

City of East Bethel
Housing and Redevelopment Authority
Regular Meeting – 7:00 p.m.
Date: April 6, 2011



	Item	
7:00 PM	1.0	Call to Order
7:01 PM	2.0	Adopt Agenda
7:03 PM	3.0	Approve January 19, 2011 Minutes
7:05 PM	4.0	Housing Action Plan
7:20 PM	5.0	Adjourn



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

April 6, 2011

Agenda Item Number:

Item 3.0

Agenda Item:

Housing Redevelopment Authority Meeting Minutes, January 19, 2011

Requested Action:

Review and approve meeting minutes from January 19, 2011

Background Information:

Meeting minutes from the January 19, 2011 Housing and Redevelopment Authority meeting are attached for your review and approval.

Attachment:

- 1. HRA Minutes, January 19, 2011

Fiscal Impact:

None

Recommendation(s):

Review and approve meeting minutes from January 19, 2011.

East Bethel Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

City of East Bethel
Housing and Redevelopment Authority

January 19, 2011

The Housing and Redevelopment Authority (HRA) met on January 19, 2011 for a regular meeting at City Hall at 7:00 PM.

MEMBERS PRESENT: Bill Boyer Bob DeRoche Heidi Moegerle
 Steve Voss

MEMBERS EXCUSED: Richard Lawrence

ALSO PRESENT: Dave Schaaf, Acting City Administrator
 Mark Vierling, City Attorney
 Stephanie Hanson, City Planner

Call to
Order

Boyer called the meeting to order at 6:32 PM.

Adopt
Agenda

Voss made a motion to adopt the January 19, 2011 Housing and Redevelopment Authority (HRA) meeting agenda. DeRoche seconded; all in favor, motion carries.

Executive
Session –
Discuss
ACHRA
Lawsuit

Schaaf said he has had some discussions with the attorneys regarding the ACHRA lawsuit and others at Anoka County and he thinks it would be appropriate to go into closed session to discuss such matters. Boyer asked who directed him to do this. He said this is a tremendous breach of his duties. Moegerle asked if he this did this as the acting city administrator. Boyer said he thinks this is outrageous that the discussion took place. Moegerle said she thinks we need to go into executive session to discuss this. Boyer asked who was at this meeting. Schaaf said the city attorney. Voss said he wanted to ask for an update on this issue. Moegerle said it is important to note there is an update on this issue and we should hear it. Voss said he has two comments, one is he is curious about what went on, he doesn't think it is a privileged thing and second he asked to have this on the regular City Council agenda and it isn't.

Jill Teetzel of 20913 Rendova said she should be included in the closed session; she is a party in this suit. She said she has sent e-mails to Mr. Schaaf regarding the lawsuit asking what is going on. Moegerle asked how she is a party. Teetzel said if Mr. Schaaf is negotiating on her behalf behind closed doors she has a real problem with that. She said he has responded that he has met with the county. Schaaf said that is correct. Teetzel said she is greatly concerned that she was not contacted regarding a settlement, she has been at every court hearing and a settlement is not where this has been headed. She read three e-mails she had sent Mr. Schaaf asking questions about these negotiations and still has gotten not response. Moegerle said without discussing this with Schaaf she doesn't know that he knows that you were a party. She said and she doesn't know that he is negotiating.

Moegerle made a motion to go to executive session to discuss the ACHRA lawsuit to see what Schaaf has to say. Voss said in the past when we have gone into closed session on this it has had to be the City Council not the HRA. Schaaf withdrew his request to go

into executive session. **Moegerle withdrew her motion.**

Approve Minutes **Moegerle made a motion to table the December 1, 2010 HRA minutes indefinitely. DeRoche seconded; all in favor, motion carries.**

Appoint 2011 Officers Hanson explained that the 2011 officers needed to be appointed. She said there are the following positions: Chair, Vice Chair and Secretary.

Voss made a motion to adopt Resolution 2011-01 Appointing the 2011 Officers as follows: Bill Boyer as Chair, Heidi Moegerle as Vice Chair and Steve Voss as Secretary. Moegerle seconded; all in favor, motion carries.

Designate Official Newspaper **Moegerle made a motion to adopt Resolution 2011-02 Designating the Anoka County Union as the Official Newspaper. DeRoche seconded; all in favor, motion carries.**

Designate Bank Depositories **Voss made a motion to adopt Resolution 2011-03 Designating the Bank Depositories. DeRoche seconded; all in favor, motion carries.**

Setting Meeting Dates **Moegerle made a motion to adopt Resolution 2011-04 Setting the Meeting Dates for the HRA for 2011, with the deletion of 6:30 P.M. DeRoche seconded; all in favor, motion carries.**

Adjourn **Voss made a motion to adjourn the HRA meeting at 7:28 PM. DeRoche seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

April 6, 2011

Agenda Item Number:

Item 4.0

Agenda Item:

East Bethel Housing Action Plan (HAP)

Requested Action:

Staff seeks direction to develop East Bethel Housing Action Plan

Background Information:

On September 1, 2010, HRA adopted Resolution 2010-06, a resolution electing to participate in the local Housing Incentives Account Program under the Metropolitan Livable Communities Act (MN Statutes sections 473.25 to 473.255). The Livable Communities Program is an incentive-based program for communities to address the region's affordable and lifecycle housing needs, clean-up polluted lands for jobs and tax base, achieve connected development patterns that link housing, jobs, and services, and maximize the development potential of existing infrastructure and regional facilities.

By participating in the Livable Communities Program, the city is eligible to apply for funding from any or all of the three LCA grant programs. The grant programs are the Tax Base Revitalization (TBR), Livable Communities Demonstration (LCD), and Local Housing Incentives (LHI). Planning staff has additional information on each of the grant programs at your request.

As part of participation in the program and to be eligible to apply for the grants, the City of East Bethel HRA must prepare a Housing Action Plan (HAP) identifying how the city will address its housing goals. In order to be able to apply for 2011 funds, the HAP must be submitted to the Metropolitan Council no later than June 30, 2011. If the HRA has no plans to submit for funds in 2011 then the HAP will need to be submitted by December 31, 2011 to qualify for 2012 funds. I have attached a copy of Woodbury's HAP as an example of what the plan entails (attachment #1). Some of the components include education and communication, funding sources and implementation tools, and implementation strategies.

Although the 2011 HRA budget has \$10,000 designated for consulting services for the HAP, staff is confident this project can be accomplished in house as the majority of the information will be used from the housing and land use components of the comprehensive plan. Metropolitan Council staff has also been assisting city staff in the development of the HAP. I have attached the Metropolitan LCA Housing Action Plan checklist for your review (attachment #2).

If HRA does not intend to apply for grants for fiscal year 2011, then staff would have an HAP draft completed for review at the July 6, 2011 HRA meeting; at which time, staff would present funding sources and implementation tools to consider as part of the HAP.

IF HRA intends to apply for grants for fiscal year 2011, staff recommends a work session be scheduled to review a draft of the HAP and to discuss funding sources and implementation tools. Staff suggests a work meeting to be scheduled for Thursday, May 12, 2011 starting at 6:30 pm.

Attachments

1. Housing Action Plan Example – Woodbury
2. Housing Action Plan Checklist

Fiscal Impact:

None

Recommendations:

Staff seeks direction from the HRA to begin the development of the Housing Action Plan as required by The Livable Communities Program and to possibly scheduled at work meeting for Thursday, May 12, 2011.

East Bethel Housing and Redevelopment Authority Action

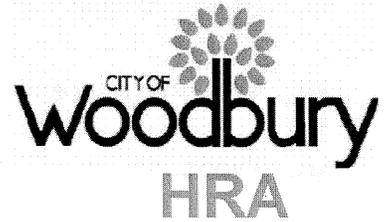
Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



Housing Action Plan

Adopted September 12, 2007

The City of Woodbury created a **Housing & Redevelopment Authority (HRA)** on December 13, 2006. An HRA is a separate legal authority under Minnesota State Statutes Section 469.001 to 469.047 that directs redevelopment projects with the specific purpose of removing blight and promoting affordable, safe and decent housing.

The purpose of the Woodbury HRA is to:

1. provide policies and programs to increase the availability of decent, safe, and sanitary housing available to persons of low-moderate income and their families at prices and amounts they can afford; and
2. proactively address the negative influences of substandard or blighted areas by providing assistance and promoting redevelopment.

Woodbury HRA Board of Commissioners

William Hargis, Chair
Amy Scoggins, Secretary
Julie Ohs

Paul Rebholz, Vice Chair
Mary Giuliani Stephens

Clinton Gridley, Executive Director

Dwight Picha, Clerk

As the basis for the Woodbury Housing Action Plan, the Woodbury HRA adopted the following key housing goals:

-  Woodbury accepts and understands the affordable housing needs of the community.
-  Woodbury has a high standard of property maintenance.
-  Woodbury has quality new affordable housing developments that respect the natural environment and resident health.
-  Woodbury has housing opportunities for our children as they graduate and enters the workforce.
-  Woodbury has housing opportunities for those that are retired and on fixed incomes.
-  Woodbury's affordable workforce housing is integrated into the larger community.
-  Woodbury has housing opportunities that meet the local labor force needs.
-  Woodbury has a balance of housing opportunities to meet the Metropolitan Livable Communities Act.
-  Woodbury promotes a high level of safety and security for people living in rental housing.
-  Woodbury provides housing opportunities that target households with incomes at or below 80% of the area median income for ownership housing and 50% of the area median income for rental housing.

EXECUTIVE SUMMARY

Background and History

The City of Woodbury adopted its first Housing Action Plan on June 30, 1996 in response to the Metropolitan Livable Communities Act. A major focus of this Act is to promote the development and preservation of affordable and life cycle housing in communities throughout the Twin Cities metropolitan area. In 2001, the City commissioned a Housing Task Force to review the progress for developing affordable and life cycle housing. The Housing Task Force included representatives from the business community as well as residents-at-large. The task force's Housing Action Plan of 2001 which was adopted by the City Council included several programs and financial strategies to encourage affordable housing and housing maintenance. One strategy was to use the Economic Development Authority's HRA powers to levy funds in support of housing programs.

To provide more focus, accountability and initiative for the housing actions of the City, the Woodbury City Council created an HRA and appointed the members of the City Council to serve as the Board of Commissioners in 2006. In 2007, the newly created HRA conducted the following tasks:

- Identified and updated Woodbury's housing goals which included a review of the 2001 goals and strategies to ensure that current housing issues were being addressed.
- Reviewed existing housing programs to ensure that the any new strategies would supplement and compliment programs that were already available and effective rather than duplicate services.
- Reviewed existing demographic information associated with housing, employment and commuter trends.
- Evaluated affordable housing limits and workforce housing issues.
- Conducted two focus group sessions with local area affordable housing lenders and public housing partners to gain feedback and ideas associated with housing goals and implementation strategies to ensure that HRA programs would fill existing service gaps.

The creation of the HRA and the 2007 HRA Housing Action Plan strive to provide both short and long-term strategies to assure creation and preservation of additional affordable housing as well as revitalization of existing housing and preservation of neighborhoods. The HRA also recognizes the important link between quality and affordable housing and the varied employment base in the City. The HRA's Housing Action Plan also provides strategies to proactively address blight within all areas of the City.

The City is also in the process of updating its Comprehensive Plan. The HRA Housing Action Plan and its goals and strategies will be a key component of the update to the Comprehensive Plan. The Metropolitan Council has forecasted specific affordable housing needs for 2011-2020 for each community. The forecast will be used to help communities determine their metro area share of new affordable housing through 2020. The 2007 HRA Housing Action Plan provides the specific implementation strategies to meet Woodbury's affordable housing goals that will be part of the 2008 Comprehensive Plan.

Previous Housing Action Plans should continue to be used as a reference regarding specific housing programs, affordability definitions and benchmarks for achieving housing goals. The 2007 HRA Housing Action Plan is the basis for supporting future financial initiatives such as an annual HRA tax levy, use of tax increment financing and the support for grant funding. These financial strategies are a critical component to meet the HRA goals and fulfill the housing needs for affordable, decent and safe housing and quality development. The Plan will continue to provide direction to the City regarding the approach it should take; the types of housing opportunities the City should promote; the roles in providing those opportunities; and the extent to which City resources will be used in that effort. The Plan will be flexible to meet unforeseen housing needs through an annual review process.

Key Elements of the Plan

The following are some of the key elements of the HRA Housing Action Plan. More specific implementation strategies can be found in the subsequent pages of this Plan.

I. Education and Communication

The HRA understands the importance of continuing the City's efforts to educate and inform the general public of the continued need for affordable housing in Woodbury. Since 2001, public education efforts have been successful in providing support and an understanding of the need to diversify the community opportunities for a range of housing options. The public is beginning to understand the need for a balanced supply of housing that includes all levels of housing type and affordability. Affordable housing is needed not just because of people moving into Woodbury, but because the community is aging. It is understood that there is a need to provide housing opportunities for the children of residents as they graduate and enter the workforce, as well as for those that are retired and on fixed incomes. There is a link between the labor force, housing and the economic health of the community. Consistent education and communication are needed to dispel the myths associated with affordable housing, to promote affordability and programs that provide resources for home improvement and environmental sustainability.

A. Definition of Affordable

The HRA defines the need to provide financial assistance to households with incomes at or below the current 80% of the metro area wide median income for ownership units and 50% of the metro area wide median income for rental units. This remains consistent with previous housing plans and the objectives of the Metropolitan Council goals and other public agency programs.

B. Affordable Housing Goals

The City is well underway to achieving their share of the Metropolitan Housing goals for affordable housing through 2009. The implementation strategies will provide methods to begin to achieve new goals from 2011-2020. New goals will continue to be both reasonable and achievable. Methods to analyze achievable goals will be identified through the Comprehensive Planning process and approved as an update in 2008. Future updates to the HRA Housing Action Plan will develop new affordable goals through 2020.

C. Document the Local Need

The plan explains why affordable housing is needed within our own community, from an economic development perspective as well as a social one.

D. Barriers to Affordable Housing

There are many obstacles that make it difficult to develop affordable housing. Analyzing these barriers will not only allow the City to develop strategies to overcome them, but it will also serve to explain why subsidies are needed to make projects a reality.

II. Funding Sources and Implementation Tools

The plan outlines various financial tools, techniques and strategies that the HRA can use as implementation tools for the successful development and sustainability of affordable housing as well as preservation of quality and value within the City's existing housing.

III. Strategies for Implementing the Plan

The HRA has prepared several strategies to meet the goals of this Housing Action Plan. These strategies will be implemented with the collaboration of key housing partners and community groups. The HRA has received support and guidance from the lending community and public housing partners through the exchange of ideas and review of the Housing Action Plan goals and strategies. The HRA will continue to partner and collaborate with the business community, housing advocates and foundations in promoting the development of a variety of housing to meet the full spectrum of needs. **The HRA strategies are meant to fill the gaps in financing affordable housing rather than impede or duplicate what is already being provided.**

HRA Housing Action Plan

I. Education and Communication

In order for affordable housing projects to be successfully integrated into the community, people need to be continuously informed about the topic as well as the programs and initiatives the HRA and other housing partners use to achieve their affordable housing goals. Education and communication are needed to dispel the myths associated with affordable housing and explain why it is needed within our own community. The HRA plan includes several communication and participation methods to inform the public about the barriers to affordable housing, who meets the criteria for affordable housing and what income levels would qualify for public subsidies.

A. What is the definition of “Affordable”?

The US Department of Housing & Urban Development (HUD) defines affordable housing as housing that costs no more than 30% of income on rent or mortgage. Many residents pay more than 30% of their incomes towards housing nationwide.

The HRA will continue to use the Metropolitan Council's definition of affordable which is based upon the national standard. This is the same definition that applies to the federal tax credit program, which is the primary tool used to finance affordable rental housing projects. For purposes of this Housing Action Plan, the definition of “affordable” is:

- 80% of the area median income for ownership units
For 2007, affordable ownership units are defined as \$206,800 and below.
- 50% of the area median income for rental units
For 2007, affordable rental units are defined as follows:
 - 1 bedroom- \$736*
 - 2 bedrooms- \$883*
 - 3 bedrooms- \$1,020*
 - 4 bedrooms - \$1,138*

The HRA recognizes that this definition still leaves a gap in funding for those that are considered the “working poor”. The following examples show the relationship between hourly wages/salaries, the median income and the price of a home. In addition, it portrays that many essential jobs within the community do not pay an adequate wage for families to be able to afford housing using less than 30% of their income.

Who lives on 50% of the median income?

- A single person working full-time earning a wage of approximately \$13.12/hour such as **retail store manager**. They can afford a mortgage of \$95,000.
- A couple with one child earning \$34,650/year such as **two child care workers**. They can afford a mortgage of \$111,000
- A single parent working full time as a **school counselor** with three children earns a wage of \$38,500. This single parent can afford a mortgage of \$119,000.

Who lives on 80% of the median income?

- A single person working full time at about \$20.73/hour such as a **home appliance repair technician**. They can afford a mortgage of \$138,000
- A single parent with one child earning \$49,280/year such as an **elementary school teacher**. They can afford a mortgage of \$158,000
- A couple with one child earning about \$55,440/year such as a **police officer and part time restaurant worker**. They can afford a mortgage of \$177,000

The above definition of affordable is meant to provide a minimum threshold. If funding sources are provided to make specific projects available to people of lower incomes than described above (i.e. Minneapolis Housing Opportunities Program [MHOP/Hollman units] transitional housing or Habitat for Humanity) the HRA will support those efforts to meet lower income households as well.

B. Affordable Housing Goals

The City of Woodbury has taken a proactive approach to meeting its affordable housing goals. Through the process of creating an HRA, existing housing programs and strategies have been reviewed to understand the best methods for meeting the City's affordable housing goals. Through this evaluation, the HRA has developed and will continue to support a variety of housing approaches to provide housing opportunities that assist households in all stages of their lives (family rental, home ownership, and senior.)

At the end of 2006, Woodbury had a total of approximately 20,888 housing units. The affordable housing goals, according to what was agreed between the City and the Metropolitan Council in 1995 for the period of 1996-2011, is 1,584 affordable ownership units and 200 affordable rental units. The following chart shows that the city is very close to meeting the goals with units built by the end of 2006.

Ownership 80 % AMI		Rental 50% AMI	
City Ownership Goals	Ownership Units Built	City Goals	Rental Units Built
1,584	1,829	200	120

It is anticipated that the City will be able to achieve these goals by the end of 2011 with the support of 80 rental units, 41 of which are expected to be built in 2007-08 with Waters Edge development.

By achieving these numeric goals, the HRA hopes to achieve the following objectives:

- A balanced housing supply, with housing available for people at all income levels and in all stages of their lives.
- Accommodation of all racial, age and ethnic groups in the purchase, sale, rental and location of housing within the community.
- Well-maintained housing and neighborhoods, including ownership and rental housing.
- Housing development that respects the natural environment of the community while striving to accommodate the need for a variety of housing types.
- Improved access to and linkage between housing and employment.
- New and renovated affordable housing that is blended into the neighborhood and community.

C. Document Local Need – Who qualifies for Affordable Housing

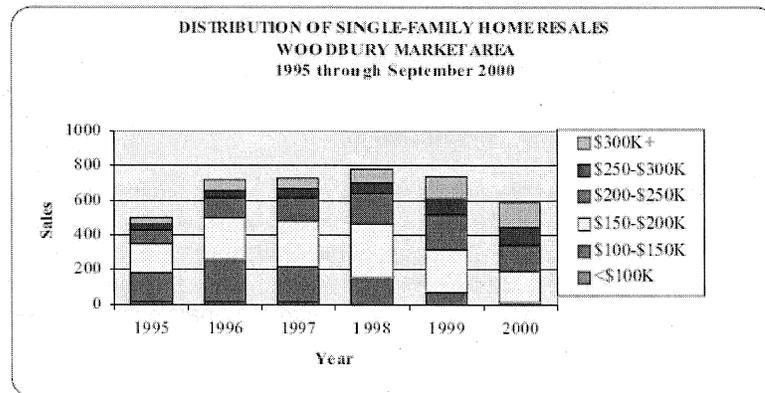
Housing Needs in the City of Woodbury:

As part of the evaluation of the City’s housing needs, certain findings were made as to the shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at prices and amounts they can afford. In addition, the quality and age of the housing stock was reviewed to provide validation that there exists the potential for substandard or blighted areas which without assistance may not otherwise be renovated or redeveloped. The HRA and its Housing Action Plan provides the local strategies and funding to address the growing need for affordable housing and elimination of future blight in Woodbury.

Affordability Need:

Affordability of Ownership Housing:

The Washington County HRA completed a Comprehensive Study of Housing Needs in Washington County in 2001. As part of the study, Woodbury had the second highest median price of single family home resales within the Washington County Market Area between 1995 and 2000.



The chart above shows the distribution of home resales in Woodbury by price, from 1995 to 2000. The chart highlights the dramatic shift in the price of homes sold within that six year period. In 1995, homes that sold for less than \$150,000 accounted for 36% of all sales, while homes that sold for more than \$250,000 accounted for 14% of all sales. The rising price of homes resulted in only 3% of all homes selling for less than \$150,000 in 2000, and 42% of homes selling for more than \$250,000.

Updated preliminary data provided by Washington County HRA shows that from 2002-2006 Woodbury’s average housing re-sales continue to grow from \$306,196 in 2002 to \$391,779 in 2005 averaging over 8% per year growth in sales price, then leveled off (no sales growth) in 2006 to \$389,967. Compared to Washington County, the average annual resale price increased less than Woodbury. The sales price in 2002 was \$277,477 and it was \$347,033 in 2006, averaging 6% growth in sales price per year until 2006.

	2002		2003	%	2004	%	2005	%	2006	%
Woodbury	\$306,196	8%	\$330,487	11%	\$368,228	6%	\$391,779	6%	\$389,967	0%
Wash Cty.	\$277,473	7%	\$295,529	9%	\$322,344	7%	\$344,117	6%	\$347,033	1%

In addition to overall average re-sale price of homes from 2002-2006, Woodbury also continues to experience a smaller supply of affordable homes re-sold compared to Washington County as a whole.

Of the 1,200 homes resold in Woodbury in 2006, 27% or 326 are considered affordable and sold for less than \$201,000. Only 6 or 2% of those home were single family and the remaining 320 or 98% were multi-family. Homes resold for more than \$201,000 totaled 874 or 73%. Of these less affordable homes 614 (70%) were single family homes and the remaining 260 (30%) were multi-family. This shows a need to provide more assistance to help make the purchase of single family homes in Woodbury more affordable.

By comparison, throughout Washington County affordable homes resold totaled 1,021 of which 265 (26%) were single family. Homes resold for more than \$201,000 totaled 2,523 of which 2,104 (80%) were single family homes.

	Woodbury 2006	Percent of Total	Washington County 2006	Percent of Total
Affordable Single Family (<\$201,800)	6	2%	265	26%
Affordable Multi-Family (<\$201,800)	320	98%	756	74%
Market Single Family (>\$201,800)	614	70%	2,104	80%
Market Multi-Family (>\$201,800)	269	30%	509	20%

Rental Vacancies & Need for Rental Housing:

In a survey of 2007 rental rates, Woodbury has a 3.6% vacancy within 2,407 market rate units surveyed, while through Washington County the vacancy rate was 4.9% within 5,090 surveyed units. **In affordable units the City had no vacancies** in 76 units, while the County had a 10% vacancy in 692 units. The overall surveyed vacancies were 3.5% in Woodbury and 5.1% through the County. Average market rental rates were higher in Woodbury for 1 and 2 bedroom apartments and near average in other units

Surveyed Rental Unit Rates throughout Washington County January 2007								
City	Market Rate				Affordable			
	Total	Avg. Rent			Total	Avg. Rent		
	Units	1BR	2BR	3BR	Units	1BR	2BR	3BR
Stillwater	324	\$707	\$775	0	40	\$654	\$770	0
Oakdale	1,066	\$726	\$908	\$900	546	\$660	\$793	None
Forest Lake	560	\$764	\$897	\$938	0	None	None	None
Woodbury	2,407	\$960	\$1,181	\$920	76	\$675	\$775	\$1,000
Cottage Grove	733	\$719	\$824	\$994	-	-	-	-
White Bear Lake	-	-	-	-	30	-	-	-

Based upon the current limited supply of single family ownership housing and no availability of affordable rental housing in Woodbury, Washington County Market Assessment's conclusions in 2001 still remain valid for the Woodbury market area as follows:

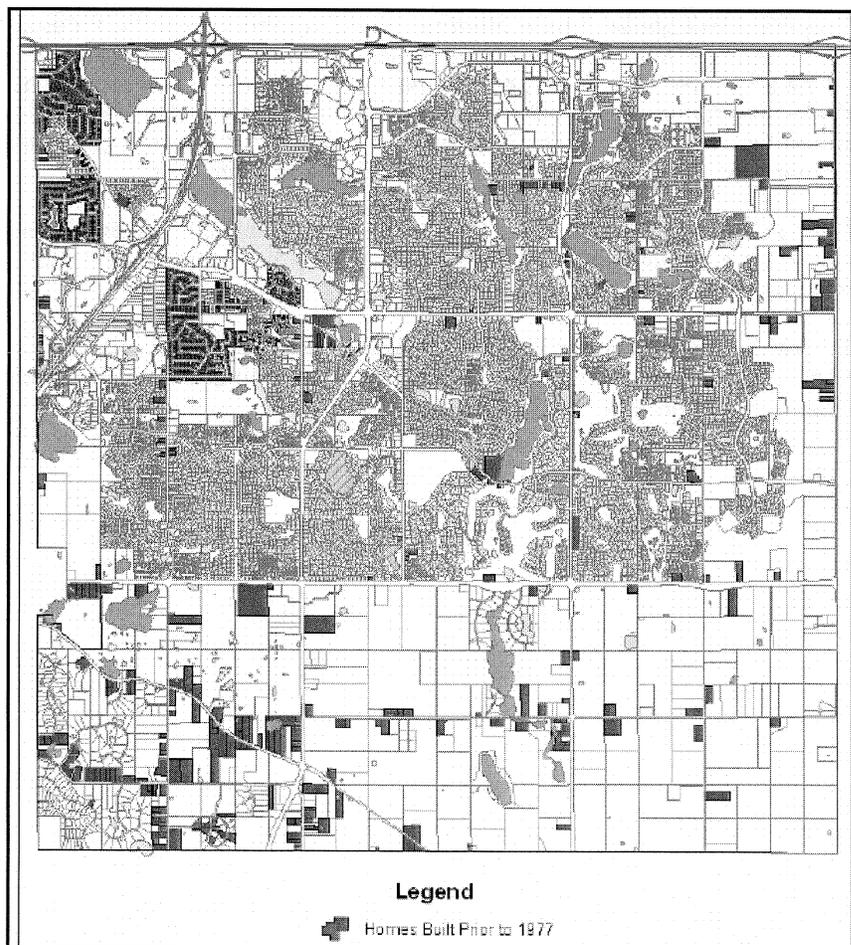
- Need for affordable owned housing, both single-family and multifamily;
- Need for affordable rental housing; and
- Need for market rate and subsidized senior housing.

Also, according to the Metropolitan Council's summary report on the need for affordability housing dated January 2006, only 9% (1,880 units) of the Woodbury housing stock is affordable to persons earning 60% of the area median income.

According to the 2000 US Census 55.9% (9,321) of Woodbury households have incomes below 80% of the area median income and 16% of those (1,491) are paying more than 30% of their income for housing. Approximately 77% (5,175) of those employed within Woodbury live outside of the City. One reason for this high percentage could be the availability of affordable workforce housing. In 2002, over 67% (10,922) of residents employed in Woodbury had a wage below \$20 per hour which can only support a mortgage of approximately \$107,000 or less. With the average value of single family homes in Woodbury at \$304,000 for 2006 (and median sales price of \$282,000), there is a significant amount of demand for lower priced homes.

Blight Findings:

As Woodbury begins to age, there will be an increasing need to provide programs ensuring that the older housing stock is maintained. Currently 11.3 % of single family homes (2,360 homes) are over 30 years of age. The average value of these homes is \$239,390 with 23% (approximately 540 units) under Metropolitan Council's affordability limit of \$201,800. Because of similar ages, many of these units are clustered together in the same neighborhoods. This market of housing as well as older commercial and industrial areas will benefit from strategies and funding programs provided by the Woodbury Housing and Redevelopment Authority.



D. Barriers to Affordable Housing

The barriers to achieving Woodbury's affordable housing goals outlined in the 2001 Housing Action Plan continue to make it difficult for working families to afford quality housing as well as for developers to build housing that is affordable. However, the City has made great strides in incorporating policies to address the following barriers.

- **Land costs**
- **Lack of sites for development of housing that is affordable**
- **Market forces**
- **Neighborhood opposition- Gaining acceptance**
- **Public Policy**

What has been done? The City has been a leader in recognizing that increasing the density (allowing for more units per acre) helps to reduce the fixed costs such as the land prices per unit. Projects at lower densities require much more substantial subsidies.

Through the planned unit development process, the City has been able to encourage developers of large tracts of land to set aside a portion of their property for higher density and more affordable housing.

When projects are designed to be aesthetically pleasing and development designs meet or exceed those of the neighborhood, there is a broader acceptance by the community for housing projects that may include affordable units. The City has required quality design for all of its housing projects and through effective communication, there has been an acceptance of projects with affordable housing components. In addition, the Safer Tenant and Rental (STAR) program promotes a high standard of property management which includes tenant screening and inspections.

By creating an HRA in 2007, the City has provided additional authority and focus on the quality and affordability of the housing stock; the HRA is a key Woodbury component in continuing to break down the barriers of affordable housing.

The HRA will continue to support the use of planned unit development, density bonuses and quality design and maintenance programs as methods to reduce the affordable housing barriers. The Housing Action Plan's implementation strategies reflect this support.

II. Funding Sources and Implementation Tools

A. Financing Tools for the Development of Affordable Housing

Financing is always an issue when it comes to providing affordable housing. The 2001 Action Plan identified several tools that are available to assist in the development affordable housing and maintenance of its housing stock. The HRA will evaluate the use of the tools to support the housing goals and to enable the success of the implementation strategies.

- **HRA Levy** - Per Minnesota Statutes 469.033, Subdivision 6, an HRA has the authority to levy a special tax upon all taxable property within the City boundaries specifically to fund the purposes of the housing plan within that City. The maximum HRA levy is equal to .0144 percent of taxable market value (Woodbury 2007 = \$6,966,237,900), which would equal approximately \$1,003,138 annually using 2007 taxable market value. The HRA levy is spread across all property owners including commercial and industrial properties. Any HRA levy funds must be expended only for the purposes of sections 469.001 – 469.047 and only through the authority of the HRA Board and with signature of the authorize representative. The levy will be used as a local housing dedication fund to acquire sites for affordable housing or to offset the cost of public improvements for affordable housing projects. Monies will also be used for housing rehabilitation to encourage sustainability and to provide staff to further the strategies of the Housing Action Plan. Based upon 5 year budget assumptions to sustain funding for housing projects, loan programs and staffing, the HRA will need to levy approximately \$525,000 per year. Alternatively, the HRA may consider an increasing levy starting at either \$200,000 or \$350,000 and stabilized at \$570,000 to \$575,000 in year 5. The HRA levy must be requested annually and approved by a majority vote of the City Council. However, the budget assumptions assist the HRA in projecting funding sources and needs to achieve the goals of the Housing Action Plan.
- **Community Development Block Grant (CDBG) Funds** - In partnership with the Washington County Department of Community Services (DCS) and the Washington County Housing & Redevelopment Authority, the HRA will continue to apply for funding assistance through the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME) to leverage resources to finance new and existing affordable housing projects. CDBG and HOME are financing programs funded by the U.S. Department of Housing and Urban Development
- **Waiving City Fees** - The HRA will support the waiving of City fees to help reduce the cost of affordable housing on a case by case basis.
- **Tax Increment Financing (TIF)** - The HRA has the authority, with the City support, to provide TIF assistance to achieve its housing and redevelopment plans. TIF uses the increase in property taxes resulting from new development to finance qualified public improvement costs related to that development. It is this increase or difference between the current property tax on a parcel of land and the estimated property tax after development that is the tax increment. When TIF is used for a housing project, state law requires that a certain percentage of the units be made affordable for the life of the TIF district (typically 20-25 years). The HRA will consider the support and use of TIF for projects that meet the objectives of the Housing Action Plan and are consistent with the City of Woodbury and Woodbury EDA TIF policies. However, each project will be reviewed individually and only on its ability to meet the statutory requirements.
- **Non-Profit Affordable Housing Entities - Community Land Trusts, Habitat for Humanity and Foundation Funding.**

The use of non-profit housing methods to facilitate long term affordability within housing developments has been used with some success and will continue to be evaluated by the HRA as an option to further its housing goals and strategies.

A community land trust model of financing provides affordable housing on a long-term basis. The homeowner owns the house but the community land trust owns the land underneath the house and

provides the homeowner with a 99-year, renewable ground lease. A resale clause helps to ensure affordability of the unit for the long term. The initial subsidy in the project can then be retained and applied to subsequent buyers, while also rewarding homeowners with equity and a portion of the market value increase, allowing them to eventually move into market rate housing. This method has been implemented successfully within Washington County through the Two Rivers Community Land Trust.

Habitat for Humanity forms a partnership with families that need and want decent housing and are willing to build or renovate housing. Habitat is a national model for increasing affordable home ownership through a series of financing and educational methods.

The HRA will evaluate partnerships with Two Rivers Community Land Trust, Habitat for Humanity and other private foundations, by assisting these groups with the site identification and by providing financial assistance, where appropriate, in the form of land write downs, or waiving of city fees and charges, etc. In addition, the HRA will encourage these groups to purchase existing housing stock.

B. Non-financial tools:

1. Site Identification: The HRA shall take a proactive approach in identifying sites for affordable housing, and use funds to purchase and secure these sites. The HRA will also need to be flexible and be able to respond to opportunities as they come up. This may include using funds to write down the cost of land if a developer approaches the city with a proposal for affordable housing. Finally, if the City is going to dispose of property that it owns, and the property is appropriate for housing, the HRA should encourage the reuse and development of the property for affordable housing purposes.

2. Zoning Regulations and Development Standards: The HRA will encourage the City's zoning regulations (architectural standards, etc.) that continue to provide for flexibility in design standards so unnecessary expense will not be added to the cost of housing, while still maintaining neighborhood standards.

3. Density: The HRA will encourage the City's continued use of density bonuses to support affordable housing development. In addition, the HRA will assist in matching affordable housing developments with resources to achieve standards required when density bonuses are provided.

4. Developer Incentives: The HRA will evaluate the use of financial incentives in order to encourage developers to include affordable housing in their plans.

5. Washington County HRA (WCHRA): The HRA will work in partnership with the WCHRA to provide affordable housing opportunities to achieve local and regional housing goals.

III. Implementation Strategies

As part of the review of existing programs and through discussions and focus group meetings with local bankers and housing partners, the following programs were discussed to fill existing program and service gaps within the City of Woodbury. The implementation strategies will serve to meet the HRA's housing goals as part of the HRA's Housing Action Plan. The HRA can provide and has access to a full range of affordable housing options that will maximize quality and diverse housing options in Woodbury.

A. Supplement Existing Affordable Housing Purchase Assistance Programs

There are several first time buyer programs available for the purchase of homes (single family and multifamily) in Woodbury. These programs are provided by the State Minnesota Housing, Washington County and Washington County HRA. However, even with the lower interest rate mortgages and down payment assistance programs, many homes in Woodbury still remain out of reach for households earning less than 80% of the area median income. As an example, a household earning \$63,000 can afford a home, without significant credit issues, for a sales price between \$170,000 - \$175,000. However, with Woodbury's average market value of \$300,000 for single family ownership housing, there remains a gap in affordability even with existing lower mortgage programs and downpayment assistance. The HRA will create a 2nd mortgage program to help fill that gap and provide housing purchase options for families with incomes below 80% of the area median income level.

1. **Publicly Funded 2nd Mortgage:** The HRA directly finances the 2nd mortgage in partnership with a bank first mortgage to qualified borrowers who may not otherwise be able to afford a home in Woodbury due to their first mortgage limitation. The 2nd mortgage is the gap between the first mortgage and the purchase price of the home up to a certain limit. When loans are repaid, the funds revolve back to the HRA fund to provide new loans.
 - **2nd Mortgage Fund** – The program will limit each 2nd mortgage to \$25,000 with a beginning loan pool of \$150,000. The 2nd mortgage loan principal and interest is deferred until the home is sold, the property becomes rental or the first mortgage is refinanced. The term of the 2nd mortgage loan is tied to the first mortgage. Interest rate for the 2nd mortgage would be three points below the current 5-year treasury rate. The \$150,000 loan pool has the ability to carryover for use in future years provided that the total pool of funds for loans do not exceed the estimated budget assumptions through 2012 as tied to the sensitivity analysis completed in 2007.
 - **Home purchase limits** – The HRA 2nd mortgage program will provide a home purchase limit of \$225,000 which is between the limits of the existing programs such as Metropolitan Council (\$206,800) and Minnesota Housing Finance Agency (\$298,125). Washington County's down payment assistance program limits the purchase price to \$200,000 for single family and \$175,000 for townhomes on a County-wide basis. The purchase limit will be adjusted according to the same percentage increase of the Metropolitan Council's program.
 - **Income limit for eligibility** - The HRA's goal is to focus on households with incomes at or below 80% of the area median income level. Both lending and housing agency partners agreed that this is the level where assistance should be provided and households above this limit usually can afford traditional lending products. The HRA will consider targeting household's adjusted gross income (gross income less taxes, utilities, child care and transportation costs such as car loans) rather than gross income in that calculation of affordability. This may capture some households that are just above the current 80% of median income level for other state and county programs.
 - **Recapture of loan as borrower's income increases** - The HRA will build in methods to collect assistance from households that no longer need it due to increased income levels. This allows for the public funds to revolve back into the funding pool quicker. Many times a young family only needs the assistance initially (or to make "move in repairs") and as their income increases that assistance is no longer required and repayments can be made. There can be a reevaluation of income every 5 years. If income of the homeowner is above the current 80% of area median

income limit, then a more aggressive repayment schedule can be negotiated. The HRA will assure that a repayment requirement would not deter a person's ambition to earn a higher income level.

- **Long Term affordability with shared appreciation** - There are many ways to view long term affordability. The HRA will explore the use of a First Right of Purchase Agreement upon resale of the property where assistance has been provided. This would allow the HRA to consider keeping the homes affordable beyond the first purchaser. Under a first right to purchase agreement, the homeowner would be required to offer the HRA the option to purchase the home at the current market value. The HRA would have a certain period of time to purchase the home and then resell the home at an affordable price. The agreement can also build in a shared appreciation formula that would provide a portion of the equity on the home to come back to the HRA upon sale. Shared Appreciation Mortgages (SAM) are loans in which the HRA puts up some of the cash for a home buyer's down payment in return (in the form of the 2nd mortgage) for a portion of whatever amount of appreciation takes place in the value of the property between the day it is purchase and the day it is sold. This method has been used in many communities across the nation. In general, appreciation is the difference between the original purchase price of a home and the price of the home when it is sold. When the 2nd mortgage is paid off, the homeowner shares in the appreciated amount of the home with the HRA. The HRA's share will be equal to the percent that the loan was in relation to the original purchase price. For example, if the HRA 2nd mortgage loan is equal to 10% of the original purchase price, when the loan is repaid, 10% of the appreciated amount is owed as the shared appreciation.

In return for providing funding, the public's share of the appreciation can be used in one of two ways -- either by returning it to the HRA in the form of a cash payment that can be used by another family having difficulty raising enough money for the down payment or by keeping it with the house when purchased by the HRA under the first right of purchase option, thereby reducing the cost of that home for the next purchaser.

The following is an example of first right of purchase with shared appreciation.

Shared Appreciation Example

Original Purchase Price	\$225,000
HRA 2nd mortgage Loan (11%)	\$ 25,000
Selling Price (after 10 years)	\$350,000
Appreciation Amount	\$125,000
Less: Homeowner Renovation Investment	\$5,000
Shared Appreciation Owed (11% of \$120,000 Appreciation)	\$ 13,200
Total Owed to HRA upon sale	\$ 38,200
First Right of Purchase Amount (\$350,000-\$38200)	\$311,800

B. Provide Low-Interest Home Renovation Loan Programs to Meet the Communities Housing Needs

The HRA will create a renovation loan fund to promote the goal for a high standard of property maintenance. There are several options to be considered to ensure that a new program will provide benefit to Woodbury residents as well as supplement existing available programs. Any loan program that the HRA would establish would be administered by a non-profit agency to ensure that the loans are being originated and collected using best management lending standards and that the income and debt history data is protected.

1. Supplement existing programs – Renovation Loan:

There are both State and County renovation loan programs available to Woodbury residents. However, only one loan has been issued in Woodbury over the past several years. The reasons could be the lack of knowledge of the programs, the limitations on incomes, the assessed valuation limitations and the funding amounts. The amount of the current funding for renovation programs ranges from \$20,000 - \$35,000. This amount may be enough to cover most home code related renovation projects but not enough to encourage major renovations. The intent of the program is to provide funding for projects where the homeowner is not eligible for the existing State or County programs due to their limitations such as value and type of renovation. However, in some cases a homeowner may choose to use both the HRA loan program and another public agency program.

- **Renovation Loan Fund** – The Woodbury HRA loan program will provide funding for improvements including code violations, basement remodeling, deck replacement or additions and general home remodeling. In addition, the loan interest is payable and set below the current interest rate tied to the 5 year treasury index. The loan term would be equal to one year per \$1,000 borrowed up to a maximum of seven years. The maximum loan amount is \$35,000 with a beginning loan pool of \$350,000. The loan pool has the ability to carryover for use in future years provided that the total pool of funds for loans do not exceed the estimated budget assumptions through 2012 as tied to the sensitivity analysis completed in 2007.
- **Home purchase limits** – In addition, the loan program will target homes that are under a higher assessed valuation than the County program allows. The county program limits the use of the funds for homes with an assessed value below \$212,000. Increasing this limit may open up renovation programs for more Woodbury residents as the average values in Woodbury are higher than the County's average. Similar to the purchase limit amount, the HRA will focus their program to a level at or under \$225,000 for single family homes and \$200,000 for multi-family homes over 25 years of age. The purchase limit will be adjusted according to the same percentage increase of the Washington County program.
- **Income limit for eligibility** - The HRA's goal is to focus on households with incomes at or below 80% of the area median income level. Both lending and housing agency partners agreed that this is the level where assistance should be provided and households above this limit usually can afford traditional lending products. The HRA will consider targeting household's adjusted gross income (gross income less taxes, utilities, child care and transportation costs such as car loans) rather than gross income in that calculation of affordability. This may capture some households that are just above the current 80% of median income level for other state and county programs.

Woodbury HRA will also explore securing the Minnesota Housing Community Fix-Up Fund which provides sub-prime loans and other community specific approving criteria to target specific areas in the city, older homes and homes with lower values. This program is more flexible than the regular Fix-Up Fund but must be applied for to meet a specific community need.

2. Target projects that incorporate sustainable building practices

To encourage sustainable building practices, the HRA will provide a loan program with more favorable interest rates in partnership with the City's Green Building Program. These loans will be used as a pilot program to encourage sustainable building practices and can be used in conjunction with the HRA Renovation Loan Program.

- **Sustainable Loan Fund** – The Sustainable Loan Program will provide funding for improvements that use sustainable materials. Criteria for the program will be developed by the City. Loans would be limited to a maximum of \$10,000 with terms equal to one year per \$1,000 borrowed up to a maximum of seven years. The loan interest is payable and set well below the current interest rate tied to three points below the 5 year treasury index to encourage sustainable building. The initial loan pool is \$50,000. The loan pool has the ability to carryover for use in future years provided that the total pool of funds for loans do not exceed the estimated budget assumptions through 2012 as tied to the sensitivity analysis completed in 2007.
- **Income limit for eligibility** – For this particular pilot program and with the understanding that incorporating sustainable materials into home renovation is more costly, the HRA will allow the program to be used by households with incomes at or below 115% of the area median income level. The HRA will consider targeting household's adjusted gross income (gross income less taxes, utilities, child care and transportation costs such as car loans) rather than gross income in that calculation of affordability.

C. Evaluate Need and Willingness to Participate in Employer-Assisted Housing

To meet the HRA goal of providing housing programs that meet the local labor force needs, the HRA will evaluate what needs exist and if there is a willingness from local employers to participate in an employer-assisted program. This will be accomplished by surveying and/or meeting with key local employers. The following questions will be considered:

- Are employers having difficulty attracting qualified employees due to the lack of affordable housing?
- What industries should be targeted for a program if there is an interest? Office, Manufacturing, Retail?
- What type of program (financial, marketing) would best serve Woodbury employers?

D. Modify and Enhance the City's Density Bonus Program

Currently the City provides a density bonus (allowance to provide more housing units per acre than the city code allows) for new housing developments that provide a certain amount of affordable units. The requirement to provide the affordable units is outlined in a development agreement between the developer and the City. There has been mixed reactions and results from the development community regarding successful implementation of the program to create affordable housing. Currently, the City/HRA does not provide any financial assistance to a developer who receives a density bonus in return for providing affordable housing.

The HRA supports the use of density bonuses as a viable model to encourage affordable housing. To enhance the program and ensure its success, the following modifications and enhancements can be considered.

- **Require that developers provide potential buyers with affordable housing program information.** Typically development sales refer potential buyers to their company mortgage programs which are not usually suitable to people with lower incomes. To assist the project, the HRA can provide the developer with the resources regarding available mortgage and downpayment assistance programs that specifically target affordability and households with incomes below 80% of median income.

- Assist developers with marketing of homes for sale to households below 80% of median income through direct mail, advertisements and information posted in city newsletter.
- Apply new HRA 2nd mortgage programs to developments that use the density bonus program.
- Consider using density bonus program where the development is targeting housing for older adults where higher densities are necessary.

E. Enhance Education and Marketing Efforts

Programs are only successful if the general public is aware that they exist. Therefore, HRA financial and employee resources will be provided to enhance the marketing and education efforts surrounding affordable housing. These efforts include:

- Hiring a full time housing specialist dedicated to promoting affordable housing and managing new HRA programs and efforts.
- Support homeownership classes by providing classroom space, free of charge, for WCHRA educational programs.
- Include information regarding HRA, County and WCHRA affordable housing programs within the City newsletter.
- Create a housing section on the City website specifically geared toward promoting the goals of the HRA.
- Support countywide efforts for the creation of a one-stop housing resource center.
- Work with area businesses and Realtors to promote affordable housing programs.
- Consider partnering with neighboring communities, such as Oakdale, for an annual home show.

IV. Annual Budget

The Woodbury HRA will adopt an annual housing fund budget to support goals and implementation strategies of the HRA Housing Action Plan.

A five year budget analysis was prepared to assist in setting current and future finance policies for the HRA. Budget assumptions were provided to enable a sustainable funding source for housing projects, loan programs and staffing. Using interest rates tied to the 5-year treasury index and estimating loan payments based upon activity levels in other communities, the HRA anticipates certifying a levy beginning at \$350,000 in 2008 with annual increases of approximately \$55,000 per year over 5 years stabilizing at \$525,000 in 2012. This will enable the HRA to maintain an annual fund balance of at least \$500,000. The HRA levy must be requested annually and approved by a majority vote of the City Council. However, the budget assumptions assist the HRA in projecting funding sources and needs to achieve the goals of the Housing Action Plan.

Enclosure D

Metropolitan Livable Communities Act Housing Action Plan Checklist

In preparing a Livable Communities Act (LCA) Action Plan, a community should consider a number of factors before deciding which implementation efforts it will identify and undertake to expand affordable and life-cycle housing opportunities. A community should consider its housing situation, land availability, forecasted household and employment changes and any number of applicable demographic characteristics and trends that should influence its housing implementation efforts.

The Action Plan should not only address the kinds of implementation efforts to be employed, but, where possible, the general timeframe in which they will be undertaken. The Plan should identify, as best as possible, the number of households to be assisted, or housing units to be produced or rehabilitated through the various programs and activities that will be pursued. Also, to the degree possible, the plan should identify the income levels of the households to be assisted, e.g. the number or percent with very low, low and moderate incomes. Finally, where possible, it should identify the efforts that will be targeted specifically to the elderly, large families, homeowners and renters.

The degree to which the Plan specifically identifies local needs and the intended beneficiaries of local actions is ultimately the community's decision. There is no single "correct" format or minimum requirement for how a community attempts to address this information in its Action Plan. Understanding its current and future housing needs, and who can and should benefit from its housing efforts is a practical and prudent step, and should be the basis for the housing implementation activities of any community.

There are a number of programs and local fiscal and official control initiatives that can be undertaken by communities to expand or preserve affordable and life-cycle housing.

This Action Plan Checklist is intended to assist communities in identifying from among the myriad implementation tools, those activities suited to their particular needs and capacity to deliver.

Housing Assistance Programs

An Action Plan to implement the community's LCA goals should identify the housing assistance programs to be used by and in the community, and, where possible, the best estimate of how many households will be helped by such programs each year or over the period of years covered by the Action Plan.

A number of programs provide renter assistance and below-market-rate home mortgage programs. Some involve little or no administration or oversight by the city, although most require a city's consent. A list of existing housing assistance programs which a community may use, or encourage or facilitate private market interests to use include the following:

Federal Government

- Section 8 Rental Vouchers and Certificate Programs
- Shelter Plus Care (S+C)

Minnesota Housing Finance Agency

- Minnesota Mortgage Program
- Community Activity Set Aside (CASA) Program
- Homeownership Assistance Fund
- HOME HELP
- Homeownership Opportunity Program
- Urban Indian Housing Program Tribal Indian Housing Program
- Land Acquisition for Affordable New Development (LAAND) Initiative
- Minnesota City Participation Program
- Housing Trust Fund Rental Assistance (HTF-RA)
- Bridges

Twin Cities Habitat for Humanity

Local Community Land Trusts

Housing Development Programs

The Action Plan may set forth specific new construction or housing rehabilitation efforts to expand or preserve the community's stock of affordable rental housing.

A limited number of tools are available to support the construction or rehabilitation of low-and moderate-income housing. These programs include the following:

Federal Government

- Public Housing
- Supportive Housing Demonstration Program - Transitional Housing Component
- Federal Home Loan Bank - Affordable Housing Program
- Home Investment Partnership Program (HOME)
- Section 202 - elderly
- Section 811 - handicapped

Minnesota Housing Finance Agency

- Housing Tax Credit Program (HTC)
- Low and Moderate Income Rental Program (LMIR)
- Economic Development and Challenge Program (EDHC)
- Preservation Affordable Investment Fund (PARIF)
- Publicly Owned Housing Program (POHP)
- Ending Long Term Homelessness Initiative Fund (ELHIF)
- Flexible Financing for Capital Costs (FFCC)
- Land Acquisition for Affordable New Development (LAAND) Initiative

Metropolitan Council

- Local Housing Incentives Account
- Livable Communities Demonstration Account
- Land Acquisition for Affordable New Development (LAAND)

Family Housing Fund

- Metropolitan Housing Resource Program

Twin Cities Habitat for Humanity

Community Land Trusts

Local Government

- Conduit revenue bonds
- General obligation bonds
- Housing revenue bonds
- Taxable revenue bonds
- Land write-down or sale
- Credit enhancements
- Sanitary sewer rate adjustments
- Demolition ordinances
- Local community mortgage assistance programs
- Mortgage Revenue Bonds
- Low-income housing Tax Credits
- Local fee waivers or reductions
- Local tax abatement
- Local property tax levy
- Tax-increment financing (TIF)

Housing Maintenance Rehabilitation and Redevelopment Programs

A variety of programs are available to address maintenance, rehabilitation and redevelopment. The Action Plan should identify any or all of a number of potential programs or activities the city may employ including the following:

Federal Government

- Federal Home Loan Bank - Affordable Housing Program
- Home Investment Partnership Program (HOME)
- HOPE III

Minnesota Housing Finance Agency

- Housing Tax Credit Program (HTC)
- Low and Moderate Income Rental Program (LMIR)
- Economic Development and Housing Challenge Program (EDHC)
- Preservation Affordable Investment Fund (PARIF)
- Publicly Owned Housing Program (POHP)

- Ending Long Term Homelessness Initiative Fund (ELHIF)
- Flexible Financing for Capital Costs (FFCC)
- Rental Rehab Loan Program
- Community Revitalization Fund
- Fix-Up Fund
- Community Fix-Up Fund
- Rehabilitation Loan Program

Metropolitan Council

- Livable Communities Demonstration Account

Family Housing Fund

- Metropolitan Housing Resource Program

Twin Cities Habitat for Humanity

Local Community Land Trusts

Local Government

- Adoption and enforcement of a local housing maintenance code
- CDBG supported rehab programs
- Housing improvement and rehabilitation areas
- Foreclosure awareness/prevention workshops
- Housing remodelers fair
- Weatherization programs
- Code compliance programs
- Local community first-time homebuyer financial program
- Scattered site housing replacement program
- Home repair/maintenance resource center for seniors
- Point of sale program
- Deferral or forgiveness of development fees
- Transitional Housing Partnership

Local Initiatives

Though considerably more restricted than in the past, state and federal laws permit local governments to implement fiscal initiatives to generate capital to assist development or redevelopment to create affordable and life-cycle housing. The Action Plan should include the community's short- and long-term expectations and intentions regarding the use of these fiscal tools such as the following:

Federal Government

- Community Development Block Grants (CDBG)

Minnesota Housing Finance Agency

- Nonprofit Capacity Building Revolving Loan Program
- Land Acquisition for Affordable New Development (LAAND) Initiative

Local Government

- Participation in Livable Communities Local Housing Incentives Program to access funding resources through the Local Housing Incentives Account, Livable Communities Demonstration Account and Tax Base Revitalization Account.
- See expanded listings of local initiatives under Housing Development and Housing Rehabilitation and Redevelopment Programs sections.

Local Official Controls and Approvals

Local controls - zoning, subdivision regulation, building code, design requirements for public improvements and the approvals process - impact both the type and cost of new housing. In doing so, however, they provide communities with a wide range of opportunities to make changes in these controls that can expand local affordable and life-cycle housing options.

In preparing LCA Action Plans and in addressing future local housing development issues, communities should pledge to examine and evaluate the impact of a number of their local controls on the cost of residential development and redevelopment.

The following is a checklist of local controls and requirements that a community, in preparing its LCA Action Plan, might propose to review and evaluate in the immediate future to determine if they are adequate, insufficient or unnecessarily excessive and should be revised, added to or eliminated.

These controls and regulations may include:

- Sufficient available undeveloped or underutilized land guided or zoned for medium and high density residential development or redevelopment.
- Planned unit, mixed-use and cluster development ordinances that include potential residential density bonuses and transfers.
- The flexibility to employ zero lot line development or other innovative site planning techniques.
- The length and complexity of the local approvals process.
- Environmental regulations such as tree and wetland preservation requirements that are stricter than those required by state law or regional policy.
- Local requirements regarding:
 - minimum lot sizes and widths
 - minimum floor area
 - increased building height flexibility
 - garage and off-street parking variances
 - set-back requirements
 - inclusion of private streets in subdivision development
 - sidewalks or non-motorized pathways
 - park and trail dedications
 - minimum right-of-way, pavement widths and depth for different streets
 - storm sewer design - pipe diameter, distance between catch basins, etc.
 - street lighting
 - trees, tree replacement and foliage

- landscaping costs
- allow alternative construction methods (building materials, exterior surfaces, etc.)
- special or conditional use permits
- development fees for off-site public improvements - e.g. park, trail and road fees
- soil correction variances
- service availability charge (SAC) credits
- issuance of e-permits
- inclusionary housing requirement

Authority for Providing Housing Programs

The Action Plan should describe what authority the city has for operating housing programs and the activities of the organizations or entities that administer the programs and/or also describe arrangements the city may have with other public or nonprofit organizations that provide housing related services to the city.

- Local governmental unit, HRA, CDA, or EDA
- County HRA, CDA or EDA
- Community Action Program Agency