

# AFFORDABLE HOUSING IN EDEN PRAIRIE

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REGIONAL COUNCIL OF MAYORS – JANUARY 10, 2022



# WHAT WE'LL COVER

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- Overview of Existing Housing Programs & Efforts
- Housing Task Force
- Inclusionary Housing Ordinance
- Next to Come

# CURRENT HOUSING POLICY FRAMEWORKS

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- Strategic Plan for Housing & Economic Development
  - Prioritizes Projects & Programs
  - Identifies Needed Regulatory Changes and Potential Financing Sources
  - Provides Goals for Implementation Timing
- Aspire Eden Prairie 2040 Comprehensive Plan
  - Housing Chapter (includes framework for Inclusionary Housing & other strategies)
  - Land Use Chapter (identifies new densities, districts and infill opportunities)
  - Implementation Chapter (includes matrix of housing tools)

# EDEN PRAIRIE CURRENT AFFORDABLE HOUSING POLICIES, PROGRAMS & PRACTICES

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- Affordable Homeownership
- 1<sup>ST</sup>-Time Homebuyers Program (supported by CDBG and pooled TIF)
  - Homes Within Reach Program with West Hennepin Affordable Housing Land Trust (CDBG)
- Maintenance of Owner-Occupied Houses via Rehab Program (CDBG, Pooled TIF)
- Upkeep of Townhomes via Housing Improvement Areas (bonding or bank loan)
- Maintenance of Rental Units via License & Inspection Program
- Support to lower-income households via Rental Assistance (CDBG-CV)
- Preservation & Advancement of Affordable Rental Housing via:
  - TIF District Extensions
  - Pooled TIF for Naturally Occurring Affordable Housing (NOAH)
  - Requiring Acceptance of (Sec. 8) Housing Choice Vouchers



# EDEN PRAIRIE CURRENT AFFORDABLE HOUSING POLICIES, PROGRAMS & PRACTICES CONT'D:

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- Affordable Rental Housing Development Financing via:
  - New TIF Districts
  - Pooled TIF for Transit-Oriented Development
  - Grants such as Met Council Livable Communities
  - Resolutions of support for outside financing
- Affordable Inclusionary Housing (secured with and without subsidy) for:
  - New Multifamily Rental
  - New Multifamily For-Sale Housing
  - Multifamily Rehab/Conversions
  - Multifamily after TIF or other restrictions expire

# HOUSING TASK FORCE

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- 11 member group selected by City Council
- Represented broad range of specialties & experience levels
- 9 month initial commitment
- Work broken down into three main phases: 1) data collection, 2) best practices research, 3) developing list of options/recommendations for Council to consider
- Main areas of recommendations included inclusionary housing, NOAH preservation, affordable housing trust fund, tenant protection, TOD development and more
- Led to a more informed decision making process around housing issues

# INCLUSIONARY HOUSING ORDINANCE

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- Policy that requires that a given share of new construction be affordable to people with low to moderate incomes, regardless of City subsidy
- Increasingly adopted or in development around metro, particularly in SW
- Eden Prairie has been negotiating inclusionary housing into agreements for several years
- Incorporated as a central tool into *Aspire 2040*
- Adopted as a City ordinance in late 2021

# INCLUSIONARY HOUSING ORDINANCE (CONT.)

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- For Multifamily Rental Projects
  - Developer choice of 5% at/below 30% AMI, 10% at/below 50%, or 15% at/below 60%
  - Inclusionary units to be kept affordable in perpetuity
  - If TIF provided, must add 5% at/below 80% in addition to statutory requirement of 20% at/below 50% AMI
- For Owner-Occupied Multifamily
  - Provide 10% at/below 115% of AMI or make a payment in lieu of \$150,000/unit
  - For period of 10 years home can only be sold to income qualifying household



# NEXT TO COME

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- Continuing to monitor and support households impacted by COVID-19
- Exploring the potential for an Affordable Housing Trust Fund
- Digging deeper on preservation of naturally occurring and/or formerly subsidized affordable housing