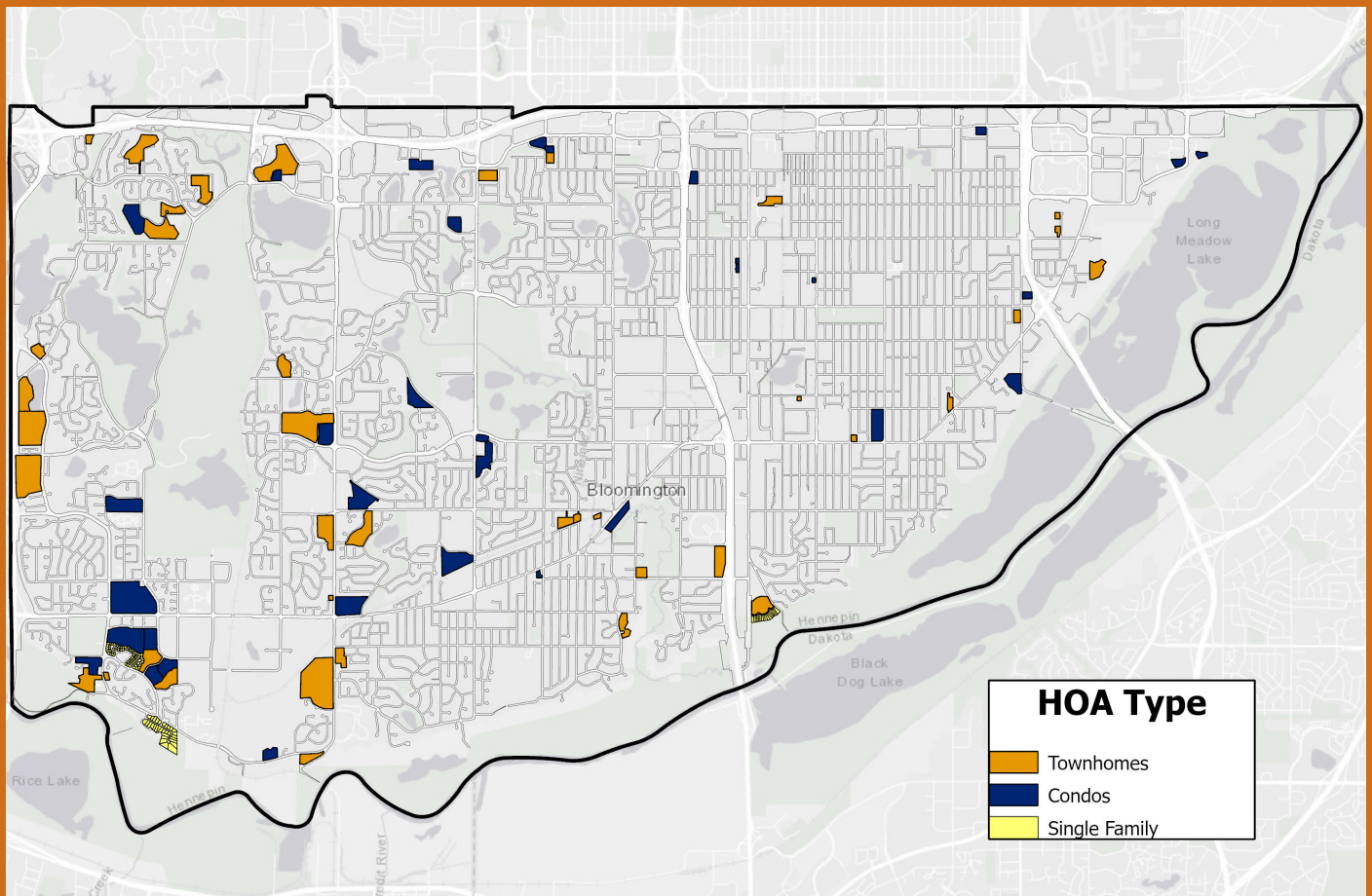


Most associations are registered as domestic nonprofit corporations with the State of Minnesota.



19 buildings governed by an HOA offer structured or underground parking, especially in newer or higher-fee complexes.

FIGURE 1.2. LOCATIONS OF HOMEOWNERS ASSOCIATIONS IN BLOOMINGTON.



The analysis revealed notable concentrations of HOAs, particularly in the form of townhomes and condominiums, primarily located in the western and southern areas of Bloomington (see Figure 1.2). Condominiums tend to be situated in higher-density zones, often near major roadways and commercial centers, where they cater to residents seeking an urban lifestyle with shared amenities and lower-maintenance living. Townhomes, by contrast, are more evenly spread across the city and typically located in suburban-style neighborhoods, offering a mix of community living and private space. While the Assessing Division does not routinely track single-family homes governed by HOAs, the study did identify several such properties owned by associations.

RIGHTS OF OWNERS

While HOAs have the authority to set and enforce rules, property owners within these communities are also granted rights protected under Minnesota Law, particularly the Minnesota Common Interest Ownership Act (MCIOA). Here are some of the key rights HOA members can expect:

Annual Report: Property owners have a right to be kept informed about their association. Associations must prepare an annual report and provide a copy to each unit owner before or at the association's annual owner meeting (Minn. Stat. § 515B.3-106(b)(2)). The annual report must contain, at a minimum, revenue and expense statements, capital expenditures, a replacement-reserves statement, the status of any pending litigation or judgments, and a description of insurance coverage provided by the association.

Claim for Relief: The MCIOA establishes a claim for relief for those who are adversely affected when a declarant, association, or any other person violates the MCIOA or an HOA's governing documents (Minn. Stat. § 515B.4-116). This claim is in addition to any other rights, remedies, or claims owners may have under other statutes or common law. The statute under which the association was formed or incorporated may provide additional relief.

Fair Treatment: HOAs are subject to the federal Fair Housing Act. If an HOA discriminates against a property owner based on a protected class, they can submit a complaint to the Minnesota Departments of Human Rights or federal Department Housing and Urban Development (HUD).

Right to Access Records: One of the most fundamental rights is the ability to access governing documents and records. Property owners are entitled to review documents, such as membership records; meeting records; financial records; association contracts, leases, and agreements; and material correspondence, memoranda relating to its operations, and governing rules to better understand how decisions are made and how funds are managed.

Right to Participate: Property owners have the right to attend board meetings (with some exceptions for closed sessions) and to be notified about significant decisions affecting the community.

Right to Vote: Property owners typically have voting rights on major association matters, including electing board members, approving budgets, and amending bylaws. Owners also have the right to vote on key issues that affect the community, including electing board members, approving budgets, and making changes to the association's governing documents. In addition, property owners have the right to participate in the governance process by attending board meetings (with exceptions for closed or executive sessions) and receiving timely notifications about important changes or decisions.

CITY RESPONSIBILITY TO HOAs



Infrastructure and Public Services: The City is responsible for public infrastructure (such as City-owned roads, water, stormwater, and sanitary sewer systems), but not for private roads, assets or amenities maintained by HOAs. HOAs often maintain private streets, sidewalks, playgrounds, and other amenities. The City has no maintenance responsibility for these physical assets unless it expressly agrees to take on such responsibility.

Code Enforcement and Public Safety:

The City may respond to Code violations, safety concerns, or health issues on HOA properties, but it doesn't enforce HOA-specific rules (such as landscaping or noise policies).

- Police and Fire Department services are still provided by the City to HOA communities, as they are to all residents.

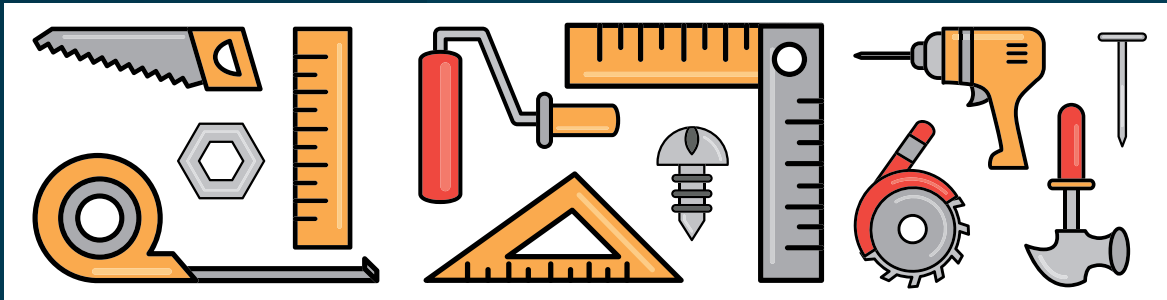
CITY RESPONSIBILITY TO HOAs



Permitting and Zoning: HOAs must follow City zoning laws and building codes. If an HOA or a property owner within an HOA wants to make changes to structures or land use, they go through the same application or permitting processes as any other property owner. However, residents living within an HOA community should be aware that their association may have its own design guidelines or approval processes for structural or exterior work. While the City does not enforce or require HOA approval as part of its permitting process, residents are encouraged to seek prior approval from their HOA to ensure compliance with association rules and avoid potential conflicts. The City evaluates permit applications solely based on applicable zoning regulations and the Minnesota State Building Code. It does not mediate HOA disputes or enforce HOA rules. Homeowners are responsible for ensuring they meet both City and association requirements before starting a project.

Regulations: The City does not regulate HOA fees, board elections, or internal governance. Those are governed by the HOA's bylaws, and Covenants, Conditions, and Restrictions (CCandRs) as well as state statute (including Minnesota's Common Interest Ownership Act, or MCIOA).

CITY OF BLOOMINGTON RESOURCES FOR HOA



Supporting Information and Transparency: As with this HOA study, the City may gather and share information to increase transparency and help residents understand how HOAs function. The City might assist residents with resources or referrals, especially when disputes arise, or confusion exists about responsibilities.

Housing Improvement Area Program (HIA): The City of Bloomington offers support to eligible condominium and townhome associations through the Housing Improvement Area (HIA) Program, which provides City-funded loans to help finance essential improvements to shared, common areas or assets. This financial tool is designed for associations that are unable to fund needed repairs or upgrades through existing reserves, commercial loans, or contributions from individual unit owners. Improvements eligible under the HIA Program include roofing, siding, landscaping, roadways, parking lots, water lines, painting, decks, and other upgrades to common elements within the community. The program is initiated by the association and can be a cost-effective way to maintain property conditions and boost home values. Funding is limited and awarded on a competitive basis, with applications reviewed according to the City's HIA policy and property standards. For more information, please visit the website: <https://www.bloomingtonmn.gov/hr/housing-improvement-area>.

ADDRESSING PROBLEMS IN A HOA

When issues arise within an HOA, there are several steps that residents can take to seek resolution and remain actively involved in their community's governance.

Know Your Rights: While HOAs have the authority to set and enforce rules, property owners within these communities are also granted rights protected under Minnesota Law, particularly the Minnesota Common Interest Ownership Act (MCIOA). Read through the MCIOA and make sure you understand your rights as a property owner in an HOA.

Contact the board of directors: Start by notifying the board of your concerns. Although many associations hire pro perty management companies, the board holds ultimate authority and is responsible for making decisions on behalf of the community. Residents should communicate their concerns directly to the board and, if a response is not provided or information is withheld, they may request clarification regarding the board's authority and actions.

Attend meetings and participate: Minnesota Law requires that associations hold at least one annual meeting, with additional special meetings possible. These gatherings are where many key decisions, such as board elections and budget approvals are made. Attending meetings ensures that residents have a voice in the community's direction.

During the 2025 legislative session, Minnesota lawmakers addressed increasing concerns related to the governance and accountability of Common Interest Communities (CICs), such as homeowners associations (HOAs). As part of the Final Commerce Finance Bill (SS SF 4), the legislature passed provisions to establish a **Common Interest Communities Ombudsperson** within the Department of Commerce. This newly created role will provide homeowners, boards, and property managers with education, guidance, and resources regarding HOA-related rights and responsibilities.

The Ombudsperson will also serve as a neutral party to help resolve disputes, clarify obligations under the Minnesota Common Interest Ownership Act (MCIOA), and maintain public reports on trends and issues arising within these communities. This development reflects a growing recognition at the Capitol of the challenges faced by HOA residents, including communication gaps, enforcement disputes, and transparency concerns. The measure aims to foster clearer governance and fairer practices within Minnesota's HOAs, offering state-level support to supplement local management and oversight.



ADDRESSING PROBLEMS IN A HOA



Engage with other unit owners: Since the HOA is composed of its members, discussing concerns with neighbors may uncover shared experiences or support. A group of concerned owners may be more successful in encouraging the board to address particular issues or consider specific improvements.

Conflict Resolution Center of Minnesota: In cases where disputes escalate, residents and boards may benefit from professional support. The Conflict Resolution Center of Minnesota (CRC) offers mediation services and conflict coaching to help individuals and groups resolve disagreements constructively. These services can be especially helpful when addressing interpersonal tensions or misunderstandings within an HOA, and they provide a neutral space for residents to find common ground. More information about these services is available at crcminnesota.org. Utilizing community mediation can prevent long-term division, promote collaboration, and create a more positive living environment for everyone involved.

Conciliation Court: If a dispute involves a financial issue under \$20,000, residents may consider filing a claim in Conciliation Court (Small Claims Court). This is a cost-effective legal avenue for resolving disputes when informal communication does not lead to a resolution.

Contact a private attorney: In cases where concerns are unresolved through community channels, consulting a private attorney may be appropriate. HOA laws can be complex, and an attorney experienced in these matters can provide guidance on resident's legal rights and available options. The City cannot provide legal advice for internal disputes within an HOA and cannot give recommendation or referrals for attorneys.

FREQUENTLY ASKED QUESTIONS (FAQ)

1. What should I do if my HOA is not enforcing its own rules?

HOAs are responsible for enforcing the rules and covenants outlined in their governing documents. If enforcement seems inconsistent, residents should contact the board in writing to raise their concerns. If the board is unresponsive, organizing with other homeowners or seeking mediation may be necessary.

2. Why do HOAs have stricter rules than City Code?

HOAs often set standards that go beyond City regulations in order to maintain the appearance, consistency, and property values of their communities. While these rules must not violate or be in conflict with City, State, or Federal law, they can be more restrictive than City Code.

3. How can a homeowner contact their HOA if they do not know who is in charge?

If a homeowner is unsure who manages their HOA, there are several ways to find contact information. Property records, closing documents, or past correspondence from the HOA may include board or management details. In many cases, the HOA is registered as a nonprofit corporation with the Office of the Minnesota Secretary of State, where contact information may be publicly available, typically including a registered agent. Additionally, neighbors, especially longer-term residents, can often provide insights or contact information for the board or property management company.

- In cases where a homeowner is unable to locate contact information on their own, they may reach out to the City of Bloomington HRA at 952-563-8937 or HRA@bloomingtonmn.gov for assistance. While the City does not oversee HOA operations, some basic contact information was gathered as part of this study and may be available for reference. This can serve as a helpful starting point for residents struggling to connect with their association.

4. Who is responsible for managing trees in HOA communities?

Trees located in HOA-managed common areas are the responsibility of the association. During events like Emerald Ash Borer outbreaks, HOAs may seek guidance from the City Forester on how to manage tree removal or treatment.

5. Can HOAs rent public space for meetings?

Yes. Some HOA boards rent space through the Parks and Recreation Department for annual meetings or other gatherings. Availability and fees vary by facility.

FREQUENTLY ASKED QUESTIONS (FAQ)



6. What happens when there is tension between renters and owners in an HOA?

Tension between renters and owner-occupants is a common challenge in some HOA communities, especially those with a growing number of rental units. Property owners may express concern that an increase in rentals could impact property values, community involvement, or maintenance standards, while renters may feel excluded from decision-making or targeted by association policies. To address this, many associations implement policies designed to maintain a healthy balance of units by tenure. These may include rental caps (limiting the percentage of units that may be rented at any given time), minimum lease durations to discourage short-term rentals, and occupancy guidelines to ensure consistent community standards. However, policy alone is not enough. Associations must prioritize clear communication, fair enforcement, and inclusive community-building efforts to reduce misunderstandings and foster mutual respect among all residents—whether they own or rent. Transparent rulemaking, accessible meeting participation, and equitable treatment of renters and owners alike are essential to maintaining a cohesive and cooperative HOA environment. Note: HOAs are still subject to federal and state fair housing laws, meaning they cannot discriminate against renters or owners based on protected characteristics such as race, national origin, religion, sex, disability, familial status, or other protected classes. All policies and actions taken by the association must comply with these legal requirements.

7. Our HOA is increasing dues, but there is no clear plan for future repairs. What can we do?

HOA dues should be tied to a long-term maintenance plan or a reserve study that outlines upcoming repair needs. If such a plan is not in place, homeowners can engage the board to conduct one and better communicate financial priorities before approving dues increases.

in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. [45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Association" means an association of apartment owners, as defined in section 515.02, subdivision 5, an association, as defined in section 515A.1-103, clause (3), and association as defined in section 515B.1-103, clause (4).

(c) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(d) "Governing documents" means a common interest community's declaration, articles of incorporation, bylaws, and any amendments to a common interest community's declaration, articles of incorporation, or bylaws.

(e) "Unit owner" means an apartment owner, as defined in section 515.02, subdivision 3, a unit owner under section 515A.1-103, clause (20), and a unit owner, as defined in section 515B.1-103, clause (37).

Subd. 2. Establishment. (a) A common interest community ombudsperson position is established within the Department of Commerce to:

(1) assist unit owners, unit owners' tenants, and associations in understanding the rights each possesses under chapter 515B and the applicable governing documents; and

(2) facilitate the resolution of disputes between unit owners and associations.

(b) The ombudsperson is appointed by the commissioner and serves in the unclassified service.

Subd. 3. Qualifications. The ombudsperson must be selected without regard to political affiliation, must be qualified and experienced to perform the duties of the office, and must be skilled in dispute resolution techniques. The ombudsperson must not be a unit owner, be employed by a business entity that provides management or consulting services to an association, or otherwise be affiliated with an association or management company. A person is prohibited from serving as ombudsperson while holding another public office.

Subd. 4. Duties. (a) The ombudsperson must execute the duties under subdivision 2, paragraph (a), by taking the following actions:

(1) creating plain language explanations of common provisions in governing documents; and

(2) identifying and providing resources and referrals related to the rights and responsibilities of unit owners and associations.

(b) Upon the request of a unit owner or an association, the ombudsperson may provide informal mediation services in disputes concerning chapter 515B and governing documents, except where:

(1) a complaint based on the same dispute is pending in a judicial or administrative proceeding;

(2) the same disputed issue has been addressed or is currently in arbitration, mediation, or another alternative dispute resolution process; or

(3) the association notifies the ombudsperson that an order under section 609.748 is in effect against the unit owner.

(c) The ombudsperson must compile and analyze complaints received to identify issues and trends.

(d) The ombudsperson must maintain a website containing, at a minimum:

(1) the text of chapter 515B and any other relevant statutes or rules;

(2) a plain language explanation of common provisions of governing documents;

(3) information regarding the services provided by the common interest community ombudsperson, including assistance with dispute resolution;

(4) information and referrals regarding alternative dispute resolution methods and programs, and resources regarding the rights and responsibilities of unit owners and associations; and

(5) any other information that the ombudsperson determines is useful to unit owners, their tenants, associations, and common interest community property management companies.

(e) When requested or as the ombudsperson deems necessary, the ombudsperson must provide reports and recommendations to the legislative committees with jurisdiction over common interest communities.

Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from providing legal advice regarding a dispute between a unit owner and an association. The ombudsperson and commissioner are prohibited from making a formal determination or issuing an order regarding disputes between a unit owner and an association. Nothing in this paragraph limits the ability of the commissioner to execute duties or powers under any other law.

Subd. 6. **Cooperation.** Upon request, unit owners and associations may participate in the dispute resolution process under this section and make good faith efforts to resolve disputes.

Subd. 7. **Data.** Data identifying a unit owner, an association, a unit owner's tenant, or a common interest community that are collected, created, or maintained by the office of the ombudsperson under this section are private data on individuals or nonpublic data.

Subd. 8. **Landlord and tenant law.** Nothing in this section modifies, supersedes, limits, or expands the rights and duties of landlords and tenants established under chapter 504B or any other law.

Sec. 3. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **General powers.** (a) In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

KEY FINDINGS

- The Twin Cities region will gain 657,000 residents between 2020 and 2050, bringing the region's total population to 3,820,000. Less domestic migration is expected during the forecast period, contributing to slower population growth.
- Two concurrent, demographic trends will take place by 2050: the aging of the region's baby boomers and rapid growth of Black, Asian, and Hispanic/Latino populations. Both older adults and BIPOC people nearly double their shares in the region's population between 2020 and 2050, transforming schools and workplaces.
- Historically, low unemployment and competitive wages have attracted economic migrants: If our regional economy was growing, people responded by moving here. Competing metro areas now have similar unemployment rates to ours—erasing one of the Twin Cities region's key competitive advantages.
- Workforce supply is now a constraint. Older adults delaying retirement, immigration, long-distance remote workers, and commuters will fill jobs and help offset losses as the baby boomers leave the workforce, but just barely. Workforce shortages through 2040 slows down employment growth, but an acceleration is expected thereafter.

The Twin Cities will continue to grow, but at a slower pace

The 2023 regional forecast update shows the Twin Cities region will gain 657,000 people between 2020 and 2050, bringing our total population to 3,820,000 (Figure 1). Population growth rates will decline slightly compared with our recent past: though the region's population grew 11% between 2010 and 2020, growth rates of 6% to 7.5% per decade are expected going forward.

The Twin Cities region added 238,000 jobs between 2010 and 2019, before temporarily losing these gains in 2020 due to the economic disruption of the COVID-19 pandemic. (Employment has since rebounded; mostly.) Participation rates (the share of the population working or seeking work) are expected to reach a ceiling around 2024, as employers struggle to replace aging workers. This results in an employment slowdown between 2025 and 2040, before employment accelerates again in the 2040s. The total number of jobs is forecasted to reach over two million by 2050.

FIGURE 1 - 2023 REGIONAL FORECAST UPDATE SUMMARY

	2010	2020	2030	2040	2050
Population	2,850,000	3,163,000	3,364,000	3,555,000	3,820,000
Employment	1,541,000	1,581,000	1,802,000	1,895,000	2,074,000

Source: Metropolitan Council's regional forecast (April 2023).



The demographic and economic dynamics underlying our latest regional forecast are the subject of this report.

The Metropolitan Council forecasts population, households, and jobs with a 30-year horizon for the seven-county Twin Cities region—we update this forecast every two years. Our regional forecast provides a shared foundation for coordinated, comprehensive planning by Met Council and local governments. We assess the region's economic competitiveness and project future growth using REMI PI, a regional economic and demographic model.

This regional forecast was prepared in April 2023. Forecast data, methodology, presentations, and this report are available on our website at <https://metro council.org/forecasts>. Over the next 18 months, we will prepare preliminary local forecasts, locating forecasted growth to specific places through additional analysis using our local land use forecast model.

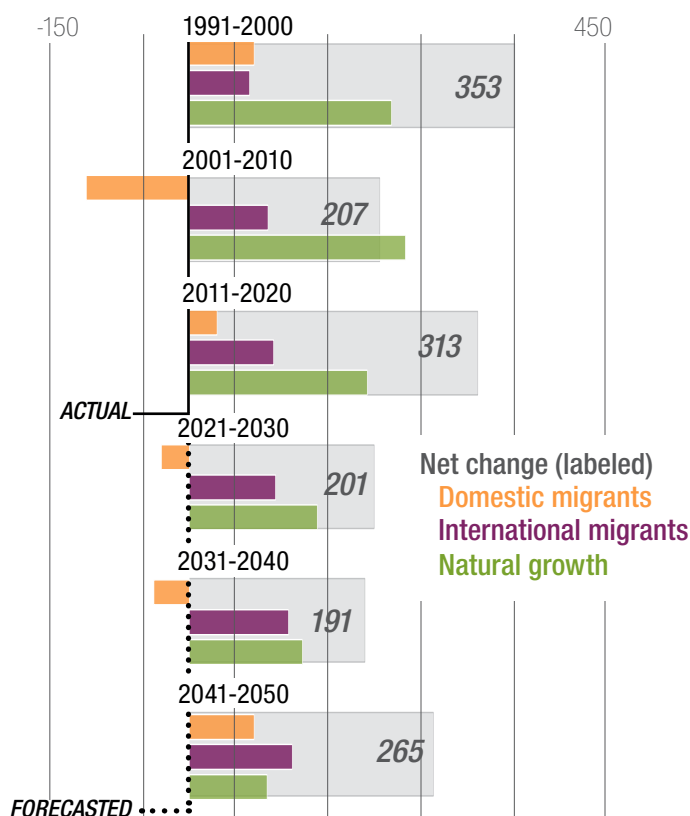
Natural growth, international migration drive region's future population growth

Regional population growth accrues from natural growth—that is, births minus deaths—as well as migration, as people move here from other parts of the country (domestic migration) or other parts of the world (international immigration). In brief:

- Natural growth will add 344,000 new people to the Twin Cities region, and account for 52% of overall population growth between 2021 and 2050 (Figure 2).
- The Twin Cities will continue to be an immigration gateway. The region will gain 311,000 new residents through international migration between 2021 and 2050.
- Domestic migration amounts to a cumulative gain of 3,000 people between 2021 and 2050. Domestic migration is best understood as a continuous churning: In a typical year, 90,000 to 100,000 people move to the Twin Cities region from elsewhere in the U.S. while another 90,000 to 100,000 people leave. Over time, the small imbalances between arrivals and leavers can be positive or negative.

Net gains or losses from domestic migration vary over time, concurrent with economic conditions. Prior to 2020, the regional economy grew quickly, attracting new residents with good wages and excellent employment opportunity.

FIGURE 2 - LESS DOMESTIC MIGRATION SLOWS GROWTH
Sources of population change by decade (000s)



Source: Metropolitan Council's regional forecast (April 2023).

Since 2020, a re-set of the economy has dissolved our comparative advantage: The Twin Cities region still has very low unemployment but this is no longer unique—many competing metro areas now also have unemployment rates at or below 3%. Thus, our latest forecast shows reduced domestic migration to our region.

This may all be a matter of time, though. Starting around 2040, our forecast model shows 1) an upturn in certain industries concentrated in the Twin Cities, and 2) low unemployment here while other metros' rates increase. So the Twin Cities will reestablish our comparative advantage, and domestic migration may again turn positive after a 20-year period of net loss.

With this understanding of the sources underlying future population growth, we turn to the defining demographic trends within the region's population that will reshape schools and workplaces by 2050.

Transformational demographic trends: Aging and increasing racial and ethnic diversity

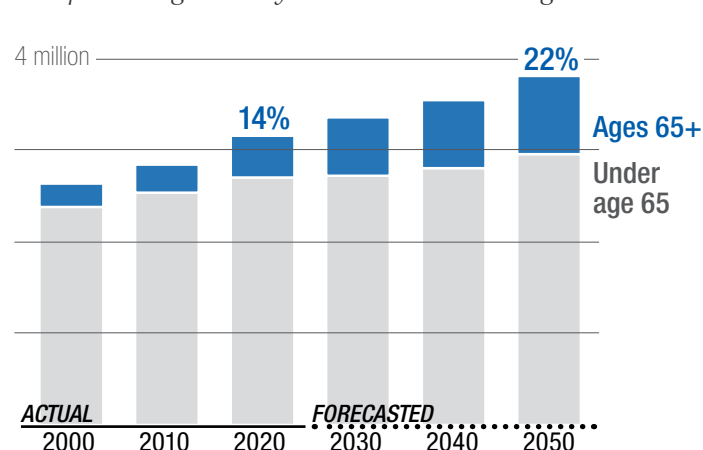
Trend #1: Like the U.S. overall, our region is aging. Between aging baby boomers and longer life expectancies, the share of the region's population age 65 and older will increase considerably between 2020 and 2050 (Figure 3). Older adults will become a much greater factor in housing and consumer markets. Retirements, which began about decade ago as the oldest baby boomers hit age 65, will continue.

At the same time, the prime working-age population (ages 25-64) will grow only by 14%. Millennials (people born between 1981 and 2000) are just numerous enough to replace baby boomers reaching retirement age, but not numerous enough to substantially grow the regional workforce (discussed further on pages 4-5).

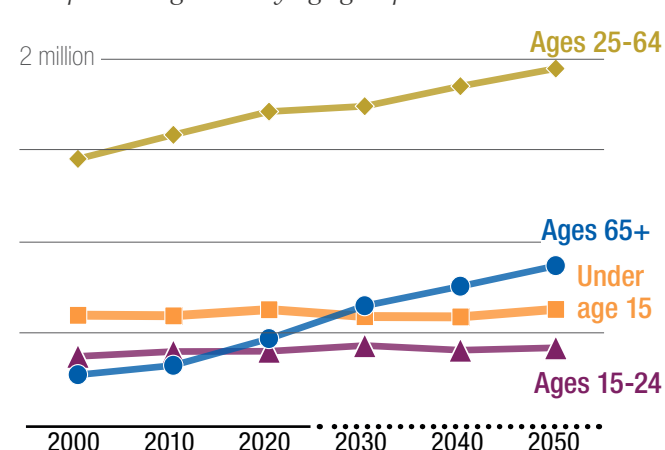
Lastly, the region's population under 25 will grow by only 5% due to historically low birth rates. In 2050, people under age 25 will be just over a quarter of our population (27%), down from about a third (32%) in 2020.

FIGURE 3 - THE REGION'S POPULATION AGE 65+ NEARLY DOUBLES BY 2050

A. Population growth by under or older than age 65+



B. Population growth by age groups



Source: Metropolitan Council's regional forecast (April 2023).

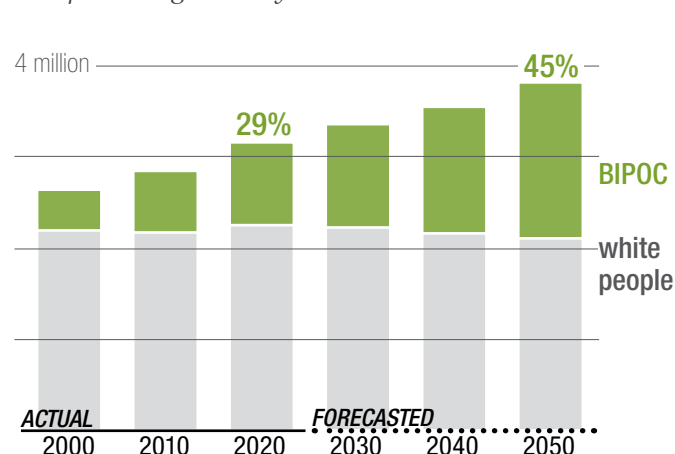
Over the next three decades, Twin Cities region's population will become more racially and ethnically diverse, a shift already evident in today's K-12 schools and workplaces—and our second transformational trend. The share of Black, Indigenous, and populations of color nearly doubles between 2020 to 2050, going from 29% to 45% (Figure 4). More specifically:

- The number of Black residents will increase by 87% going from 331,000 in 2020 to 620,000 in 2050. Black residents will comprise 16% of the region's population in 2050.
- Asian and Pacific Islander (AAPI) populations will increase from 258,000 in 2020 to 503,000 in 2050. They will account for 13% of the region's population in 2050.
- Hispanic or Latino residents will be 10% of the Twin Cities' population in 2050 after an increase of 88% between 2020 and 2050.
- Residents who identify as some other race group or as multiracial will double by 2050.

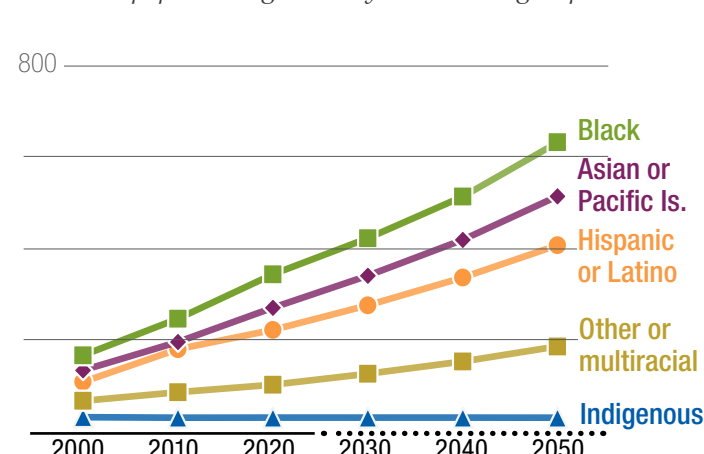
In contrast, the number of Indigenous residents in the region is expected to remain approximately 17,000 throughout the forecast. Lastly, the region's white population levels off around 2030, then declines slightly through 2050.

FIGURE 4 - THE REGION'S BLACK, INDIGENOUS, AND POPULATIONS OF COLOR NEARLY DOUBLES BY 2050

A. Population growth by race (white and BIPOC)



B. BIPOC population growth by race/ethnic group (000s)



Source: Metropolitan Council's regional forecast (April 2023).

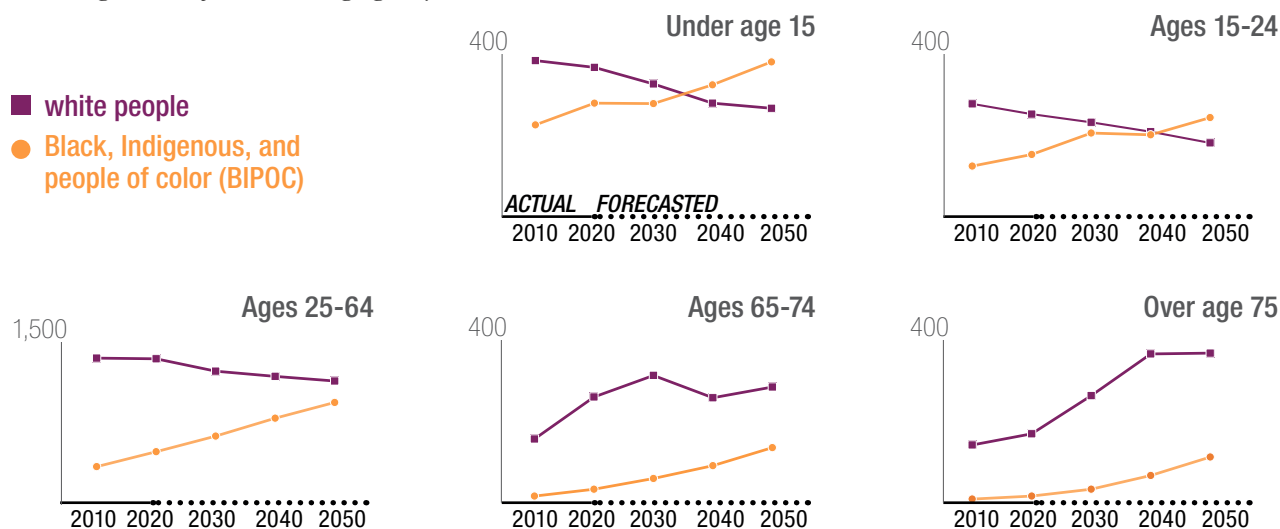
Together, both of these demographic trends will fuel a transformation of the region's schools and workplaces.

Most Black, Indigenous, and people of color (BIPOC) living in the Twin Cities region today were not living here before 2000—or were not born yet. Looking ahead, the number of BIPOC people ages 25-64 almost doubles between 2020 and 2050 as the number of white people in the same age group falls considerably (Figure 5). This will dramatically alter the racial make-up of workplaces.

BIPOC children (under age 15) and young adults (ages 15-24) will grow 44% between 2020 and 2050 (combined). In 2050, 59% of children under age 15 and 57% of young adults (ages 15-24) will be BIPOC. Concurrently, white populations under age 25 will shrink. This will have significant implications for both school enrollments and workplaces.

FIGURE 5 - KEY DEMOGRAPHIC TRENDS CONVERGE AND TRANSFORM SCHOOLS, WORKPLACES BY 2050

Population growth by race and age groups (000s)



Source: Metropolitan Council's regional forecast (April 2023).



The churn of migration (discussed on page 2) also plays a role in this story: While economic opportunities draw new workers and students into the Twin Cities region, we simultaneously lose people with non-economic priorities like retirees, who migrate to sunbelt states. Most people leaving the region are white. In contrast, international migrants—a source of regional population growth—are predominantly BIPOC and younger (people in their 20s and 30s). Thus, immigration also accelerates the region's racial and ethnic diversity.

EMPLOYMENT GROWTH SLOWS WITH WORKFORCE CONSTRAINTS, BUT CONTINUES TO 2050

The Twin Cities' economy has a high-value-added industry mix and most conditions needed for growth. The REMI PI model (that we use to complete the regional forecast) assesses our region as having cost and resource advantages, a high level of productivity, and breadth of workforce supply. In other words, our fundamentals are strong.

The Twin Cities economy has weaknesses as well, though. Historically, low unemployment and better wages have drawn economic migrants from other places in the U.S. If our regional economy was growing, people responded by moving here. As stated earlier, the COVID-19 pandemic in 2020 has upended this trend: migration into the Twin Cities region is down and employment has not bounced back as quickly here as it has in other metros with whom we compete for workers. According to the Current Population Survey (U.S. Census Bureau), economic opportunities are the leading reason people give for moving here from other states; a lesser share move here for other reasons. Despite our top-rated amenities, the Twin Cities region does not have the brand (or weather) of peer metros like Austin, Denver, or Seattle.

Considering all these factors, our regional forecast update shows a modest employment expansion for most of

the forecast period. The number of jobs rose from 1,581,000 at the low-point of 2020 to 1,732,000 in 2022 (the rebound), and will grow to 2,074,000 in 2050 (Figure 6). The slowdown of employment reflects the constraint of a long-term workforce shortage.

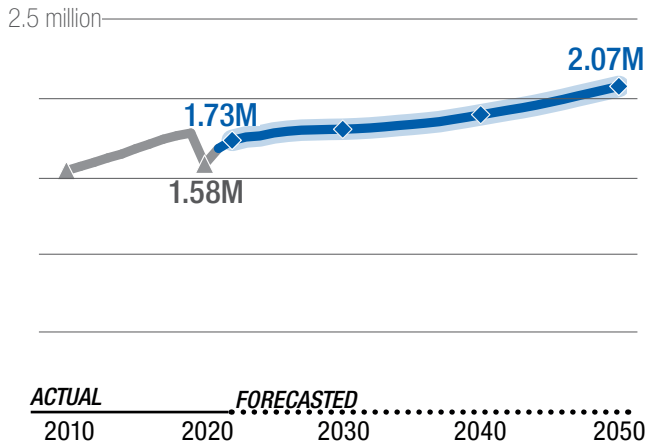
The forecasted employment growth from 2022 to 2050 amounts to 342,000 jobs. The realities of aging baby-boomers, a modest-sized replacement cohort (Millennials), and the meaningful inclusion of immigrants will be challenges for employers and workforce training providers. Our predominant workforce profile up to this point; U.S.-born, working-age, adults will grow by only 71,000, meeting less than a quarter of employers' demand during this period.

Still, Met Council's analysis identifies three non-traditional sources of workforce expansion (Figure 7):

- Older adults (people age 65 and over) are the region's fastest growing demographic group. The doubling of this population and the gradual advancement of retirement ages provides a net gain of 98,000 workers between 2022 and 2050.
- The region will also gain from international immigration. Immigration contributes a steady flow of people in their 20s and 30s, prime working-age. After factoring in workforce participation rates, the cumulative gain in workers from immigration amounts to 162,000 between 2022 and 2050.
- Workers living outside the Twin Cities region fill many jobs. The net import of long-distance commuters and out-of-region remote workers attached to Twin Cities businesses is growing. This phenomenon is difficult to track with government statistics; thus the projection is uncertain. In this regional forecast update, we are assuming long-distance commuters and remote workers together will grow by 26,000.

The region's workforce supply limits will constrain the growth of employer businesses. Still, our workforce will grow enough to accommodate a payroll expansion of 342,000 jobs between 2022 and 2050. The eventual outcome could vary from this depending on unemployment rates, participation rates, remote work trends, and migration to the Twin Cities region.

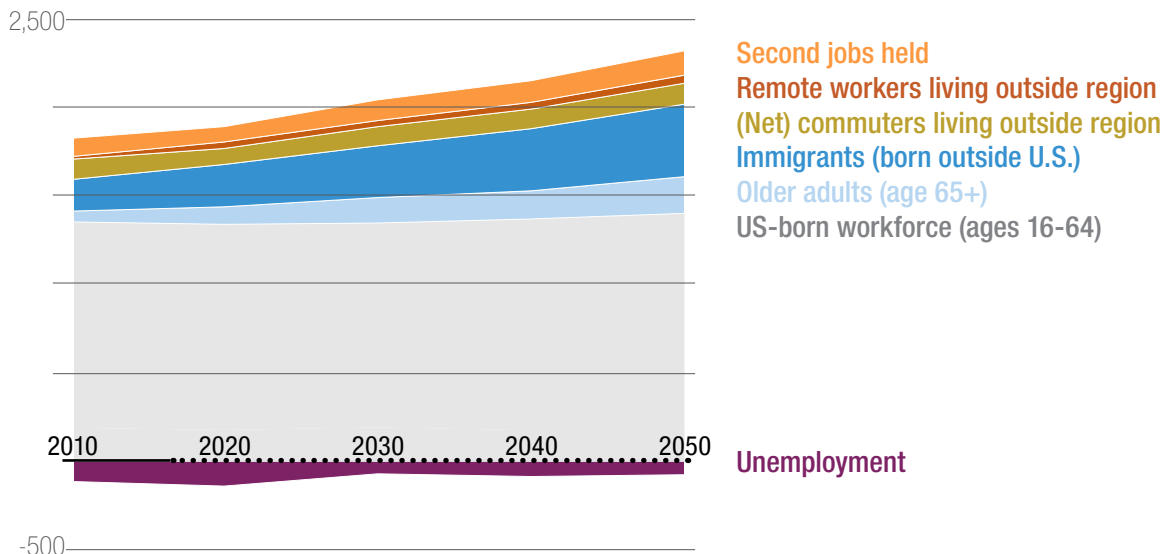
FIGURE 6 - SLOWER EMPLOYMENT GROWTH TO 2050
Number of actual and forecasted jobs



Source: Metropolitan Council's regional forecast (April 2023).



FIGURE 7 - THE REGION'S FUTURE WORKFORCE MAY CONSTRAIN EMPLOYMENT GROWTH BY 2050
Sources of workforce change (000s)



Source: Metropolitan Council's regional forecast (April 2023).



Overview of Region-wide Affordable Housing Efforts and Plans

About the Survey

The 2024 Housing Policy & Production Survey asked potential Livable Communities Act (LCA) participants in the seven-county Twin Cities Metro region about their efforts to create and preserve affordable housing in 2023. Sixty-five communities participated by completing part or all of this year's survey. This report looks at policies, programs, development tools, unit construction and preservation, and other efforts across the region to create affordable housing opportunities and meet housing goals.

Housing Assistance Programs Offered in 2023

New to the survey this year was a question about whether communities offer local housing programs. The following chart shows the number of communities that indicated that they offer a particular local program. County housing organizations also offer a number of the same programs that are made available to households across all community designations.

Program Type	Community Designation			
	Urban Center (5)	Urban (6)	Suburban (7)	Suburban Edge (3)
Down Payment Assistance for low-income homebuyers	4	5	5	3
First-time homebuyer assistance	4	4	5	2
Foreclosure Prevention Program	1	-	1	1
Low-interest Rehab Program	5	6	5	3
4(d) Tax Incentive Program	3	2	2	-
Affordable Housing Trust Fund	4	3	6	-
Local Rental Assistance	3	-	2	1

Support needed communities overcome barriers to housing goals

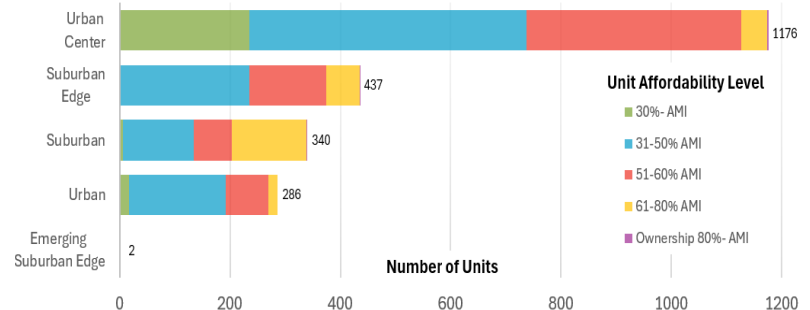
Flexible funding & financing tools

- Pre-development, acquisition, clearing, redevelopment
- 30%- AMI units, larger units
- NOAH preservation
- Supportive services, operating costs, emergency shelter

Resources for communities

- Education for cities/elected officials on how to communicate the need for affordable housing
- Information on best practices, funding break down of projects, success stories, and efforts of other communities
- Technical assistance, data, information on programs

Affordable Construction Reported by Community Designation (Completed in 2023)



Housing Policies Used in 2023

The survey asked participants to indicate which of the following policies were adopted locally, what year they were first adopted, and what year they were last used. The table includes the number of communities that last used a policy in 2023 or 2024.

Housing Policy Type	Community Designation					
	Urban Center (9)	Urban (12)	Suburban (18)	Suburban Edge (6)	Emerging Suburban Edge (10)	Rural Centers (2)
Active code enforcement program	9	11	17	6	8	2
Rental licensing program	8	11	16	5	6	2
Strong Partnership with County HRA/CDA/EDA	3	7	11	4	9	1
Accessory Dwelling Unit (ADU) policy	6	8	9	4	4	1
Tenants' Rights policies	4	5	4	-	1	-
Displacement Prevention Policy	3	5	4	-	-	-
Mixed-income (inclusionary) housing policy	4	3	4	2	-	-
Equity in Development and Hiring Policy	3	4	4	-	-	-

Homeownership Support

- Counseling
- Support for increasing credit scores
- Financing for first time homebuyers

Other Needs

- Expanded City partnerships with skilled affordable housing developers, other public agencies, & residents
- Preservation of affordability restrictions approaching expiration
- Consolidation of housing finance tools and programs
- Increased transit options & wastewater infrastructure

Overview of Region-wide Affordable Housing Efforts and Plans

Community Plans for Local Affordable Housing Aid

Local Affordable Housing Aid is an annual appropriation from a sales tax within the seven metropolitan counties (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington). This funding helps local governments develop and preserve affordable housing. The seven metropolitan counties and the cities in those counties that have a population over 10,000 are eligible to receive aid. 2024 was the first year aid was paid to eligible cities and counties. Fifty-two out of 63 eligible cities shared their plans for the use of LAHA in the 2024 Housing Policy and Production Survey. The chart below shows some cities' plans for funding.

Funding Use, Planned Activities, and Partners Involved	Community Designation					
	Urban Center (9)	Urban (11)	Suburban (17)	Suburban Edge (5)	Emerging Suburban Edge (8)	Rural Centers (2)
Housing Rehabilitation & Improvement Programs	4	4	5	4	1	-
Homebuyer Assistance	4	2	3	3	-	-
New Construction, Development, Acquisition	2	4	3	3	2	-
Emergency Rental Assistance	3	3	1	-	-	-
New program established	2	-	1	2	-	-
Potential Affordable Housing Trust Fund creation	-	1	1	1	2	-
Working with a CDA/County	-	1	3	1	2	-
Working with a land trust	-	1	1	1	1	-
Working with a nonprofit	-	1	1	-	-	-
Undecided or not specified	1	2	5	-	2	-
Other	1	1	-	-	-	-
Community does not qualify for funds	-	2	5	-	2	2

*Multiple activities for a single city were counted if the respondent described multiple planned uses for the funding. Many cities noted that they were still in the planning or Council-approval stages to determine exact use of funding at the time of the survey.

Key Observations of Plans:

- Cities across community designations are considering a wide variety and combination of eligible activities.
- Funding is often described as insufficient alone to result in large impacts.
- Smaller cities are often pooling resources with other agencies.

Community Comments

"... At this time, we are anticipating creating a Housing Trust Fund to utilize for future development projects that are affordable. However, the funding amount the City will be receiving is not a large annual amount so we will continue to explore best practices and monitoring what other cities are doing." - **Emerging Suburban Edge Community**

"The amount we are receiving is nominal and insufficient to move the dial on need..." - **Urban Community**

"... The Finance, Administration, and Community Development Departments are working together to create a plan that will use the funds in the most effective way possible. The City is considering working with Washington County to direct the funds to be distributed through the County CDA. The City may be interested in using the Met Council as a resource for guidance on how to allocate those funds." - **Emerging Suburban Edge Community**

Community Designation Survey Highlights

The following pages of this report provide an in-depth look at local efforts of communities by their community designation in the region. Community designations are based on common community characteristics and work in concert with land use policies. They accommodate regional forecasted growth, indicate and respond to development trends, are used to plan and implement regional policies, guide orderly and economical development, protect agricultural land and natural systems, and adapt the regional planning landscape to current challenges.

Urban Center Community Designation Highlights

Survey Respondents

Nine cities in the Urban Center community designation participated in the 2024 survey.

- Columbia Heights
- Hopkins
- Minneapolis
- Richfield
- Robbinsdale
- South St. Paul
- St. Louis Park
- St. Paul
- West St. Paul

Adopted Policies in 2023



Hopkins
Inclusionary Housing Policy



Richfield
Missing Middle Housing Ordinance

Local Housing Programs

Home rehabilitation loans

- Richfield, South St. Paul, St. Louis Park, St. Paul

Down payment assistance

- Minneapolis, Richfield, St. Louis Park, St. Paul

Affordable homeownership financing program

- Minneapolis

Apartment remodeling program

- Richfield

Rental assistance program

- Richfield, St. Louis Park, St. Paul

Home improvement grant

- Robbinsdale

Contribution to nonprofit-operated housing program

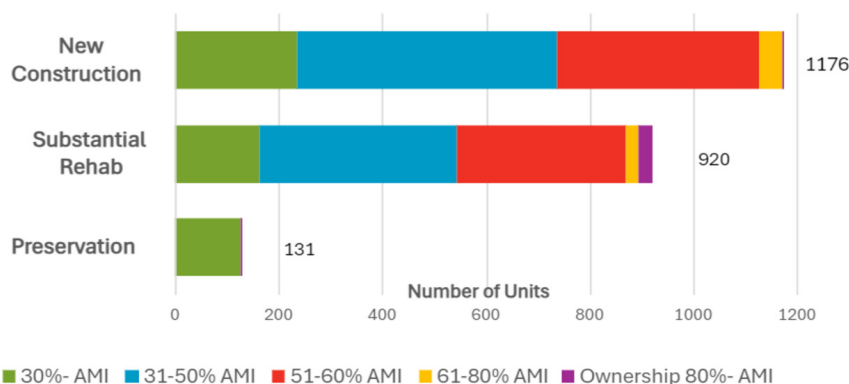
- Minneapolis, Richfield, St. Louis Park, St. Paul, West St. Paul

Community Land Trusts

22

There were 22 acquisitions, rehabilitations, or resales of owner occupied units affordable at 80% AMI or less that were brought into a **community land trust** in the urban center community designation in 2023.

Affordable Units Reported Completed in 2023



All units are rental except the 31 ownership units at 80% AMI or less indicated in purple.

Project Tools Used to Create Affordable Housing in 2023

PROJECT TOOL TYPE	# OF TIMES USED
Tax increment finance (TIF) district created	6
Density approved at original developer request	2
Floor area ratio (FAR) waiver or increase	1
Inclusionary housing requirement applied	3
Increased building height flexibility	2
Land clean-up and/or site assembly	1
Public land dedication or write-down	1
Parking variances granted	1
Setback reductions	2
Other	2

Barriers to Meeting Housing Goals

Funding/Financing

- Difficulty stacking funding
- Shortage of and high demand for Low Income Housing Tax Credits
- Lack of funding for deeply affordable units

Land Availability

- Limited available for new development
- Land owners refusing to redevelop
- High cost of redevelopment

Construction

- High interest rates and construction costs
- Supply chain issues
- Labor shortages

Current Housing

- Lack of tools to support high operating costs of existing low-barrier housing providers

Other

- Communication challenges between City staff and residents needing affordable/improved housing
- Staffing challenges



Housing Policy and Production Survey Report

Highlighting data from the 2024 survey

Urban Center Community Designation Highlights

Highlighted actions communities took to create affordable housing in 2023

"Began adding density through the preparation of large scale residential redevelopment projects. . . purchased demolished and sold a single family home to Habitat for Humanity for redevelopment." - **Columbia Heights**

". . . we adopted an inclusionary housing policy requiring affordable housing for developments receiving land use or financial incentives. We are working with Minnetonka and the Met Council to create an RFP to dispose of excess land near the Shady Oak Station, which will include affordable housing. Most recently, we worked with Beacon Interfaith to obtain grants and funding for the Vista 44 project." - **Hopkins**

". . . Amended the inclusionary housing policy in 2023, increasing the years of affordability to 26 along with additional updates. Utilized funding from Affordable Housing Trust Fund to provide deeply affordable units (30% AMI) throughout the city. The city has adopted a Housing Improvement Area (HIA) policy which provides last resort funding to condos and townhomes that are valued below the affordable homeownership purchase price set by Met Council and are in serious need of improvements to the building to preserve affordable homeownership opportunities in the community." - **St. Louis Park**

". . . The City successfully advocated in partnership with key stakeholders for the adoption of down payment assistance best practices including successful advocacy for \$150 million of assistance for first-generation homebuyers . . . The City also adjusted the Homeownership Opportunity Minneapolis program to reflect the regional best practices from the working group, it will re-launch as Minneapolis Homes Access in 2024. In response to concerns from some Ward 5 Minneapolis residents' experience with Home Ownership Associations (HOAs) charging high legal fees for minor assessments, City staff partnered with the University of Minnesota, Minnesota Homeownership Center, and Legal Aid to change state HOA law . . . The City adopted an allocation plan to utilize \$9.6 million in HOME Investment Partnership American Rescue Plan Program (HOME ARP) funds to reduce homelessness and increase housing stability. In 2023, \$18.3 million of City AHTF and 9% Housing Tax Credit awards leveraged over \$341.4 million in other public and private investment to create or preserve 876 affordable units . . ." - **Minneapolis**

". . . The City Council adopted a Zoning Ordinance amendment making duplexes a matter of right in single family residential zoning districts and reducing residential lot size requirements. The Housing and Redevelopment Authority (HRA) then marketed two HRA-owned lots for duplex construction, offering discounted lot prices . . . The City Council and the HRA took several actions in support of a 38-unit supportive housing development proposed by Beacon Interfaith Housing Collaborative: land use entitlements, Affordable Housing Trust Fund grant, approval of land sale at a reduced price, support for a Livable Communities Act grant application. The HRA amended the Transformation Loan Program guidelines (major remodeling incentive program) to include incentives for projects that create duplexes or ADUs, include sustainability and/or accessibility improvements." - **Richfield**

"City is planning for Met Transit Light Rail Blue Line Extension and the transit oriented new development opportunities including affordable housing that can be realized in conjunction with this public transit investment . . . identifying 3 sites adjacent to the light rail extension proposed that could be redeveloped to multi-family apartments with percentage of units dedicated to AMI 80% or less . . ." - **Robbinsdale**

"The 2020 Master Housing Strategy . . . details a City goal to create a local home improvement loan program. In 2023, the City's EDA dedicated a portion of its levy to go towards creating a local home improvement loan program with no interest or low interest loan options. This program was launched in November of 2023 and includes three distinct tracks: one for owner-occupied 1-4 units properties, one for senior-owned properties, and one for non-owner occupied multifamily properties. The program has served 12+ households so far . . ." - **South St. Paul**

". . . The preservation team developed a NOAH program with a \$3M budget to provide a funding tool for projects facing the need to be renovated and stabilize their low-income tenants. Also, in 2023 we have continued to utilize the funds received through the American Rescue Plan Act (ARPA) to deepen the affordability in many of our developments, we anticipate creating 209 units affordable at 30% AMI that by end of 2024, with this program. In 2022 staff also launched the Inheritance Fund, a layer of additional assistance within our downpayment and homeowner rehab programs for descendants of folks who had property taken for the construction of I94, addressing several important local housing goals including reducing the homeownership gap, we have expended this program in 2023 to serve 24 households and we are on track to serve 20 more households by the end of 2024." - **St. Paul**

Urban Community Designation Highlights

Survey Respondents

Twelve cities in the Urban community designation participated in the 2024 survey.

- Bloomington
- Brooklyn Center
- Crystal
- Edina
- Falcon Heights
- Fridley
- Golden Valley
- Lauderdale
- Maplewood
- New Brighton
- New Hope
- Roseville

Adopted Policies in 2023



Brooklyn Center

Accessory Dwelling Unit (ADU) Policy



Maplewood

Accessory Dwelling Unit (ADU) Policy

Local Housing Program Highlights

Home improvement loan(s)

- Bloomington, Brooklyn Center, Edina, Fridley, Roseville

Down payment assistance

- Bloomington, Brooklyn Center, Edina, Fridley, Roseville

Affordable ownership creation & preservation (Community Land Trust program)

- Edina, Roseville

Rental & utility assistance programs

- Edina

Home improvement grant

- Crystal, Fridley

Manufactured Home Loan

- Roseville

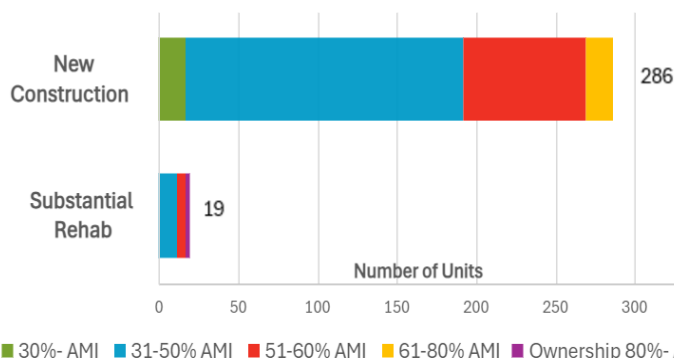
Contribution to nonprofit-operated housing program

- Bloomington, Brooklyn Center, Edina, Fridley, Golden Valley

Barriers to Meeting Housing Goals

- High interest rates and construction costs
- Limited funding for deeply affordable units & housing vouchers
- Limited funding to prepare parcels for development
- Limited available land & reliance on private market for redevelopment
- Lack of community support for projects (NIMBY)
- Zoning regulations
- Limited staff capacity

Affordable Units Reported Completed in 2023



All units are rental except two ownership units at 80% AMI or less (rehab) indicated in purple.

Project Tools Used to Create Affordable Housing in 2023

PROJECT TOOL TYPE	# OF TIMES USED
Allowed alternative construction methods	1
Tax increment finance (TIF) district created	3
Density approved at original developer request	3
Inclusionary housing requirement applied	2
Increased building height flexibility	2
Public land dedication or write-down	1
Parking variances granted	4
Setback reductions	3
Special or conditional use permits granted	1

Some Upcoming Plans to Meet Housing Goals

Bloomington:

- Explore policy for small unit cluster housing & update town-home standards

Crystal:

- Reduce regulatory barriers to ADUs and missing middle housing

Falcon Heights:

- Implementation of ADU policy

Golden Valley:

- Develop single family homes through the Home Ownership for Equity Program

Maplewood:

- Develop a rehabilitation program for owner-occupied, single-family, affordable units

New Brighton:

- Identify and secure funding for two manufactured home parks

New Hope:

- Pursue redevelopment projects that incorporate affordable housing

Community Land Trusts

3

There were three acquisitions, rehabilitations, or resales of owner occupied units affordable at 80% AMI or less that were brought into a **community land trust** in the urban community designation in 2023.



Housing Policy and Production Survey Report

Highlighting data from the 2024 survey

Urban Community Designation Highlights

Highlighted actions communities took to create affordable housing in 2023

"... We continue to support development through our inclusionary zoning policy called the opportunity housing ordinance. Through that framework we also support development through funding from our Affordable Housing Trust Fund and support with other funding pursuits including low income housing tax credits and grant opportunities. The City and HRA continue to expand and support homeownership opportunities for low to moderate income residents through first time home buyer courses." - **Bloomington**

"... The City is still working with Alatus/Bob Lux to build out the Opportunity Site and bring some affordable units." - **Brooklyn Center**

"Home improvement grants preserve existing affordable housing in the city." - **Crystal**

"Forgave Homes Within Reach loan so they could allocate additional funds to acquire homes, renovation and place into the land trust program. Provided TC Habitat for Humanity with financing. Restructured the home rehab program so revenues could be recycled into the program. Continue working with market rate developers to include affordable housing units into their developments. ... Approved financing for the Finch, which will provide 28 affordable units for people with disabilities." - **Edina**

"In 2023 the City of Falcon Heights approved a PUD for a 96-unit affordable housing project called Amber Flats. It is currently in the funding stage." - **Falcon Heights**

"... Discussions with Metro Transit on the potential redevelopment of the West Northstar Train station property with a for sale affordable housing product." - **Fridley**

"... continued their Home Ownership for Equity (HOPE) Program. The City/HRA will provide a land write-down as an incentive for development of homes affordable at less than 115 percent of Area Median Income (AMI), with a priority for affordability at 80 percent or 60 percent of AMI. Priority is given to proposals from organizations with demonstrated success in building relationships of trust with Black, Indigenous, and people of color and in serving first generation homebuyers." - **Golden Valley**

"The city completed the redevelopment of 1795 Eustis Street creating 114 units of affordable senior housing." - **Lauderdale**

"... the city approved JB Vang's Juniper project which brings 65 new affordable rental units. Construction started on this project this summer. .
" - **Maplewood**

"... A new Fair Housing Policy was also adopted towards the end of 2023 to ensure equal housing is considered within the City's decision-making process." - **New Brighton**

"Continued 1st generation DPA, Senior Deferred Loan Program, Manufactured Home Loan Program, and an Emergency Deferred Loan Program ... For over 13 years continued program of financially assisting with home energy audits. Continued partnership with TCHFH for long term affordable home ownership land trust." - **Roseville**

Suburban Community Designation Highlights

Survey Respondents

Twenty-three communities in the Suburban community designation participated in the 2024.

- Apple Valley
- Arden Hills
- Brooklyn Park
- Burnsville
- Champlin
- Circle Pines
- Coon Rapids
- Eagan
- Eden Prairie
- Long Lake
- Mahtomedi
- Mendota Heights
- Minnetonka
- Mounds View
- Oakdale
- Savage
- Shoreview
- Stillwater
- Tonka Bay
- Vadnais Heights
- Wayzata
- White Bear Lake
- White Bear Township

Adopted Policies in 2023



Eagan

Rental Licensing Program



Eden Prairie

Tenants' Rights Policies

Displacement Prevention Policy



Wayzata

Building Permit Fee Reimbursement for Affordable Housing

Local Housing Programs

Home improvement loan(s)

- Brooklyn Park, Coon Rapids, Eden Prairie, Minnetonka, Shoreview

Down payment assistance

- Brooklyn Park, Coon Rapids, Eden Prairie, Minnetonka, Shoreview

Rental assistance programs

- Minnetonka

Rental Rehabilitation Loan

- Brooklyn Park

Home Rehabilitation Grant

- Champlin

Contribution to nonprofit-operated housing program

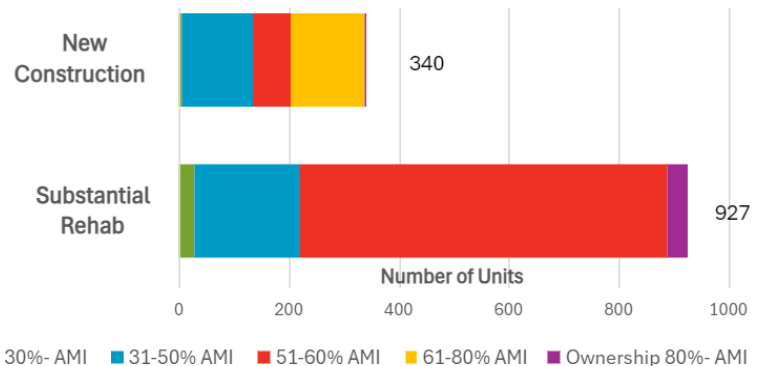
- Brooklyn Park, Coon Rapids, Eden Prairie, Minnetonka, Shoreview

Community Land Trusts

7

There were seven acquisitions, rehabilitations, or resales of owner occupied units affordable at 80% AMI or less that were brought into a **community land trust** in the suburban community designation in 2023.

Affordable Units Reported Completed in 2023



All units are rental except the 38 ownership units at 80% AMI or less indicated in purple.

Project Tools Used to Create Affordable Housing in 2023

PROJECT TOOL TYPE	# OF TIMES USED
Tax increment finance (TIF) district created	5
Density approved at original developer request	6
Floor area ratio (FAR) waiver or increase	4
Inclusionary housing requirement applied	5
Increased building height flexibility	4
Parking variances granted	3
Private street allowances	1
Setback reductions	5
Other	1

Some Upcoming Plans to Meet Housing Goals

Arden Hills:

- Update zoning and subdivision ordinance, lot dimensional criteria, setback and design standards, parking regulations, and permitted uses
- Consider fee waiver or reduction policy for affordable housing

Champlin:

- Establish housing trust fund

Coon Rapids:

- Propose new Aging in Place program

Oakdale:

- Renew affordability agreements set to expire
- Review zoning code and subdivision chapter

Savage:

- Adopt strategies for housing on underutilized and vacant lots, housing rehab, rezoning land to promote higher density

Wayzata:

- Zoning ordinance amendments to introduce housing on commercial sites

White Bear Lake:

- Adopt Fair Housing Policy
- Consider creation of housing trust fund
- Update TIF policy & create broader public finance policy

White Bear Township:

- Review and update the Zoning Ordinance, Building Ordinance, and others



Housing Policy and Production Survey Report

Highlighting data from the 2024 survey

Suburban Community Designation Highlights

Highlighted actions communities took to create affordable housing in 2023

"... City of Apple Valley is now working with a separate development group in acquiring a 3.1-acre city-owned site ... for a new 120 +/- unit workforce (affordable) housing development. ... As part of the 2040 Comprehensive plan the City created two new designations, Manufactured Housing and Suburban-Intensive High Density Residential (SIHD) ... " - **Apple Valley**

"The EDA's six housing preservation programs have allowed homeowners to invest over \$7.3 million into their homes and neighborhoods over the past seven years in addition to \$10 million invested through the foreclosure recovery program. Between 2017-2024, the EDA provided over \$6 million in assistance for the rehabilitation of multi-family communities in Brooklyn Park ... The EDA has partnered with several affordable housing developers to develop more affordable housing units in the community. ... " - **Brooklyn Park**

"... Completing the final phases of construction of 136 new detached townhomes along Coon Rapids Blvd - four of which are owned by Habitat for Humanity. ... Continue to offer home improvement programs that are specifically designed for lower income households and prioritizing the improvements that are eligible for funding and made at these properties, ensuring the dollars are going to the projects most important to the structural, mechanical and livability of these homes. ... Serving as a resource to tenants and landlords alike by investigating claims of property conditions, sharing information and resources about other organizations and programs available, etc. ... " - **Coon Rapids**

"The City completed a year-long small area plan for NW Central Park Commons and set expectations for redevelopment of two large corporate campuses. The plan allows for higher density residential development that the City anticipates may include affordable and life cycle housing ... " - **Eagan**

"... as well as an inclusionary contribution of 5% at/below 80% of AMI in perpetuity. We also worked with Homes Within Reach using a Met Council grant and CDBG funds to create new housing opportunities for several families." - **Eden Prairie**

"Responded to developer inquiries. Reviewed parking ordinances." - **Long Lake**

"The City has undergone a full Zoning Code Update project to modernize the City Code ... to update overall standards and regulations. Housing goals within the Comprehensive Plan included evaluating zoning standards for existing nonconformities within the City relating to smaller lot sizes approved prior to 1981 (last major overhaul to the Zoning and Subdivision Titles) ... " - **Mendota Heights**

"The City completed a Housing TIF for a 120 unit 55 & older income-based apartment project." - **Mounds View**

"A new rental registry program - staff time to create an outreach program for multifamily buildings ... Homelessness Program - Provides funding for hotel stays, counseling, and rental assistance ... Down Payment and Closing Cost Assistance Program - up to \$50,000 ... Pathways to Homeownership - First Generation Program - up to \$75,000 ... Land write down for new ownership projects - \$250,000 ... New multifamily affordable units - \$2M" - **Minnetonka**

"Continued existing partnership with Two Rivers Community Land Trust. Creation of 168 new affordable senior housing units through the MWF Oakdale Commons project, which was partially funded through City-issued bonds. Renewed the City's participation in the Minnesota Cities Partnership Program, supporting 30 households with closing and down payment costs in 2023." - **Oakdale**

"The City embarked on a zoning code update with goals that include addressing the missing middle housing types, looking at flexibility with lot sizes and setbacks, incorporation of accessory dwelling units as an allowable use ... " - **Savage**

"... The Aloma - the third phase of original Deluxe campus redevelopment will open in November, 2024. ... The third phase has 20 units affordable to those 80% AMI and below ... Partnering with Rondo Community Land Trust and Habitat for Humanity to develop 6 owner-occupied units in 3 twin-homes ... Continued to modify and enhance Shoreview Home Improvement Loan and Down Payment Assistance programs to meet the needs of our residents, increasing amounts available and maximum purchase prices of homes for the DPA. Created and then modified pilot Manufactured Home Improvement program including forgiveness term." - **Shoreview**

"Updated Short Term Home Rental ordinances to cap the number of allowed licenses throughout the City. Amended City Code pertaining to Accessory Structures and Accessory Dwelling Units to be less stringent with setbacks and size, allowing for more opportunities for other properties. Approved a series of land use entitlement permits associated with a new Washington County Emergency Services Housing Building. ... " - **Stillwater**

"... Recently adopted an ADU ordinance and are forming partnerships with affordable housing developers ... " - **Vadnais Heights**

"... In 2023, the City approved definition and performance requirements updates in the Zoning Code that help to streamline development and provide clarity in service of the City's goals ... The HRA approved adding one 10-unit NOAH project to the City's program for building fee reimbursement for affordable housing ... " - **Wayzata**

"... commissioned a community housing survey in summer 2023 to better understand residents' housing related needs, wants, future plans, experiences and barriers ... Updating the zoning code to modernize it as well as make the entitlement process more predictable and understandable for both developers and residents." - **White Bear Lake**

"Review and updating of the Town's subdivision ordinance." - **White Bear Township**

Suburban Edge Community Designation Highlights

Survey Respondents

Five cities in the Suburban Edge community designation participated in the 2024 Survey.

- Blaine
- Chaska
- Maple Grove
- Plymouth
- Woodbury

Local Housing Program Highlights

Low-interest, forgivable, or deferred home improvement loan(s)

- Blaine, Maple Grove, Plymouth, Woodbury

First-time homeowner loans/ down payment assistance

- Blaine, Plymouth, Woodbury

Community Land Trust program

- Maple Grove

Home improvement grants

- Blaine

Housing Improvement Area Program

- Chaska

Contribution to nonprofit-operated housing program

- Maple Grove, Plymouth

Some Upcoming Plans to Meet Housing Goals

Blaine:

- Interest rate reduction pilot program
- Manufactured home step repair program
- Program for substandard manufactured homes

Chaska:

- Exploring flexible land use for multi-family housing

Maple Grove:

- Affordable housing rehab
- Support non-profit affordable housing developers

Plymouth:

- Development of new affordable units as a result of new (2024) Inclusionary Housing Policy
- Housing preservation & tenant protections

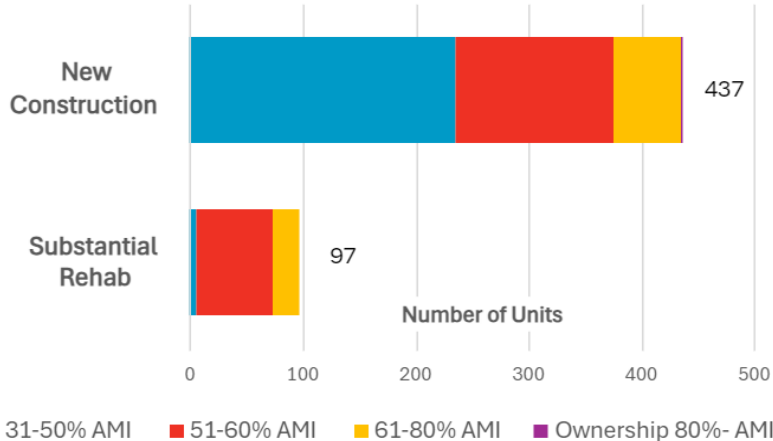
Woodbury:

- Incentivize development of units with deeper affordability

Community Land Trusts

10 There were ten acquisitions, rehabilitations, or resales of owner occupied units affordable at 80% AMI or less that were brought into a **community land trust** in the suburban edge community designation in 2023

Affordable Units Reported Completed in 2023



All units are rental except the two ownership units at 80% AMI or less indicated in purple.

Tools Used to Create Affordable Housing

PROJECT TOOL TYPE	# OF TIMES USED
Allowed alternative construction methods	2
Density approved at original developer request	3
Density bonus or density transfer granted	1
Land clean-up and/or site assembly	1
Parking variances granted	2
Private street allowances	1
Setback reductions	1
Special or conditional use permits granted	1

Highlighted efforts to Create Affordable Housing in 2023

"We applied for and received \$347,000 in funds from the MHFA Impact Fund and committed \$145,000 in EDA funds as a match. The funds are for a repair program for manufactured homes to address a gap in services available from other agencies. The program will be implemented starting in 2024." - **Blaine**

"... the City has continued to work with Carver County CDA to finalize the Chaska Yards (Ernst House Project). ... When completed the four units will be placed into the Carver County Community Land Trust project where they will become permanently affordable to those at 80% area median income or less." - **Chaska**

"... continues to own and manage two senior properties, providing high-quality affordable rental housing. ... The city utilized Tax Increment Funding tools to develop a 20% affordable mixed income housing development" - **Plymouth**

"... Additionally, the city continues to utilize the density bonus tool to increase the number of units for affordable housing developments." - **Woodbury**

Barriers to Meeting Housing Goals

- Challenges preserving rental affordability when buildings sell
- Limited allocations of housing revenue bonds
- Limited staff time
- Lack of financial resources
- High interest rates & development costs



Housing Policy & Production Survey Report

Highlighting data from the 2024 survey

Emerging Suburban Edge Community Designation Highlights

Survey Respondents

Thirteen communities in the Emerging Suburban Edge community designation participated in the 2024 survey.

- Carver
- Centerville
- Chanhassen
- Farmington
- Hastings
- Hugo
- Lino Lakes
- Medina
- Ramsey
- Rogers
- Rosemount
- St. Paul Park
- Waconia

Local Housing Program Highlights

Contribution to nonprofit-operated housing program

- Waconia (Community Land Trust funding)

Some Upcoming Plans to Meet Housing Goals

Carver:

- Offer a fee waiver program to affordable projects
- Revise zoning code to decrease lot size

Chanhassen:

- Revise the Accessory Dwelling Unit (ADU) ordinance to make ADUs more accessible

Hugo:

- Conduct a comprehensive review of residential zoning districts and, potentially, include new zoning districts to allow development standards that would encourage affordable housing

Lino Lakes:

- Establish a home improvement loan program for owner-occupied housing affordable to residents at 80% of the Area Median Income (AMI) or less
- Consider the establishment of a housing trust fund

Medina:

- Earmarked funds to write-down portions of utility connection fees for construction of affordable units

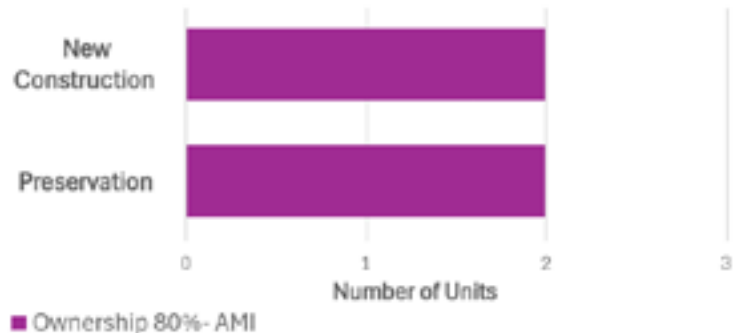
Rogers:

- Amend current rental licensing process
- Create an Economic Development Strategic Plan which will further outline the desire to add affordable housing

Community Land Trusts

2 There were two acquisitions, rehabilitations, or resales of owner occupied unit affordable at 80% AMI or less that were brought into a **community land trust** in the emerging suburban edge community designation in 2023.

Affordable Units Reported Completed in 2023



Highlighted efforts to create affordable housing in 2023

"The City worked with the Carver County CDA on Carver Place, . . . a 60-unit apartment building with income requirements. The City has a fee waiver program that the CDA utilized in 2023 to waive \$146,000 in connection fees. . . "

- **Carver**

"We continued to meet with developers to create a townhouse complex on Block 7 alongside Centerville Road. We hope to create at least two affordable units on the property." - **Centerville**

"The city has approved several recent developments. . . The Denmark Housing Addition . . . Once completed this project will consist of 40 workforce townhome rental units. These units are income qualified and are currently under construction."

-**Farmington**

". . . supported the use of TIF for Melrose Commons proposed by CommonBond Communities, a 50-unit affordable housing project. The project was not awarded funding by Minnesota Housing in 2023, so Medina (EDA) again supported the use of TIF in connection with CommonBond's 2024 application." - **Medina**

". . . supported the use of TIF funding for affordable housing projects and removed barriers to the development of multi-family housing." - **Rosemount**

". . . Additionally, the City continues to support the CLT program through the Carver County CDA." - **Waconia**

Barriers to Meeting Housing Goals

- Limited land guided & zoned for different densities & residential uses
- Lack of affordable housing developers
- High cost of materials, construction, land, high interest rates
- Limited staff time & programs on different timelines
- Lack of neighborhood support



Housing Policy and Production Survey Report

Highlighting data from the 2024 survey

Rural Center & Agricultural Community Designation Highlights

Survey Respondents

Three communities in the Rural Center and Agricultural community designations participated in the 2024 Survey.

- New Germany
- Randolph Township
- St. Francis

Efforts to meet housing goals in 2023

"We are working on bonding bills and federal grants to fund the wastewater capacity issues."

-New Germany

"Staff reviewed two multi-family developments in 2023 and one is still considering TIF."

-St. Francis

Some Upcoming Plans to Meet Housing Goals

New Germany:

- Work toward funding a wastewater facility in order to grow community

St. Francis:

- Work with single-family and multi-family housing developers

Barriers to Meeting Housing Goals

- High cost of infrastructure
- Wastewater capacity issues
- High utility rates and property taxes
- Limited bonding power
- Limited building sites in the community

Progress towards meeting regional Future Affordable Housing Need for 2021-2030

This is intended to provide additional information on affordable housing production in the region. The data used in the following pages is gathered from a separate survey that the Council conducts, the annual Building Permit Survey, which collects information from all 181 cities and townships in the region, a broader sample than the participating communities in the Livable Communities Act programs.

What is the allocation of Future Affordable Housing Need, and how is it calculated?

The Future Affordable Housing Need (*Future Need*) serves as an objective prediction of the number of added low-income households throughout the region through the decade that will need housing. The Met Council forecasts the *Future Need* using a regional economic model, then allocates a share of the overall need to all communities expecting sewer-serviced household growth over the next decade. Not all cities and townships in the region have an allocation of Future Affordable Housing Need. Learn more about the methodology in the [2040 Housing Policy Plan](#).

Cities and townships that are allocated a *Future Need* are not required to create enough units to meet their share of the *Future Need*, but they must plan for the possibility of these units by guiding sufficient land at higher residential densities. The Thrive MSP 2040 regional development guide established the *Future Need* for the 2021-2030 decade that is used in this report. The *Future Need* numbers for next decade (2031-2040) were calculated for the Imagine 2050 regional development guide that was adopted in February 2025. These specific allocations of *Future Need* for 2021-2030 can be seen for each city or township in the tables below.

How does Met Council track cities' and townships' progress towards meeting their *Future Need*?

The Met Council uses its annual Building Permit Survey to determine how many affordable housing units at different Area Median Income (AMI) affordability levels were permitted each year. The bar chart below shows the region's progress towards meeting *Future Need* based on the 2021-2023 Building Permit Survey data.

Progress towards 2021-2030 forecasted Future Affordable Housing Need for the seven-county region

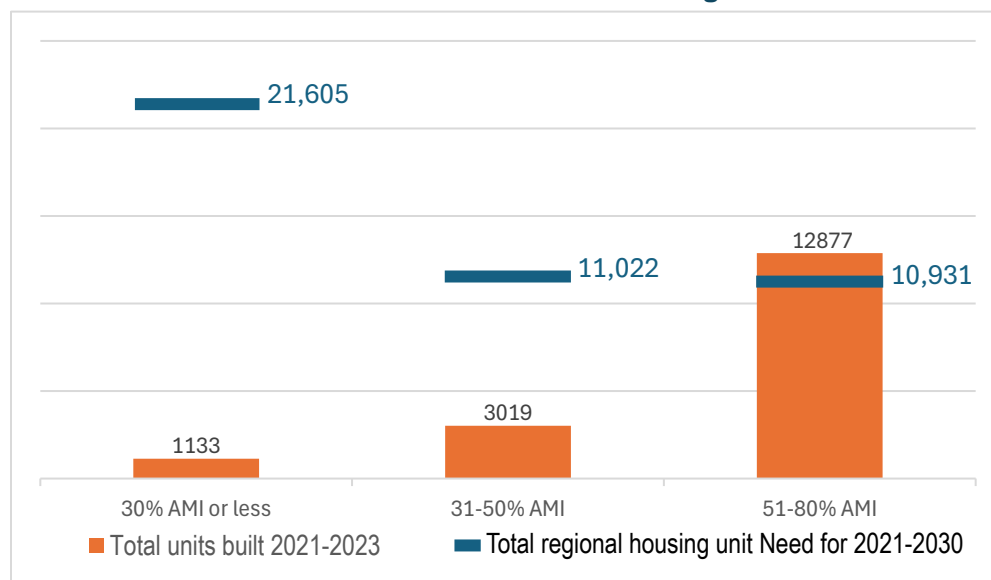


Figure 1: Total units built in the seven-county region for the years 2021-2023 by affordability band, compared to the total number of forecasted units needed for the seven-county region in the 2021-2030 decade. “Built” units are units that have been permitted and reported in the Met Council Building Permit Survey.

As the chart shows, deeply affordable housing units at 30% AMI or less are the units of greatest need in the region at the end of 2023. If the production needed in the 30% AMI or less affordability band for the decade is annualized, the region would need to produce around 2,161 units per year to be on track to produce the total number of units in this affordability band by the end of the decade. At only 1,133 units produced after the first three years of the decade, we are behind in producing units at 30% AMI or less to meet the *Future Need* in this affordability band by the end of the decade. The region is almost on track to produce the 31-50% AMI *Future Need* by the end of the decade. To be on track to produce the regional units needed in the 31-50% AMI affordability band, the region should produce around 1,102 units per year. Finally, the region has already surpassed production of all 51-80% AMI units needed for the entire decade in the first three years.

The tables below show each city’s and township’s allocation of Future Affordable Housing Need for the 2021-2030 decade and their progress towards meeting that *Future Need* from units permitted between 2021 and 2023.

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Andover	30% AMI	208	0
	31-50% AMI	141	0
	51-80% AMI	13	1
Anoka	30% AMI	58	8
	31-50% AMI	0	40
	51-80% AMI	55	33
Apple Valley	30% AMI	221	0
	31-50% AMI	118	36
	51-80% AMI	129	3
Arden Hills	30% AMI	129	0
	31-50% AMI	100	0
	51-80% AMI	144	0
Bayport	30% AMI	4	0
	31-50% AMI	2	0
	51-80% AMI	1	1
Belle Plaine	30% AMI	126	0
	31-50% AMI	46	7
	51-80% AMI	72	49
Bethel	30% AMI	3	0
	31-50% AMI	0	0
	51-80% AMI	3	2
Blaine	30% AMI	527	0
	31-50% AMI	299	0
	51-80% AMI	313	268
Bloomington	30% AMI	445	15
	31-50% AMI	246	80
	51-80% AMI	151	210
Brooklyn Center	30% AMI	103	13
	31-50% AMI	0	49
	51-80% AMI	135	47
Brooklyn Park	30% AMI	365	33
	31-50% AMI	93	39
	51-80% AMI	252	168
Burnsville	30% AMI	183	3
	31-50% AMI	100	0
	51-80% AMI	101	447
Carver	30% AMI	310	0
	31-50% AMI	125	0
	51-80% AMI	93	23
Centerville	30% AMI	9	0
	31-50% AMI	4	0
	51-80% AMI	1	0

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Champlin	30% AMI	115	0
	31-50% AMI	66	0
	51-80% AMI	20	0
Chanhassen	30% AMI	464	0
	31-50% AMI	197	0
	51-80% AMI	145	50
Chaska	30% AMI	249	0
	31-50% AMI	156	0
	51-80% AMI	166	538
Circle Pines	30% AMI	7	0
	31-50% AMI	2	0
	51-80% AMI	3	0
Cologne	30% AMI	50	0
	31-50% AMI	27	0
	51-80% AMI	20	0
Columbia Heights	30% AMI	87	0
	31-50% AMI	0	0
	51-80% AMI	99	64
Columbus	30% AMI	15	0
	31-50% AMI	12	0
	51-80% AMI	0	0
Coon Rapids	30% AMI	240	0
	31-50% AMI	53	0
	51-80% AMI	164	12
Corcoran	30% AMI	152	0
	31-50% AMI	168	0
	51-80% AMI	57	4
Cottage Grove	30% AMI	665	0
	31-50% AMI	443	0
	51-80% AMI	29	10
Crystal	30% AMI	14	15
	31-50% AMI	1	27
	51-80% AMI	10	23
Dayton	30% AMI	112	0
	31-50% AMI	103	0
	51-80% AMI	118	23
Deephaven	30% AMI	3	0
	31-50% AMI	2	0
	51-80% AMI	0	0
Eagan	30% AMI	259	0
	31-50% AMI	112	0
	51-80% AMI	156	25

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
East Bethel	30% AMI	109	0
	31-50% AMI	68	0
	51-80% AMI	37	0
Eden Prairie	30% AMI	802	0
	31-50% AMI	386	149
	51-80% AMI	220	33
Edina	30% AMI	751	14
	31-50% AMI	480	127
	51-80% AMI	573	92
Elko New Market	30% AMI	195	0
	31-50% AMI	121	0
	51-80% AMI	10	48
Empire Township	30% AMI	72	0
	31-50% AMI	44	0
	51-80% AMI	3	0
Excelsior	30% AMI	5	0
	31-50% AMI	1	0
	51-80% AMI	6	0
Falcon Heights	30% AMI	7	0
	31-50% AMI	2	124
	51-80% AMI	2	0
Farmington	30% AMI	240	0
	31-50% AMI	77	0
	51-80% AMI	124	59
Forest Lake	30% AMI	335	11
	31-50% AMI	164	36
	51-80% AMI	149	0
Fridley	30% AMI	135	5
	31-50% AMI	11	1
	51-80% AMI	122	164
Gem Lake	30% AMI	7	0
	31-50% AMI	3	0
	51-80% AMI	1	0
Golden Valley	30% AMI	106	0
	31-50% AMI	68	0
	51-80% AMI	48	1
Greenfield	30% AMI	19	0
	31-50% AMI	3	0
	51-80% AMI	9	0
Hamburg	30% AMI	2	0
	31-50% AMI	0	0
	51-80% AMI	2	1

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Hampton	30% AMI	2	0
	31-50% AMI	1	0
	51-80% AMI	1	0
Hastings	30% AMI	173	0
	31-50% AMI	43	25
	51-80% AMI	144	65
Hilltop	30% AMI	0	0
	31-50% AMI	3	0
	51-80% AMI	9	0
Hopkins	30% AMI	90	53
	31-50% AMI	51	150
	51-80% AMI	56	140
Hugo	30% AMI	444	0
	31-50% AMI	342	0
	51-80% AMI	48	3
Independence	30% AMI	28	0
	31-50% AMI	21	0
	51-80% AMI	5	0
Inver Grove Heights	30% AMI	274	0
	31-50% AMI	157	49
	51-80% AMI	160	6
Jordan	30% AMI	107	0
	31-50% AMI	63	0
	51-80% AMI	124	74
Lake Elmo	30% AMI	52	0
	31-50% AMI	348	0
	51-80% AMI	589	0
Lakeville	30% AMI	514	0
	31-50% AMI	379	0
	51-80% AMI	239	318
Lauderdale	30% AMI	38	11
	31-50% AMI	6	103
	51-80% AMI	20	1
Lexington	30% AMI	6	0
	31-50% AMI	1	0
	51-80% AMI	7	0
Lilydale	30% AMI	10	0
	31-50% AMI	3	0
	51-80% AMI	5	0
Lino Lakes	30% AMI	284	0
	31-50% AMI	197	29
	51-80% AMI	34	14

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Little Canada	30% AMI	24	12
	31-50% AMI	25	0
	51-80% AMI	23	108
Long Lake	30% AMI	7	0
	31-50% AMI	4	0
	51-80% AMI	3	0
Loretto	30% AMI	2	0
	31-50% AMI	0	0
	51-80% AMI	1	0
Mahtomedi	30% AMI	12	0
	31-50% AMI	8	0
	51-80% AMI	2	54
Maple Grove	30% AMI	1179	4
	31-50% AMI	525	152
	51-80% AMI	311	379
Maple Plain	30% AMI	15	0
	31-50% AMI	4	0
	51-80% AMI	9	0
Maplewood	30% AMI	250	0
	31-50% AMI	95	0
	51-80% AMI	165	112
Mayer	30% AMI	28	0
	31-50% AMI	14	0
	51-80% AMI	6	4
Medina	30% AMI	142	0
	31-50% AMI	102	0
	51-80% AMI	0	0
Mendota	30% AMI	3	0
	31-50% AMI	1	0
	51-80% AMI	3	0
Mendota Heights	30% AMI	25	0
	31-50% AMI	16	0
	51-80% AMI	5	0
Minneapolis	30% AMI	1551	520
	31-50% AMI	494	666
	51-80% AMI	1454	3024
Minnetonka	30% AMI	508	0
	31-50% AMI	412	51
	51-80% AMI	144	267
Minnetrista	30% AMI	187	0
	31-50% AMI	76	0
	51-80% AMI	55	90

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Mound	30% AMI	18	0
	31-50% AMI	4	0
	51-80% AMI	15	0
Mounds View	30% AMI	27	12
	31-50% AMI	11	108
	51-80% AMI	21	0
New Brighton	30% AMI	84	0
	31-50% AMI	29	0
	51-80% AMI	51	132
New Germany	30% AMI	9	0
	31-50% AMI	0	0
	51-80% AMI	12	0
New Hope	30% AMI	44	0
	31-50% AMI	21	0
	51-80% AMI	19	1
Newport	30% AMI	49	0
	31-50% AMI	0	35
	51-80% AMI	52	17
North Oaks	30% AMI	37	0
	31-50% AMI	31	0
	51-80% AMI	0	0
North St. Paul	30% AMI	25	0
	31-50% AMI	4	0
	51-80% AMI	20	89
Norwood Young America	30% AMI	126	0
	31-50% AMI	0	0
	51-80% AMI	143	0
Oak Park Heights	30% AMI	33	0
	31-50% AMI	11	0
	51-80% AMI	30	0
Oakdale	30% AMI	422	4
	31-50% AMI	200	48
	51-80% AMI	169	610
Orono	30% AMI	38	0
	31-50% AMI	31	0
	51-80% AMI	16	0
Osseo	30% AMI	13	0
	31-50% AMI	0	0
	51-80% AMI	13	0
Plymouth	30% AMI	484	22
	31-50% AMI	287	35
	51-80% AMI	119	52

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
Prior Lake	30% AMI	411	0
	31-50% AMI	212	0
	51-80% AMI	131	5
Ramsey	30% AMI	284	0
	31-50% AMI	163	0
	51-80% AMI	39	52
Richfield	30% AMI	132	0
	31-50% AMI	58	5
	51-80% AMI	52	83
Robbinsdale	30% AMI	50	0
	31-50% AMI	1	0
	51-80% AMI	50	10
Rogers	30% AMI	354	0
	31-50% AMI	207	0
	51-80% AMI	69	121
Rosemount	30% AMI	485	0
	31-50% AMI	263	50
	51-80% AMI	209	431
Roseville	30% AMI	72	10
	31-50% AMI	50	277
	51-80% AMI	20	54
Savage	30% AMI	291	0
	31-50% AMI	190	0
	51-80% AMI	2	5
Shakopee	30% AMI	548	8
	31-50% AMI	145	31
	51-80% AMI	282	654
Shoreview	30% AMI	69	0
	31-50% AMI	37	0
	51-80% AMI	32	141
Shorewood	30% AMI	23	0
	31-50% AMI	16	0
	51-80% AMI	9	0
South St. Paul	30% AMI	50	0
	31-50% AMI	7	0
	51-80% AMI	44	271
Spring Lake Park	30% AMI	14	0
	31-50% AMI	6	0
	51-80% AMI	9	0
Spring Park	30% AMI	14	0
	31-50% AMI	4	0
	51-80% AMI	5	2

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
St. Anthony	30% AMI	74	0
	31-50% AMI	53	0
	51-80% AMI	25	0
St. Bonifacius	30% AMI	1	0
	31-50% AMI	1	0
	51-80% AMI	1	0
St. Francis	30% AMI	87	0
	31-50% AMI	33	0
	51-80% AMI	93	2
St. Louis Park	30% AMI	579	34
	31-50% AMI	332	139
	51-80% AMI	198	219
St. Paul	30% AMI	832	326
	31-50% AMI	128	213
	51-80% AMI	1013	1964
St. Paul Park	30% AMI	64	0
	31-50% AMI	35	0
	51-80% AMI	20	10
Stillwater	30% AMI	155	0
	31-50% AMI	107	0
	51-80% AMI	41	0
Tonka Bay	30% AMI	7	0
	31-50% AMI	6	0
	51-80% AMI	1	0
Vadnais Heights	30% AMI	57	0
	31-50% AMI	38	0
	51-80% AMI	39	87
Victoria	30% AMI	235	0
	31-50% AMI	150	0
	51-80% AMI	49	0
Waconia	30% AMI	481	0
	31-50% AMI	183	0
	51-80% AMI	199	266
Watertown	30% AMI	62	0
	31-50% AMI	18	0
	51-80% AMI	54	5
Wayzata	30% AMI	19	0
	31-50% AMI	13	0
	51-80% AMI	10	0
West St. Paul	30% AMI	142	0
	31-50% AMI	40	0
	51-80% AMI	100	400

City or Township	Affordability	Allocation of Future Need 2021-2030	Units Built 2021-2023
White Bear Lake	30% AMI	113	0
	31-50% AMI	71	0
	51-80% AMI	16	3
White Bear Township	30% AMI	21	0
	31-50% AMI	13	0
	51-80% AMI	3	0
Woodbury	30% AMI	607	0
	31-50% AMI	378	138
	51-80% AMI	58	133

Business Item

Community Development Committee



Committee meeting date: September 15, 2025

For the Metropolitan Council: September 24, 2025

Business Item: 2025-235

Livable Communities Act 2026-2027 Fund Distribution Plan

District(s), member(s): All

Policy/legal reference: Minn. Stat. § 473.25

Staff prepared/presented: Emily Seddon, Manager, Livable Communities, 651-602-1023
Hannah Gary, Planning Analyst, Livable Communities, 651-602-1633

Division/department: Community Development/Regional Planning

Proposed action

That the Metropolitan Council adopt the Livable Communities Act program design presented in [Attachment 1: 2026-2027 Fund Distribution Plan](#) for calendar years 2026 and 2027.

Background

The Met Council has been engaged in a multi-year effort to update the Livable Communities Act (LCA) grant program to ensure impact and responsiveness, as well as align with the recently adopted regional development guide, Imagine 2050. Since engaging consultants to advise on how to encourage broad participation from communities in the region and reduce barriers to entry to the grant programs, staff presented information items and held discussions with the Community Development Committee (CDC) on [March 18, 2024](#); [July 15, 2024](#); [September 3, 2024](#); [October 7, 2024](#); [November 18, 2024](#); [December 16, 2024](#); [April 21, 2025](#); [July 7, 2025](#); and [August 18, 2025](#).

Overview of the Updated Livable Communities Act Program

Alignment with Imagine 2050: Imagine 2050, the Met Council's current regional development guide, builds on the outcomes and directions identified in Thrive MSP 2040. Due to this continuity, there are no significant changes to the LCA program goals. However, Imagine 2050 does provide specific policy guidance for LCA programs and Met Council grants more broadly, which are incorporated into this proposal.

Focus on outcomes, less on acronyms: The proposed structure defines grant programs by the type of project and outcomes they seek to achieve, making it more transparent how to apply for LCA funds. By linking funding to project outcomes, the update also provides grantees with important flexibility to determine which eligible costs within the project to seek reimbursement for. Staff will manage the internal assignment of funding sources.

Recognize that every community is part of a livable region: The proposed update utilizes a new scoring structure that focuses on enhancing the qualitative elements of a livable community—safety, ability to meet your needs in your community, and choice in housing and transportation.

Summary of Proposed Updates

Single Entry Point Application: In response to community feedback and recommendations from consultants aimed at simplifying the LCA program processes, the proposal consolidates eight

distinct application processes into a single entry point for all grants awarded using Livable Communities Act Demonstration Account (LCDA) and Tax Base Revitalization Account (TBRA) funds. These funds encompass the current policy, pre-development, LCDA development, transit oriented development (TOD), affordable homeownership, site investigation, cleanup (TBRA), and seeding equitable environmental development funding opportunities. The single entry point application will open twice per year. Local Housing Incentives Account (LHIA) grants will be separate from the single entry point application and continue to be accepted through the [Minnesota Housing Consolidated Request for Proposals](#).

Scoring process: In response to community feedback, the proposal aims to simplify the LCA program process and improve competitiveness for small projects and those advancing regional goals in all communities through a new scoring process. Projects will receive an Outcomes score based on what Imagine 2050 goals and priorities the project advances. Projects will be able to self-score this section and determine how many Outcomes points they will receive before applying. Documentation to verify the outcomes will be submitted with the application. Internal and external reviewers will also assign a Quality score to projects, which assesses how effectively the project addresses Imagine 2050 and Council goals.

Expansion to include small area planning: The LCA program supports local projects across the development continuum. Since 2022, LCA has successfully operated a policy development program to help cities set the conditions for development that are aligned with regional goals. In response to feedback from cities, this proposal adds small area planning as an eligible project type to enhance the Metropolitan Council's ability to set conditions for development.

Reduce barriers for emerging and BIPOC developers: While LCA grants are made to cities, counties, or development authorities, emerging and BIPOC developers are important and underrepresented partners on LCA-funded projects. In alignment with the Metropolitan Council's small business and procurement diversity goals and the Imagine 2050 wealth-building goals, this proposal prioritizes these partners in scoring. Furthermore, in alignment with the Imagine 2050 Housing Policy Plan, when funding projects serving the American Indian community, this proposal prioritizes projects led by American Indian-led organizations. Finally, to reduce barriers to all developers, this proposal recommends continuing to fund project pre-development costs, and, consistent with other Metropolitan Council grants, allows developers to use up to 10% of the grant award for administrative/soft costs that are direct and necessary to complete the project.

Evaluation and Monitoring

Approval of the two-year (2026-2027) Fund Distribution plan will provide staff with sufficient time and data to analyze changes to the program and begin assessing its impact. While this proposal is the result of years of community engagement and staff analysis, we will continue to learn as we implement the updated program design. The required annual approval of the financial components of the Fund Distribution Plan provides a natural point to make a change if something is not going as planned, like a pressure valve.

The annual financial approval will provide a natural opportunity for staff to share assessments of internal processes and discuss the overall impact of the LCA program. Staff may also share information with the Met Council's Housing Work Group and other work groups or committees as requested.

Next Steps

Thank you to the Council members and staff from multiple departments who have contributed to the 2026-2027 Fund Distribution Plan. With your help, the program is well-aligned with Imagine 2050 and has responded to many community suggestions for improvement. Key milestones in the next two annual funding cycles include:

- **Fall 2025 and ongoing:** Outreach and technical assistance to partners about the program update and in preparation for the next application cycle.
- **February 2026:** 2026 financial components of the fund distribution plan recommended to Council.



- **Spring 2026:** Met Council transitions to a new grant application and management system.
- **Summer 2026:** First round of awards under the new fund distribution plan recommended to Council. Staff will use this opportunity to share initial, anecdotal feedback on how the program design is working.
- **February 2027:** 2027 financial components of the fund distribution plan recommended to Council. Staff will use this opportunity to share initial, anecdotal feedback on how the program design is working.
- **2028 (in advance of the 2029 Fund Distribution Plan):** Staff will present findings from the evaluation and monitoring efforts and recommendations for program changes (if needed).

Rationale

The Livable Communities Act ([Minn. Stat. § 473.25](#)) requires that the program “promote the purposes of” the regional development guide. Knowing that the Council would adopt a new regional development guide in 2025, the Council engaged in a multi-year effort to update and align the LCA grant program. The primary goals of this proposed update are:

- **Impact:** Ensure the program continues to be an impactful and tangible way to demonstrate the Council’s priorities.
- **Responsiveness:** Ensure that current and potential grantees’ experience with the program is positive.
- **Alignment:** Align the LCA program with the new regional development guide, Imagine 2050.

The proposed update reflects Imagine 2050 and significant community engagement with council members, cities, counties, developers, and other stakeholders.

The following recommendations are for the Livable Communities Act program design for the years 2026 and 2027. Staff will recommend specific funding levels to accompany this program design at the beginning of each year, once that information becomes available. Taking action to approve the program design before the funding levels are set creates the opportunity for better outreach and technical assistance to applicants ahead of opening the application period. The two-year approval of the program design allows enough time and data to assess the impact of changes before making future updates.

Imagine 2050 Lens Analysis

On Feb. 12, 2025, the Council adopted Imagine 2050. The Livable Communities Act program is a key housing policy and economic development (via environmental cleanup) tool to advance Imagine 2050 goals. Specifically, the proposed program design will advance the Imagine 2050 goals to:

- Create a **dynamic and resilient region** by helping to expand housing choice and improve the ability of residents to meet their needs in their communities.
- Create an **inclusive and equitable region** by helping improve physical, mental, and cultural safety through intentional, community-driven development projects.
- Create **healthy and safe communities** by helping improve safety and the ability of residents to meet their needs in their communities.

Additionally, the LCA program will have a limited impact on the Imagine 2050 goals to **address climate change** and **protect and restore natural systems** by funding projects that include these goals as part of planning and development projects. See [Appendix A: Imagine 2050 Policy Reference Matrix](#).

Funding

Minn. Stats. § 473.25 – 473.255 set the annual minimum amounts for each of the funds in the

Livable Communities Act program. Funding allocation recommendations will be presented to the Community Development Committee in early 2026 when financial details are available for the calendar year. The Council will adopt the 2026 funding availability at that time.

Attachments

Attachment 1: 2026-2027 Fund Distribution Plan

Attachment 2: Letter of support from Metro Cities



Attachment 1: 2026-2027 Fund Distribution Plan

General Requirements

The following apply to all programs in the Livable Communities fund.

Project Eligibility

- All projects must be located in an [LCA participating city](#) and the city must be consistent with all comprehensive plan requirements.
- Projects located in cities that have a current comprehensive plan amendment under review that would make the city ineligible to apply or draw down funds may not apply until the review is complete.
- Projects must have a funding gap.

Additional eligibility requirements are defined by project type below.

Application Due Dates

There will be two rounds of funding each year for all types of projects. Applications will be due April 15 and October 15 of each year. In addition, the Metropolitan Council will continue to accept applications for the LHIA (Local Housing Incentives Account) program for rental housing projects through the [Minnesota Housing Consolidated Request for Proposals](#), which typically has a single summer due date.

Application Submission Limit

There will be no limit to the number of applications an applicant (city, county, development authority) can submit in a given funding round.

Geographic Award Limits

- If the amount of funding requested from the Livable Communities Demonstration Account (LCDA) exceeds the amount of funding available and there are enough eligible applications, no more than 40% of the funding will go to cities of the first class (current Met Council guidance).
- If the amount of funding requested from the Tax Base Revitalization Account (TBRA) exceeds the available funds, no more than 75% of the funding will go to cities of the first class (Minn Stat. 473.252).
- No more than 50% of available funds from any funding account will be awarded to any one city in any one funding round (Minn Stat. 473.252).

Application Award Limits

- \$100,000 per application for policy and small area planning projects
- \$500,000 per application for early-stage development projects
- \$2 million per application for construction stage development projects

The Metropolitan Council retains the right to make partial awards.

Reapplication Policy

Applicants are eligible to apply for the same project again if the project meets one or more of the following:

- Project has drawn down at least 50% of the funds previously awarded at the time they reapply
- Project has relinquished 50% or more of the earlier Met Council grant
- Project budget has increased more than 20% since the prior grant award
- Project did not receive an award for the previous application, or received a partial award and has remaining eligible costs
- Project is applying for a different phase of the project
 - A new phase must be financially independent from earlier phases, and

- Each phase must result in a stand-alone project

After a project has received two awards of the same type, other projects that have not yet received two awards will be prioritized.

Match

There is no required match for Livable Communities grants, unless specified by statute. Currently, only grants made with funds from the Local Housing Incentives Account require a dollar-for-dollar match.



Policy Development Grants

Policy Development grants support cities in setting conditions for dense, connected, and equitable development in alignment with Imagine 2050 goals.

Policy Development Grant Eligibility

- Proposed projects must meet at least one Outcome defined in the Outcomes Score.
- Policy projects must result in an enforceable policy or ordinance that is adopted by the grantee's regulatory body, such as city council or housing and redevelopment authority board.

Policy Development Scoring Criteria

Table 1 Policy Development Outcome Score

Meet at least one Outcome = 16 pts

- Encourage more development or preservation of affordable housing, both rental and ownership
- Incentivize environmentally sustainable development and green infrastructure
- Mitigate or prevent future displacement of residents and businesses
- Increase housing choice through type, tenure, and/or accessibility

Table 2 Policy Development Quality Score

	Max Score
How will the proposed policy support housing stabilization, enabling residents to remain in their homes and communities?	5
How will the city prioritize racial equity when implementing the proposed policy?	5
Do you have a clearly defined work plan/scope? What is it?	2
What is the per capita net tax capacity (NTC) of the city? Of cities in the seven-county metropolitan region, if per capita net tax capacity falls within the: <ul style="list-style-type: none">• Top 25%: 1 point• 50%-75% Percentile: 2 points• Below 50% Percentile: 3 points	3
Total possible Quality score	15



Small Area Planning Grants

Small Area Planning grants support cities in establishing conditions for dense, connected, and equitable development in alignment with Imagine 2050 goals.

Small Area Planning Grant Eligibility

- The project must meet at least one Outcome defined in the Outcomes score.
- The plan area must be a defined geography that is multiple parcels, a portion of the city, and not exceeding one-quarter of the city's area. Examples include, but are not limited to, former corporate campuses, cultural districts, commercial corridors, and transit station areas.
- Small area planning projects must result in a small area plan that is presented for adoption by the city council and, if approved, included as part of or submitted as an update to the city's comprehensive plan.

Small Area Planning Scoring Criteria

Table 3 Small Area Planning Outcome Score

Meet 1-3 Outcomes = 16 pts

Meet 4+ Outcomes = 24 pts

- Situate affordable housing near transportation options and amenities
- Plan for mixed-use areas on infill or redevelopment sites
- Create or improve small-scale commercial spaces and/or commercial corridors
- Establish or improve multi-modal transportation options to connect housing, jobs, and transit
- Establish or improve a cultural corridor
- Protect areas of ecological significance within planned development areas and/or incorporate strategies to promote public and ecosystem health
- Include public gathering space or incorporate green infrastructure elements

Table 4 Small Area Planning Quality Score

	Max Score
How will future amenities and connectivity be designed to prioritize residents who have been impacted by disinvestment?	5
How will the city prevent displacement or other potential negative impacts of the plan on Black, American Indian, or other residents of color?	5
Do you have a clearly defined work plan/scope? What is it?	2
Whose perspective will be represented in the plan through community engagement and/or as part of the planning team? And how will their perspectives be represented?	5
What is the per capita net tax capacity (NTC) of the city? Of cities in the seven-county metropolitan region, if per capita net tax capacity falls within the: <ul style="list-style-type: none">• Top 25%: 1 point• 50%-75% Percentile: 2 points• Below 50% Percentile: 3 points	3
Total possible Quality Score	20

Development Grants

Development grants primarily support projects that plan to build new, rehabilitate, or preserve affordable housing and community-driven commercial spaces. Development grants support projects at all stages of development, from pre-development to cleanup and site preparation, through construction and completion.

Development Grant Eligibility

- The project must meet at least one of the defined Outcomes in the Outcomes score.
- If the project or proposed use requires a comprehensive plan amendment, the amendment must be completed before application.
- Unless the project is *only* requesting pre-development or acquisition funding, the project must have site control or an executed purchase agreement.
- If the project is requesting site investigation or cleanup funds:
 - Sites with a viable responsible party may not be eligible.
 - Sites that will be tax-exempt after redevelopment are not eligible.
- If the project includes housing, the units/homes must remain affordable for a minimum of 15 years, and
 - Rental housing projects must accept housing choice vouchers and offer some rents that do not exceed [local voucher payment standards](#).
 - Homebuyers must complete homebuyer education before purchase.



Development Grant Scoring Criteria

Table 5 Development Projects Outcome Score

Outcomes A	Outcomes B
<p>Meet 1-3 Priorities = 16 pts Meet 4+ Priorities = 24 pts</p> <ul style="list-style-type: none"> • Build housing that is 100% affordable OR the income of residents in all units in the project averages to an affordability band needed in the city¹ • Create new affordable homeownership opportunities for households earning 80% AMI or less • Rehab or preserve existing homes affordable to households living at 60% AMI or below for rental projects or 80% AMI or below for ownership projects • Reduce vacant or underutilized land through infill or redevelopment OR project is located in an eligible transit area² • Create or rehab business incubators and/or small business development spaces • Future site use will add at least 10 living wage jobs and/or provide job training for at least 10 residents annually • Environmental cleanup in Environmental Justice areas³ 	<p>Meet 1-3 Priorities = 8 pts Meet 4+ Priorities = 12 pts</p> <ul style="list-style-type: none"> • Build new rental housing with at least 10% of units in the project affordable to households living on 30% AMI or less OR the project meets 10% of the city's need for units affordable to households living on 30% AMI • Project includes at least three 3+ bedroom units for families and are affordable to households living at 60% AMI or below for rental units OR all units are 3+ bedrooms and affordable to households living at or below 80% AMI for ownership projects • Project includes permanent community space that is accessible, open to the public, and intended to provide gathering space through amenities, community rooms, or other infrastructure that supports community gathering • Energy-saving activities, beyond in-unit fixtures and furnishings, that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents • Create senior (55+) or youth-serving (aged 16-24) housing affordable to households living at 60% AMI or below • Build or rehab housing that serves people who have experienced homelessness • Design beyond minimum Americans with Disabilities Act requirements through universal design or similar strategies • Project serves American Indian people and is led by an American Indian organization

AMI=Area Median Income (30% AMI=\$39,700, 60% AMI=\$79,440, 80% AMI=\$104,200 in 2025)

¹ A city's need by affordability band can be found on the [Local Planning Handbook Community Pages](#).

² See [Appendix : Eligible Transit Areas](#). Staff will continue to update eligible transit areas as routes change and new routes are approved, using the same methodology annually.

³ See [Appendix : Environmental Justice Areas](#) (Minnesota Pollution Control Agency).

Table 6 Development Projects Quality Score

	Max Score
How is the project helping the city to meet its identified development needs that are aligned with regional goals?	9
How is the project benefiting people who are Black, American Indian, or part of another community of color?	9
How does the project improve access and safety in the neighborhood and provide direct, convenient connections to existing or planned transit or multi-use trails?	5
Whose perspective is represented in the project through community engagement and/or as part of the development team? And how are their perspectives represented?	9
How does the project maintain residents' and/or businesses' ability to stay in the community and maintain cultural and social community connections?	9
Are the project team and funding sources identified?	4
Is the project led by an emerging developer of color?	2
Total possible Quality score without cleanup request	47
What is the severity of and risk of exposure to environmental contamination?*	20
What is the impact on the property tax base?*	20
Total possible Quality score with cleanup request	87

*Only for projects requesting cleanup funding

Local Housing Incentives Account (LHIA) Grants

Grants made from the Local Housing Incentives Account (LHIA) are a subset of Livable Communities development grants. LHIA funds are awarded in partnership with Minnesota Housing through the [Multi-Family Consolidated Request for Proposals](#) (Consolidated RFP). Applications are accepted annually through the Consolidated RFP process. Applications are evaluated using the same scoring criteria as development projects submitted through the Metropolitan Council's Livable Communities single entry point application process (see [Development Grant Scoring Criteria](#)), with one additional "Quality" criterion: Cities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household will earn an additional two (2) points. This prioritization is required by the [LHIA enabling statute](#).



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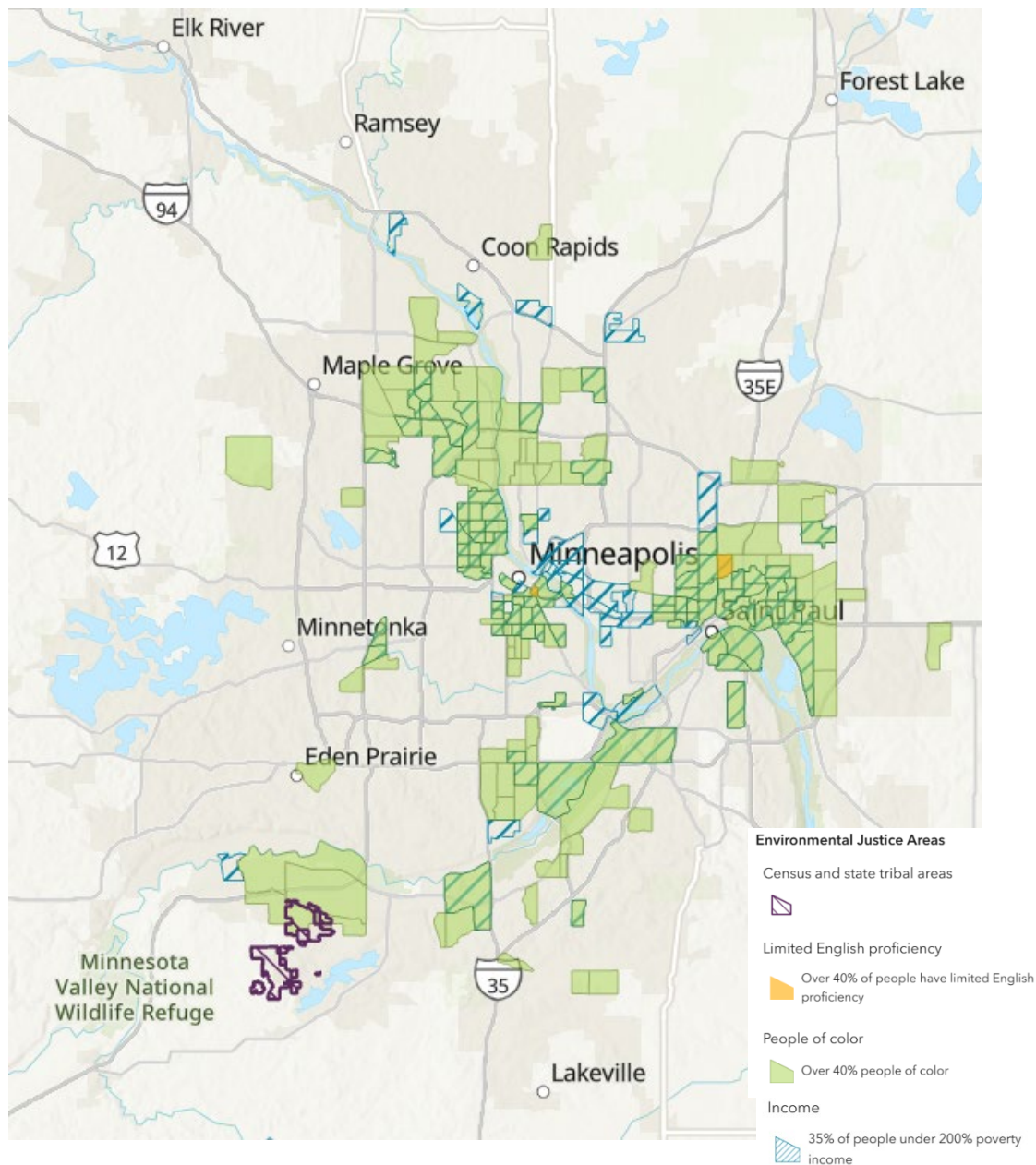
Appendix C: Environmental Justice Areas

Minnesota statute defines environmental justice areas as census tracts:

- in which at least 40% of the population is people of color
- in which at least 35 percent of households have income at or below 200 percent of the federal poverty level
- in which at least 40 percent of the population has limited proficiency in English
- which are located within Indian Country, which is defined as federally recognized reservations and other Indigenous lands

Census tracts need to meet only one of these criteria to be considered an environmental justice area.

Figure 2 Minnesota Pollution Control Agency Environmental Justice Area Map ([view the interactive map online](#))





September 4, 2025

Dear Chair Zelle and Members, Metropolitan Council:

Metro Cities appreciates the opportunity to comment on proposed changes to the Metropolitan Council's Livable Communities Program (LCA). Metro Cities has met with Council LCA staff, and the association convened two meetings with city officials and Council staff and consultants in 2024, to gather city perspectives and feedback on the programs as a review of programs was undertaken by the Council.

Those meetings provided an opportunity for cities to share their experiences with LCA programs, and to identify what works well and what might be considered for improvement. Generally, cities are very complimentary of the assistance provided by Council LCA staff. They also articulated the need for programs to continue to support a range of projects and to be reasonably accessible to cities across the region. Metro Cities has long supported the Livable Communities programs and supports program objectives and criteria that are sufficiently flexible to accommodate statutory directives as well as regional and varying local priorities, needs and circumstances.

Metro Cities supports the general direction of changes as outlined for the program. A stated emphasis on program outcomes as well as the direct recognition that all cities contribute to a livable region, are important areas of emphasis, and consistent with Metro Cities' legislative policies on the programs.

Metro Cities further supports changes that seek to simplify the LCA application process and to reduce barriers for cities in applying for funds, particularly cities applying for funding for the first time.

Metro Cities recognizes and supports a focus on housing in the LCA programs and supports focusing additional LCA resources to address this need. Metro Cities also supports the affordable homeownership program started in 2022 under the LCA.

Metro Cities will continue to closely monitor the LCA programs and may provide additional feedback as specific changes are implemented. Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patricia Nauman', written over a light blue rectangular background.

Patricia Nauman
Executive Director



Local and Statewide Affordable Housing Aid Frequently Asked Questions

June 14, 2024

In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations and in 2024 the legislature adopted changes to the aid programs. The goal is to fund affordable housing projects and help organizations provide affordable and supportive housing.

Local Affordable Housing Aid (LAHA) is aid to metropolitan local governments of seven counties and 63 cities. LAHA is funded through a new dedicated sales tax in the seven-county metropolitan area. As sales taxes will vary, the amount of LAHA distributed will also vary.

Statewide Affordable Housing Aid (SAHA) is funded by state funds appropriated to the Department of Revenue. All Minnesota counties, Tribal Nations and 37 cities will be eligible to receive this aid.

Aid payments are made directly to local governments. In the metro, aid is funded by the sales tax for housing. Statewide, aid is funded by state appropriations.

Throughout the document, “housing aid” is used when the response applies to both LAHA and SAHA.

The information provided in this document does not constitute legal advice and is subject to change. If there are questions regarding how program requirements or criteria apply in specific circumstances, please consult with your own legal counsel.

Overview and Requirements

Why is there a difference between SAHA and LAHA?

The primary differences between LAHA and SAHA are the way they are funded, when funding will be disbursed and to whom.

Both aid projects have the same eligible uses and requirements except for market rate housing. This is only available in certain non-metropolitan areas using SAHA.

What are the eligible uses of housing aid programs?

Qualifying projects for aids payable in 2023 are:

- Emergency rental assistance for households earning less than 80% of area median income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD)
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing
- Development of market rate residential rental properties outside of the metro area if certain conditions are met
- Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing and gap financing of affordable housing

For aids payable in 2024, qualifying projects are those listed above plus:

- Financing the operations and management of financially distressed residential properties
- Funding of supportive services including staffing for supportive housing, which includes financial support to nonprofit services providers and capitalized reserves
- Costs of operating emergency shelter facilities, including services

For more information, read the complete list of [LAHA qualifying projects](#) and [SAHA qualifying projects](#).

What is gap financing?

Gap financing is the difference between the property costs (including acquisition, demolition, rehabilitation and construction) and

- The market value of the property upon sale

OR

- The amount the target household can afford for housing (based on industry standards and practices)

What are the affordability requirements of LAHA and SAHA?

Specific income requirements are provided for:

- Emergency Rental Assistance
 - Less than 80% of AMI
- Homeownership
 - At or below 115% of the greater of state or area median income
 - Priority for those at or below 80%
- Rental Housing
 - At or below 80% of the greater of state or area median income

- Priority for those at or below 50%

State and area median incomes are determined by HUD.

While there are no income requirements or income qualification for projects supporting nonprofits, organizations should be providing affordable or supportive housing.

Some non-metropolitan communities may be eligible to spend aid on market rate developments. There are no income requirements for market rate housing under this category.

Are there other requirements if using these funds?

Yes. If LAHA or SAHA is used for new construction of a building with more than four units, the building must be constructed, converted or otherwise adapted to include accessibility features, such as sensory-accessible ([see subd. 4](#)). Documentation will be required for reporting and compliance.

State Agency Roles and Reporting Requirements

What roles do the Department of Revenue and Minnesota Housing play in distributing and tracking local housing aid?

The Department of Revenue calculates and distributes the amount of aid available to each government. Revenue also accepts applications from eligible Tribal Nations.

Minnesota Housing's statutory role relates to reporting and compliance. First reports are due by December 1, 2025. While not required by the legislation, Minnesota Housing is hiring staff to support housing aid programs with technical assistance and coordination.

Does a city, county or Tribe need to apply to receive the funds?

For cities and counties there is no application process. Revenue will distribute aid according to statutory requirements.

Tribal Nations must apply to receive funds annually. Tribes should work with Revenue to meet this annual requirement.

Does a city, county or Tribe need to seek preapproval before spending the funds?

No. Approval is not needed before spending funds. However, funds must be used on qualifying projects and expenditures should be documented to avoid repayment or recapture.

Will Minnesota Housing be developing a program guide for housing aid?

No. Housing aid is not a grant or loan program and is not subject to a program guide.

Minnesota Housing will support housing aid programs through guidance and staff support.

What are the reporting requirements for the funds?

Beginning in 2025, housing aid recipients must submit a report to Minnesota Housing every year by December 1.

The report must include documentation of:

- Certification that the aid recipient will use the aid funds to supplement and not supplant its existing locally-funded housing expenditures
- Qualifying projects completed or planned with the funds
- Location of unspent funds
- Inability to spend on a qualifying project prior to the deadline (if funds deposited into a local housing trust fund)
- Accessibility requirements (for project of four or more units)
- Relevant resolution and certifications for market rate developments in non-metropolitan communities
- Relevant documentation of locally-funded housing expenditures in prior years, including public notice requirements

Additional guidance on the report's format will be provided in the future.

Do metropolitan counties need to submit a report for LAHA and one for SAHA?

Minnesota Housing is determining if the reports must remain separate. However, if they do, the report format will be the same or substantially similar for LAHA and SAHA.

What happens if a city, county or Tribal Nation does not submit a report or does not spend the funds?

Reports are due by December 1 every year. The first report is due on December 1, 2025.

If the aid recipient fails to submit a report, does not spend funds during the required timeframe, or spends funds on an ineligible project, they must repay the funds. Revenue may also suspend payments to these entities.

Detailed information can be found in [477A.35, Subd 6](#) and [477A.36, Subd. 6](#).

What happens to the aid funds if they are returned or recaptured?

If returned, aid funds would be deposited with one or more of Minnesota Housing's programs. This includes Family Homeless Prevention and Assistance Program (FHPAP), the Economic Development

and Housing Challenge Program (Challenge), and the Workforce and Affordable Homeownership Development Program as specified in law.

Will Minnesota Housing be monitoring the use of housing aid prior to the reporting deadline for cities and counties?

Minnesota Housing will not require reporting prior to December 1, 2025, when the first report is due from cities and counties.

However, Minnesota Housing will be checking in with local governments to offer support and track spending progress.

Definitions and Clarifications

What is a Tier I and a Tier II city?

The terms Tier I and Tier II are used to determine cities that will receive aid.

A Tier I city is a statutory or home rule charter city that is a city of the first, second or third class. For LAHA, it must be in a metropolitan county. For SAHA, it must not be in a metropolitan county. [Read the full definition of cities and classes.](#)

A Tier II city is a statutory or home rule charter city that is a city of the fourth class and [not located in a metropolitan county \(see subd. 4\).](#)

The bill requires aid be spent on a qualified project. What is the definition of spent? If a project is started but not completed, are the funds considered to be spent?

The definition of spent was clarified in 2024 session law. Funds must be committed to a qualifying project by December 31 in the third year following the year the aid was received (for aid received in 2024, this would be December 31, 2027) and expended by December 31 the fourth year after the aid was received.

Is SAHA funding from appropriations ongoing?

The following table reflects amounts appropriated to SAHA through the fiscal year ending in 2027. The appropriations are set at a base level with one-time increases in the first two years.

SAHA Appropriations	Fiscal Year Ending 6/30/24	FYE 6/30/2025	FYE 6/30/2026	FYE 2027 and each year after
To the 87 counties in Minnesota	\$ 13,050,000	\$ 13,050,000	\$ 5,550,000	\$ 5,550,000

SAHA Appropriations	Fiscal Year Ending 6/30/24	FYE 6/30/2025	FYE 6/30/2026	FYE 2027 and each year after
To the 37 cities in Greater Minnesota	\$ 4,500,000	\$ 4,500,000	\$ 2,000,000	\$ 2,000,000
To the 7 eligible Tribal Nations	\$ 2,700,000	\$ 2,700,000	\$ 1,200,000	\$ 1,200,000
To Minnesota Housing for the Tier II Cities Grants program	\$ 2,250,000	\$ 2,250,000	\$ 1,250,000	\$ 1,250,000
TOTAL	\$ 22,500,000	\$ 22,500,000	\$ 10,000,000	\$ 10,000,000

How were the funding allocations determined?

Revenue determined allocations based on distribution formulas.

For counties and cities, these formulas consider cost-burdened households and total population. For Tribal Nations, funds are distributed to Tribes that apply by the deadline.

Will Tier II cities receive a disbursement of SAHA?

Tier II cities will not receive a direct disbursement of SAHA.

However, the Legislature appropriated \$4.5 million for Tier II cities. Funds will be available as grants in the competitive process for a range of rental, homeownership and housing stability activities with a minimum award size of \$25,000.

Minnesota Housing will be preparing a program guide, a list of eligible Tier II cities and a request for proposals (RFP) in 2024.

Qualifying Projects and Expenses

What portion of the housing aid funds can be used for staffing costs and administrative costs?

Administrative costs and staffing costs are not listed as an eligible project. Therefore, the funds are not able to be used for these costs.

If funds are used for Emergency Rental Assistance (ERA), what portion can be used for navigation, services and administration related to ERA provision and programs?

Navigation and services related to providing ERA are eligible aid expenses. However, there is no allowance for administrative costs using housing aids. .

If aid funds are used for demolition or removal of existing structures, does affordable housing need to be constructed on the site?

Yes. The expense must be tied to affordable housing for eligible households. Demolition or clearing of land alone, including for speculative or future development of eligible housing, is not an eligible project.

Can funds be used for planning activities (soft costs) for new construction and preservation affordable housing projects?

Soft costs are only eligible as part of a qualifying project. General or speculative planning activities unrelated to a qualifying project are not an allowed use of funds.

Can funds be used for downpayment assistance for homebuyers?

Qualifying projects include homeownership projects for income-eligible households.

Downpayment assistance may be provided as permanent financing or gap financing, depending on program requirements established by the aid recipient.

Can the housing aid funds immediately be deposited into a Local Housing Trust Fund?

Funds can be held in a local housing trust fund while recipients determine if a project qualifies.

Funds must be spent on a qualifying project by the deadline in statute. Funds remaining in a local housing trust fund past the deadline will only be considered “spent” on a qualifying project if the aid recipient demonstrates that it could not spend funds by the deadline due to factors outside their control.

Can funds be transferred to a county or regional Housing and Redevelopment Authority (HRA) if they are spent on qualifying projects?

Yes. Funds can be transferred to a county or regional HRA if they are spent on qualifying projects.

The original aid recipient is still responsible for all requirements related to the funds, including reporting.

Can funds be used for developing new infrastructure, such as utilities and roads, or upgrading existing infrastructure if the infrastructure serves affordable housing?

Potentially. The infrastructure would need to be part of a qualifying project. All requirements related to project type, income affordability and other accessible requirements would also need to be met. Speculative site and infrastructure development would not be eligible.

Infrastructure development or improvement for sites that include development uses not allowed under this aid program would not be eligible.

What are some examples of expenditures ineligible for housing aid?

Housing aid should be used for projects that create and preserve affordable housing or stabilize the housing of low-income people. This does not include:

- Conducting a housing or zoning study
- Costs to create a [Housing Improvement Area](#)
- Staff and services related to general housing quality and licensure, such as code enforcement
- Staff and administrative costs for operation of an HRA or county or city housing department
- Commercial, industrial or public space development projects
- Projects located outside of Minnesota

Housing aid received by Greater Minnesota counties, cities and Tribes in 2023 cannot be used for emergency shelter. However, for aid received in 2024 and after, shelter is an eligible project type.

If funds are used to support a nonprofit organization, do they need to be tracked to qualifying projects?

Housing aid can be used to provide financial support to a nonprofit affordable housing provider in their mission to provide safe, dignified, affordable and supportive housing.

If aid is used in this manner, providing support to the eligible nonprofit is the qualifying project. The aid recipient should document that the funds were used to support the organization's mission.

Can a county or city use other state or federal funding as part of a development financing package that includes housing aid funds?

Yes. State and federal funding can be used as a part of the project's development financing package.

If the funds are held in a Local Housing Trust Fund, can they be used as a match in Minnesota Housing's Local Housing Trust Funds Matching Grants program?

No. Housing aid cannot be used as matching funds in the [Local Housing Trust Fund Grants program](#). Only new public revenue, defined as local income committed to the Local Housing Trust Fund on or after June 29, 2021, can be used as matching funds.

Can a county use its funds within cities that have also received housing aid?

Yes. Counties can spend the funds on qualifying projects anywhere in the county, including cities that directly receive aid. Regional collaboration is encouraged to maximize the aid's impact.

A county receiving aid should consult with the cities where projects are planned ([see subd. 7](#)).

Can aid funds be used to reimburse prior expenditures on eligible projects?

No. An aid recipient may not use aid money to reimburse itself for prior expenditures.

Will the aid funds trigger other state funding requirements, such as prevailing wage?

For questions on labor and wage requirements, [contact the Department of Labor and Industry](#).

For questions on the use of sales tax proceeds, [contact the Department of Revenue](#).

July 28, 2025

Getting Ready for 2025 Annual Reporting

Aid recipients: Minnesota Housing anticipates that the first Local Affordable Housing Aid (LAHA) and Statewide Local Housing Aid (commonly referred to as Statewide Affordable Housing Aid, or SAHA) annual reports will be due to Minnesota Housing **by December 1, 2025**.

Who is an “aid recipient”?

An aid recipient is a city, county or Tribal Nation that has been certified to receive Statewide Affordable Housing Aid or Local Affordable Housing Aid funds directly from the Department of Revenue.

How and when will aid recipients need to submit these annual reports?

Minnesota Housing plans to have final reporting forms and instructions available in October 2025. As mentioned, aid recipients should plan to submit their first reports by **December 1, 2025**.

Is there anything aid recipients should do now?

Yes! Minnesota Housing requests that aid recipients provide primary contact information for LAHA and SAHA reporting by [completing this short survey](#).

What may aid recipients be required to report?

Aid recipients may wish to gather this information to make it easier to prepare and submit reports.

- ❑ **Status of funds from each aid year.** The Department of Revenue certified both LAHA and SAHA for 2024 and 2025. It also disbursed SAHA funds, but not LAHA, in 2023. Aid recipients will need to report whether and how they have committed and spent these funds.
- ❑ **Status of qualifying projects.** For example, have funds been committed to a project but not yet spent? Is the project underway, or is it complete? Information about the number of units or households assisted and whether those households have very low, low or moderate income, may be requested as well. For more about qualifying projects, see the [frequently asked questions](#) on Minnesota Housing’s [Local Government Housing Programs webpage](#).
- ❑ **Efforts to prioritize projects that provide affordable housing to low-income households.** For homeownership projects, this means households with income at or below 80% of state or area median income, whichever is greater. For rental housing projects, this means households with

income at or below 50% of state or area median income, whichever is greater. “Median income” is determined by HUD.

- **Locally funded housing expenditures.** Aid recipients will need to report locally funded housing expenditures for each of their past two fiscal years. See here for more about locally funded housing expenditures under [LAHA](#) and [SAHA](#).
- **Is the aid recipient using or planning to use SAHA funds for development of market rate residential rental property?** If so, the aid recipient will need to have determined the local rental vacancy rate is below five percent and have collected support letter(s) from local employer(s). The aid recipient will also need to provide additional information with its annual report, including a resolution certifying the project meets these and other requirements. *Note: LAHA funds cannot be used for this type of project.*

By when must aid recipients commit and expend aid funds?

All aid recipients, including cities, counties and Tribal Nations, must commit aid funds to qualifying projects by December 31 in the third year following the year after the aid was received. All aid recipients must also generally expend aid funds on qualifying projects by December 31 in the fourth year following the year after the aid was received. The table below provides specific fund commitment and expenditure deadlines.

Table: Fund Commitment and Expenditure Deadlines

Aid Year	Fund Commitment Deadline	Expenditure Deadline
2023	December 31, 2026	December 31, 2027
2024	December 31, 2027	December 31, 2028
2025	December 31, 2028	December 31, 2029

For Questions:

Please visit Minnesota Housing’s LAHA and SAHA [webpage](#) or email localhousingaid.mhfa@state.mn.us. Also be sure to sign up to receive Local Government Housing Programs [eNews](#).

2025 Local Affordable Housing Aid: Cities

The total certified amount is paid to all recipients in two equal installments.

CITY	FINAL DISTRIBUTION FACTOR	TOTAL CERTIFIED 2025 LOCAL AFFORDABLE HOUSING AID
Andover	0.0060	\$255,105.13
Anoka	0.0070	\$300,785.48
Apple Valley	0.0179	\$764,230.98
Blaine	0.0181	\$772,363.98
Bloomington	0.0346	\$1,478,986.21
Brooklyn Center	0.0120	\$511,430.20
Brooklyn Park	0.0277	\$1,182,131.67
Burnsville	0.0267	\$1,141,331.12
Champlin	0.0066	\$279,775.23
Chanhassen	0.0072	\$307,291.88
Chaska	0.0079	\$339,010.59
Columbia Heights	0.0091	\$390,248.49
Coon Rapids	0.0228	\$973,249.10
Cottage Grove	0.0093	\$395,263.84
Crystal	0.0081	\$347,956.89
Dayton	0.0017	\$73,197.01
Eagan	0.0209	\$891,647.99
East Bethel	0.0023	\$96,240.51
Eden Prairie	0.0171	\$729,801.28
Edina	0.0205	\$875,381.99
Farmington	0.0057	\$244,803.33
Forest Lake	0.0073	\$311,900.58
Fridley	0.0108	\$462,361.10
Golden Valley	0.0080	\$343,754.84
Ham Lake	0.0038	\$162,388.92
Hastings	0.0067	\$284,519.48
Hopkins	0.0110	\$469,274.15
Hugo	0.0043	\$185,025.77
Inver Grove Heights	0.0115	\$491,911.00
Lake Elmo	0.0034	\$146,394.02
Lakeville	0.0149	\$635,458.47
Lino Lakes	0.0058	\$247,107.68
Little Canada	0.0046	\$196,954.17
Maple Grove	0.0177	\$754,878.03
Maplewood	0.0138	\$587,609.31
Mendota Heights	0.0029	\$123,621.61
Minneapolis	0.2013	\$8,595,226.41
Minnetonka	0.0187	\$800,422.83
Mounds View	0.0045	\$190,312.22
New Brighton	0.0085	\$362,731.84
New Hope	0.0102	\$433,760.05
North St. Paul	0.0047	\$200,342.92

2025 Local Affordable Housing Aid: Cities

The total certified amount is paid to all recipients in two equal installments.

CITY	FINAL DISTRIBUTION FACTOR	TOTAL CERTIFIED 2025 LOCAL AFFORDABLE HOUSING AID
Oakdale	0.0109	\$465,072.10
Plymouth	0.0219	\$933,261.85
Prior Lake	0.0062	\$266,897.98
Ramsey	0.0074	\$316,780.38
Richfield	0.0151	\$643,862.57
Robbinsdale	0.0061	\$260,120.48
Rogers	0.0019	\$81,601.11
Rosemount	0.0055	\$232,874.92
Roseville	0.0132	\$563,752.51
Savage	0.0096	\$407,869.99
Shakopee	0.0129	\$552,366.31
Shoreview	0.0078	\$334,672.99
South Saint Paul	0.0073	\$313,527.18
St. Louis Park	0.0199	\$848,543.09
St. Paul	0.1338	\$5,715,601.90
Stillwater	0.0062	\$263,644.78
Vadnais Heights	0.0049	\$209,424.77
Victoria	0.0011	\$45,951.45
Waconia	0.0044	\$189,363.37
West St. Paul	0.0107	\$455,854.70
White Bear Lake	0.0100	\$425,220.39
Woodbury	0.0198	\$844,476.59
TOTAL	1.0000	\$42,706,929.71

HOW DOES HOUSING DEVELOPMENT & FINANCING WORK?

Join the journey as we plan, design, fund, and build an average market-rate 250-unit multifamily construction project!
Steps and timelines vary depending upon specific city requirements.

THE CRISIS IN METRICS

The Twin Cities metro needs 18,000 units per year through 2030 to keep up with demand and expected growth.

1 Darren Developer looks to address the critical housing shortage in the community by building more homes. First, he identifies a piece of land suitable for his project of 250 new homes.

2 Darren Developer does his homework, investing time and money to evaluate if his vision is possible based on the land cost, zoning regulations, market demand, available financing, and construction costs. This includes meeting with City staff to determine if his vision is welcome and conducting a market study to confirm the need for housing in the city.

3 Lawyer Lynette negotiates with land owner on a purchase agreement.

4 Aiden Architect provides concept designs and cost estimates. Darren Developer pays for these costs without any guarantee the project will be built.

PROJECT INFEASIBLE:
GO BACK TO STEP ONE
DD'S COST = \$50,000

5 Darren Developer hires Emma Engineer to identify utilities, sewer, water, and other infrastructure needs to ensure the site can support the proposed housing units.

6 Darren Developer seeks financial equity partners.

7 Darren Developer holds a neighborhood meeting to gain input on the project proposal.

UNABLE TO SECURE FINANCING
GO BACK TO STEP ONE
(INCREASE # OF UNITS)

9 Darren Developer and Aiden Architect present more detailed project plans at many city meetings, including at least one public hearing.

CITY REJECTION:
GO BACK TO STEP FOUR
DD'S COST = \$400,000

APPROVED
APPROVED

The city approves project zoning.

11 Darren Developer secures a lender and financial equity partners.

PROJECT FINANCING

12 Contractor Chanelle sends plan out for bid to determine construction costs.

COST BIDS ARE TOO HIGH
GO BACK TO STEP FOUR
DD'S COST = \$1.5 M

THE CRISIS IN METRICS

Construction pricing is complex. Environmental considerations, infrastructure costs, building features, and green building requirements added by the city impacts construction costs. To be successful, all partners must work together to ensure costs remain within budget, and sometimes necessitates the need for public financial assistance.

13 The addition of these 250 homes, privately funded by Darren Developer and investors, will open up approximately 175 additional homes in the community as residents move from existing homes to the new homes. This is known as up-filtering.

14 Contractor Chanelle and her team begin construction. Contractor Chanelle works closely with Darren Developer to ensure a safe worksite and a cost-efficient project.

15 The Certificate of Occupancy is issued!

BUILDING OPENING

16 Property Manager Pat provides ongoing leasing, safety, and management to ensure the new housing is successfully meeting the needs of residents.

FUNDING USES

8% LAND COSTS
Land acquisition, paid to the landowner.
\$6.5 M

16% SOFT COSTS
City and county fees including: SAC/WAC, Park Dedication, Entitlements, Permitting, Other costs: Legal, Design, Due Diligence, Environmental Surveying, Building Insurance, Development fee: Typically 3% of the project's cost.
\$13 M

76% CONSTRUCTION COSTS
Approximately 50% of these costs go to labor and the other 50% of these costs go to building materials like lumber, concrete, steel, glass, copper, etc.
\$61.7 M

BY THE NUMBERS

250 Units
\$325,000 Cost Per Unit
\$81,200,000 Total Project Cost
(Cost per unit varies based upon many factors such as site challenges, land prices, and entitlement requirements).

RESIDENTS OBJECT
GO BACK TO STEP ONE OR FOUR
DD'S COST = \$125,000

4% DEVELOPER

Darren Developer's equity in the project. Darren Developer cannot build this housing project without securing bank debt and securing additional partner equity. If the project falls apart, Darren Developer's equity can be lost too.

34% EQUITY INVESTORS

Institutional investors take a calculated risk when it comes to getting a positive return that will grow their fund on behalf of pension/insurance holders. Other equity partners can include individuals, corporations, friends/family. The return typically needs to be higher than they can achieve through other investment options such as savings, stocks, bonds, etc.

62% DEBT - LOCAL BANK

These institutions tend to be more risk-averse as they are required to be compliant with regulating bodies such as the Federal Reserve and the Office of the Comptroller of the Currency. Banks typically require a borrower to demonstrate their ability to maintain a positive cash-flow under multiple scenarios and can make project demands different from City and Developer desires.

\$50 M

\$3.2 M

\$28 M

PROJECT TIMELINE

If income-restricted affordable units are required or proposed public financial investment is needed, a project adds, on average, 2 years to its timeline and 20% to its bottom line project costs.

Project Start 6 months 12 months 18 months Finish 24 months

