

Chapter V. Housing Plan

Housing is important to Minnetonka. Beyond providing shelter, housing establishes the look and feel of the community; and its location affects other land uses, access and location of transportation systems, municipal service delivery and the siting of schools. It is a commodity that can be bought and sold and is a means for building wealth. Housing is a generator of revenue for municipal services. Housing variety and quality affects how neighbors interact with one another and builds a neighborhood and community identity.

This chapter of the Minnetonka Comprehensive Guide Plan describes the City's role to achieve its goals of:

- * Strengthening neighborhoods by improving the existing housing stock;
- * Promoting new affordable and market-rate rental and for-sale housing;
- * Encouraging diversity in the types, sizes, and prices of housing units available in Minnetonka; and
- * Creating partnerships with other agencies to ensure the longevity of affordable housing.

This chapter provides a brief overview of housing trends in Minnetonka and includes an analysis of existing housing conditions. Based upon the trends and analyses, a forecast of future housing needs is presented along with goals and actions for increasing affordable housing. The chapter concludes with a description of implementation strategies to be used by the city to achieve the goals and policies.

A. Overview of Minnetonka Housing Trends

1. Development Conditions

Minnetonka is a desirable community in which to live. Its natural environment, good schools, and homes on large lots contribute to the attraction of Minnetonka as a great place to live, work and play. As such, the demand for these community attributes has led to increased home values that have risen to the point that most single-family homes, despite their age, are not affordable to low and moderate income families. Land values, in particular, have increased substantially, making it difficult for developers to build affordable and mid-priced single-family homes.

Additionally, Minnetonka is a fully developed city with little vacant or underdeveloped land available for new housing development. With the combination of increasing land values and little developable land, most of the affordable homes in the community are rental units and for-sale condominiums and townhomes.

2. Aging of the Population

One of the biggest demographic shifts affecting this nation is the aging of the "baby boomer" generation (the large generation of people born between 1946 and 1964). The shift in demographics will be most visible at the local level of government, where residents have the greatest ability to affect services, and where there is substantial contact with service providers.

The first of the boomers will begin to turn 65 years old in 2011. According to the Minnesota Department of Human Services, most of the growth in Minnesota’s population in the next 50 years will occur in persons over 50, and by 2020, Minnesota will have more retirees than school age children. This trend is already apparent in Minnetonka, where the average age was 40.8 years old in 2000, older than the neighboring cities of Eden Prairie, Plymouth and St. Louis Park. By 2012, Minnetonka’s 55+ population is projected to grow by 4,500 people while the younger population (those under the age of 44) declines by 4,300 people as depicted in Table V-1.

**Table V-1
Population Age Distribution
(1990, 2000, 2007 & 2012)**

Age	Population				Change			
	1990	2000	2007	2012	1990-2000		2000-2012	
					No.	Percentage	No.	Percentage
17 & under	11,691	11,873	11,050	10,670	182	1.6	-1,203	-10.1
18-24	3,806	3,078	3,350	3,435	-728	-19.1	357	11.6
25-34	8,314	5,994	5,360	5,285	-2,320	-27.9	-709	-11.8
35-44	9,132	8,637	6,940	5,950	-495	-5.4	-2,687	-31.1
45-54	6,108	9,274	9,810	9,185	3,166	51.8	-89	-1.0
55-64	4,558	5,280	7,230	8,285	722	15.8	3,005	56.9
65-74	3,104	3,694	3,790	4,630	590	19.0	936	25.3
75+	1,657	3,471	3,930	4,060	1,814	109.5	589	17.0
Total	48,370	51,301	51,460	51,500	2,931	6.1	199	0.4

Source: Census Bureau, Claritas Inc, Maxfield Research, Inc.

The aging of the population will trigger increased needs for services such as health care, recreation, technology, education, employment and retirement, and housing:

- Because people are living longer, and because they make up a sizable percentage of the population, aging boomers will require more health care services and facilities to serve them.
- Recreational choices will need to focus on the different stages and abilities of the aging boomer, both active and more passive activities.
- Population trends show that there is a growing senior population in Minnetonka, with a corresponding decline in families with young children. This trend will force the city and schools to rethink how they provide educational and recreational opportunities to residents.
- Today’s boomers are likely to be more technologically advanced than their predecessors are and will desire the use of technology in most facets of their lives.
- Trends show that aging boomers are continuing to work, even into retirement. This will affect how both the city and developers think about housing and transportation.

Housing location, types, and proximity to public transit or transit alternatives will become increasingly important.

To prepare for the rapid increase in the senior population, the City will need to work with and encourage developers and housing providers to develop a variety of housing types at various costs and rents with features that cater to the diverse and changing desires and needs of its senior population.

3. Preservation and Rehabilitation of Existing Housing Stock

Much of Minnetonka's single-family housing stock was built between 1950 and 1970 while most multi-family housing was built in the 1970s and 1980s. As the housing stock continues to age, additional maintenance and repairs will be needed in order to keep homes in adequate condition and to preserve neighborhood character. Older homes may need to be updated in order to attract younger families to the community. Also, as both Minnetonka's population and housing age, older residents may require increased support through funding and in-kind service programs that will help them to maintain and make necessary repairs to ensure that their homes are safe, accessible, energy efficient, and habitable.

Additionally, while not all older homes are affordable, older homes tend to be the more affordable housing stock in Minnetonka. The preservation of these homes is critical to providing homeownership opportunities for those who could normally not afford to live in the community.

B. Current Housing Conditions

1. Housing Stock

In 2007, there were approximately 22,500 housing units in Minnetonka. The housing stock includes a mix of the following types:

- * 57% single-family
- * 20% condominium/townhome
- * 18% general-occupancy rental
- * 5% senior (including independent and assisted living facilities)

a. Single-Family Housing Number and Condition

Only 11 percent of the City's single-family housing was built before 1950 while the majority (65 percent) of these units were built between 1950 and 1980 as shown in Table V-2.

Table V-2
Single-Family Homes, by year built

Year	Number	Percent
Pre 1940	681	5.2
1940s	754	5.8
1950s	3,600	27.7
1960s	2,782	21.4
1970s	2,077	16.0
1980s	1,848	14.2
1990s	877	6.8
2000s	367	2.8
TOTAL	12,986	100.0

Source: City of Minnetonka, Maxfield Research, Inc.

Overall, the City's single-family housing stock is well maintained and in good condition, according to the City's Assessor's Office. Over 70 percent of Minnetonka's single-family housing stock is considered to be in good or excellent condition, and only 3.5 percent are rated as substandard or fair. The majority of housing deemed to be substandard was built prior to 1960.

Nearly two-thirds of the single family homes in Minnetonka were built from the 1950's through the 1970's. Maintenance of older homes and property, especially for homes that are more than 50 years old, becomes more difficult due to cost for rehabilitation and the amount of upkeep. Oftentimes, if the value of the land becomes greater than the value of the home, it is difficult to reconcile the costs of rehabilitation with the underlying land value.

Maintaining the City's existing housing stock is, and will continue to be, a priority especially over the next 25 years as a large percentage of homes reach 80 or more years

of age. Further, as Minnetonka's population ages, households comprised of aging seniors often require additional assistance, both financial and physical, to maintain their homes and property.

Also, on certain properties in the city, older single-family home properties are undergoing complete redevelopment due to the age of the existing home and the owner's desire for a newer, more updated home. For example, between 2000 and 2006, 122 single-family homes were demolished to make way for the construction of new homes. This type of redevelopment occurred primarily on lots where the land value (excluding building value) consisted of 50 percent or more of the total value of the property as shown in Table V-3.

Table V-3
Single-Family Demolished, Minnetonka, 2000-2006

Original Land Value*	Number	Percent
Under \$75,000	21	17.2%
\$75,000 - \$100,000	38	31.1%
\$100,000 - \$150,000	39	32.0%
\$150,000+	<u>24</u>	<u>19.7%</u>
Total	122	100.0%
Median Value	\$100,000	
Average Value	\$140,803	
Original Total Value**	Number	Percent
Under \$200,000	50	41.0%
\$200,000 - \$300,000	44	36.1%
\$300,000 - \$400,000	16	13.1%
\$400,000+	<u>12</u>	<u>9.8%</u>
Total	122	100.0%
Median Value	\$212,550	
Average Value	\$277,107	

*Value at the time of demolition

** Total value of house and land at the time of demolition

Source: City of Minnetonka, Maxfield Research, Inc.

On the redeveloped properties, the new homes constructed were valued much higher than the previously existing homes as shown in Table V-4. While the demolition of existing housing stock to make way for new homes has not been the custom in Minnetonka, it may become more prevalent in the future if land values continue to increase as homes continue to age.

Table V-4
Single-Family Demolished For New Single-Family Homes, Minnetonka, 2000-2006

Original Total Value*	Number Demolished	Average Original Value*	Average Value of New Home**
Under \$150,000	17	\$115,853	\$610,676
\$150,000 - \$200,000	16	\$178,850	\$622,194
\$200,000 - \$250,000	20	\$224,275	\$684,280
\$250,000+	17	\$453,041	\$1,298,000
Total	70		

* Total value of the house and lot at the time of demolition

**Total value of the house and lot in 2007

Note: These figures only include demolished homes with an exact address match with a new construction home. Other homes may have been demolished for the development of a home with a different address.

Source: City of Minnetonka, Maxfield Research, Inc.

b. Multi-Family Housing Stock

The construction of multi-family for-sale housing in Minnetonka began in the 1960s and 1970s but did not accelerate until the 1980s. According to the City Assessor, most of the City's multi-family for-sale housing is in good or excellent condition. Nearly all of Minnetonka's multi-family rental housing was built in the 1970s and 1980s. The redevelopment and/or rehabilitation of these units will become likely as they age over the next 25 years. Table V-5 shows the age and value of condominiums and townhomes in the city.

Table V-5
Quality of Condominiums and Townhomes by Age and Value, Minnetonka, May 2007

Number	<1960			1960s & 1970s			1980s+			Total
	<\$300K	\$300-500K	\$500K+	<300K	\$300-500K	\$500K+	<300K	\$300-500K	\$500K+	
Substandard	0	0	0	0	0	0	0	0	0	0
Fair	1	0	0	2	0	0	5	0	0	8
Average	8	0	0	337	12	0	382	40	2	781
Good	6	0	0	928	32	0	1,366	360	63	2,755
Excellent	0	0	0	4	0	0	361	151	183	699
Total	12	0	0	1,271	44	0	2,114	551	248	4,243

Source: City of Minnetonka, Maxfield Research, Inc.

2. Housing Tenure

76.6% of Minnetonka's householders own their homes. Historically, the percentage of homeowners has been high (from 86.5% in 1980 to 76.6% in 2007). However, over the last 27 years, the percentage of homeownership has decreased. This is largely due, in part, to the construction of the majority of the City's rental units during the 1970s and 1980s, which brought more renters into the city. Nevertheless, it is unlikely that the percentage of homeownership will substantially change in the future due to limited opportunities to build

new single-family and multi-family housing. Therefore, it is expected that owner-occupied homes will continue to characterize Minnetonka into the future.

3. Housing Values

a. Single Family Housing

Land values greatly influence the cost of housing. Industry standard suggests that land values should account for one-fifth of a home's total value. In Minnetonka, land accounts for about one-third of a home's total value, thus making up a large proportion of the home value. An assessment of Minnetonka homes valued under \$300,000 showed that approximately 90 percent had a land value above \$100,000.

Eighty-six percent of the single-family homes valued under \$300,000 were built prior to 1970 as shown in Table V-6. Homes built more recently are much more expensive; those built during the 1990s have a median value of \$716,800; and those built in the 2000s have a median value of \$822,000.

TableV-6
Single-Family Homes by Age and Value, May 2007

	<1940	1940s	1950s	1960s	1970s	1980s	1990s	2000s	Total
Under \$200,000	40	37	49	4	2	1	1	1	135
\$200,000 - \$300,000	346	417	2,374	1,024	444	222	22	8	4,857
\$300,000-\$400,000	147	171	908	1,259	968	547	77	22	4,099
\$400,000-\$500,000	51	59	160	326	395	410	100	29	1,530
\$500,000-\$600,000	26	33	48	94	168	242	102	35	748
\$600,000-\$700,000	19	10	23	32	63	136	120	35	438
\$700,000-\$800,000	15	7	11	20	22	140	157	43	415
\$800,000-\$900,000	13	6	7	8	11	68	126	35	274
\$900,000-\$1,000,000	7	6	1	5	2	38	59	31	149
\$1,000,000+	17	8	19	10	2	44	113	128	341
Total	681	754	3,600	2,782	2,077	1,848	877	367	12,986
Median Value	\$287,600	\$279,650	\$276,300	\$319,500	\$357,600	\$433,450	\$716,800	\$822,000	\$326,850
Average Value	\$362,406	\$326,964	\$300,666	\$345,813	\$382,984	\$492,832	\$729,293	\$929,308	\$402,383

Source: City of Minnetonka, Maxfield Research, Inc.

The average resale price of homes sold in Minnetonka has increased substantially since 2000. In 2000, 35 percent of the single-family homes sold were priced under \$200,000. By 2006, only four homes (less than 1 percent) sold for under \$200,000. Between 2000 and 2006, the average resale price of single-family homes increased from \$286,000 to \$440,900, a 54 percent increase.

Overall, Minnetonka's housing stock is similar in value to its neighbors, with lower values than Edina and higher values than St. Louis Park as shown in Table V-7. Nevertheless, Minnetonka's neighbors have also seen an increase in home values since 2000.

Table V-7
Housing Comparison, Average Single-Family Home Resale Value

	Minnetonka	Edina	Eden Prairie	Plymouth	St. Louis Park
Avg. single-family home resale value in 2000	\$286,121	\$342,945	\$342,979	\$267,833	\$174,968
Avg. single-family home resale value in 2006	\$440,860	\$624,359	\$483,820	\$395,376	\$275,890
Percent Increase	54.1%	82.1%	41.1%	47.6%	57.7%

Source: Regional MLS, GVA Marquette Advisors, Maxfield Research Inc.

Homes considered affordable by the Metropolitan Council are those affordable to families earning 80 percent of the metropolitan area's median income and adjusted for household size. In 2008, the Area Median Income (AMI) was \$80,900. Thus, a family of four, earning 80 percent of the AMI, would be able to afford a home sold at \$214,900. About 10 single-family homes in Minnetonka are sold each year below this level, amounting to just 1 percent of all sales.

b. Multi-Family For-Sale Housing

The median value of Minnetonka's multi-family for-sale homes (i.e. condominiums and townhomes) in 2007 was \$200,000. Multi-family homes contribute to the bulk of the city's affordable for-sale housing stock because they are generally more affordable than Minnetonka's single-family detached homes. Multi-family for-sale homes are approximately \$125,000 less than the median value for the single-family detached homes. Older units (those built between 1960 and the 1990s) are the most affordable.

Table V-8 shows the age and value of multi-family units built in Minnetonka.

Table V-8
Condominiums and Townhomes by Age and Value, May 2007

Number	<1960	1960s	1970s	1980s	1990s	2000s	Total
Under \$100,000	0	1	1	2	0	0	4
\$100,000-\$199,999	1	178	704	1,097	102	118	2,200
\$200,000-\$299,999	15	2	385	563	388	38	1,391
\$300,000-\$399,000	0	0	44	131	205	54	434

Number	<1960	1960s	1970s	1980s	1990s	2000s	Total
\$400,000-\$499,999	0	0	0	63	72	54	189
\$500,000-\$599,000	0	0	0	35	60	63	158
\$600,000-\$699,000	0	0	0	7	10	39	56
\$700,000+	0	0	0	1	4	33	38
Total	16	181	1,134	1,899	841	399	4,470
Median Value	\$229,600	\$111,200	\$184,000	\$193,000	\$267,300	\$369,500	\$200,000

Source: City of Minnetonka, Maxfield Research, Inc.

A significant factor that contributes to the lower cost for multi-family for-sale units is that they are generally built at a greater density and on smaller lots, which lowers the land's value per unit as depicted on Table V-9.

Table V-9
Land Values for Multi-Family For-Sale Homes, June 2007

Land Value	Number of Homes (units)	Percentage
Under \$50,000	2,852	63.8
\$50,000 - \$99,999	1,586	35.5
\$100,000+	32	0.7
Total	4,470	100.0
Median Value	\$40,000	

Source: City of Minnetonka, Maxfield Research, Inc.

The average resale price of condominiums and townhomes sold in Minnetonka since 2000 has not increased as significantly as single-family homes as shown on Table V-10. Between 2000 and 2006, the average resale price of multi-family for-sale homes increased from \$182,300 to \$227,700 as depicted on Table V-11.

Table V-10
Multi-family For-Sale Home Resales, 2000 - 2006

Year	No. of Sales	Average Sale Price	Percent Change	Avg. Year Built
2000	261	\$182,661	-	1986
2001	217	\$192,822	5.6	1985
2002	258	\$207,862	7.8	1986
2003	289	\$215,787	3.8	1984
2004	347	\$239,672	11.1	1987
2005	344	\$238,600	-0.4	1987
2006	376	\$227,675	-4.6	1991

Source: Maxfield Research

TableV-11
Multi-Family For-Sale Home Resale Price Distribution (Number of Sales), 2000, 2003, 2006

Price Range	2000		2003		2006	
	Number	Percent	Number	Percent	Number	Percent
Under \$200,000	189	72.4	161	55.7	180	47.9
\$200,000 - \$300,000	50	19.2	86	29.8	136	36.2
\$300,000 - \$400,000	11	4.2	24	8.3	39	10.4
\$500,000+	5	1.9	4	1.4	11	2.9
Total	261	100%	289	100%	376	100%

Source: Regional MLS, Maxfield Research, Inc.

About half of Minnetonka's multi-family for-sale homes are considered affordable, according to the Metropolitan Council's standard, to households earning 80 percent of the metropolitan area's median income. Since 2000, about 40 percent of the condominiums and townhomes sold in Minnetonka have been below the Metropolitan Council's affordable home price. These types of units have become an important source of affordable housing in Minnetonka, providing homeownership opportunities to low- and moderate-income households.

c. Multi-Family Rental Housing

The average monthly rents at Minnetonka's market-rate multi-family apartments are much higher than other market-rate apartments in the metropolitan area. In the 1st Quarter 2007, Minnetonka's average apartment rents were \$1,106 compared to the metropolitan area's average apartment rental rate of \$876. However, when compared to neighboring cities, as shown in Table V-12, Minnetonka's average monthly rents for apartment units were just slightly higher.

Table V-12
Housing Comparison-General Occupancy Rental Market

	Minnetonka	Edina	Eden Prairie	Plymouth	St. Louis Park
Avg. monthly rent for market-rate units in 1 st quarter 2007	\$1,106	\$1,028	\$1,029	\$1,037	\$901
Vacancy rate of market-rate units in 1 st quarter 2007	4.1%	4.1%	5.2%	4.6%	3.4%
Number of subsidized rental units in 2007	357	154	459	323	418
Rental units added from 2000 to 2006	224	100	201	1251	575

Source: Maxfield Research

The metro area apartment market experienced high vacancies in the early 2000s in the metropolitan area that caused rents to remain relatively flat. In Minnetonka, the average monthly rent for apartment units increased only 3.8 percent from 1st Quarter 2001 to 1st Quarter 2007 as shown in Table V-13.

Table V-13
Average Vacancy and Rent Trends, First Quarter 2001 - First Quarter 2007

Year (1 st Quarter)	Minnetonka		Metro Area	
	Avg. Vacancy	Avg. Rent	Avg. Vacancy	Avg. Rent
2001	3.2%	\$1,065	2.1%	\$830
2002	6.4%	\$1,064	4.8%	\$840
2003	7.2%	\$1,074	6.5%	\$841
2004	5.5%	\$1,074	7.4%	\$847
2005	8.2%	\$1,078	6.9%	\$850
2006	4.6%	\$1,075	5.5%	\$855
2007	4.1%	\$1,106	4.4%	\$876

Source: GVA Marquette Advisors, Maxfield Research, Inc.

Apartments considered affordable by the Metropolitan Council are those affordable to households earning 50 percent of the metropolitan area median income. An estimated 800 units out of Minnetonka's total 4,000 general-occupancy units are affordable to low-income households, including 465 market-rate units. Although Minnetonka's market-rate rentals are generally more costly than others in the metropolitan area, the stability in rents over the past several years has allowed more apartments in Minnetonka to be affordable to low and moderate-income households.

Table V-14 shows the average rent by type of unit and the available units that are affordable according to income level and Table V-15 shows units affordable at 50% of the area median income.

Table V-14
Affordability of Market Rate Units by Income Level, Minnetonka, June 2007
Market Rate Units Affordable at an Income of:

Unit Type	Average Rent	\$25,000- \$29,999	\$30,000- \$34,999	\$35,000- \$39,999	\$40,000- \$44,999	\$45,000- \$49,999	\$50,000 +
1 BR Units	\$905	35	567	673	277	32	-
2 BR Units	\$1,110	-	322	155	586	423	454
3 BR Units	\$1,480	-	-	-	110	-	361
4BR Units	\$2,775	-	-	-	-	-	12
Total		35	889	828	973	455	827
Percent		0.9%	22.9%	20.7%	24.3%	11.4%	20.6%
Total							4,007

Source: Maxfield Research, Inc.

Table V-15
Units Affordable at 50% of Area Median Income, Minnetonka, June 2007

Household Size	Median Income	Affordable Rent	Unit Size Required	Rental Unit Supply			Total Units
				Market Rate	Deep Subsidy	Shallow Subsidy	
2	\$31,400	\$736	1	80	65	13	158
3	\$35,350	\$883	2	355	155	36	546
4	\$39,250	\$1,020	3	30	45	18	93
5	\$42,400	\$1,020	3	-	-	-	-
6	\$45,550	\$1,138	4	0	1	0	1
Total				465	266	67	798

Source: Maxfield Research, Inc.

4. Senior Housing

Accommodating the varied housing needs of seniors and older adults is especially important to Minnetonka's future because of the aging population. The aging baby boomers, as well as Minnetonka's large existing senior population, will have different needs and housing expectations in the coming years.

To address senior housing needs, focus groups were convened to examine housing and service needs in the coming years. Through the focus group process, it was realized that the term "seniors" is used to describe people within a 40-year generational span and includes younger baby boomers (many of whom do not label themselves as "senior"), older adults, and the elderly. Further, descriptions for older adults are based on their physical condition including:

- * "Go-go" (active, healthy, vigorous independent adults)
- * "Slow-go" (more passive, takes life at a slower pace, may have a few physical ailments that require some limited help, but still live independently)
- * "No-go" (frail, older adults with failing health, requires assisted living)

In order to attract and retain the growing senior population, Minnetonka will need to accommodate housing opportunities attractive to the varied needs and desires of the senior lifecycle such as:

- * age-restricted owner-occupied and rental units (e.g. condominiums, townhomes, apartments, co-ops);
- * assistance for seniors who want to remain in their single-family homes;
- * subsidized, affordable senior units;
- * congregate buildings; and
- * assisted living and memory care;

In Minnetonka and surrounding communities, there is a strong demand for a variety of senior housing developments. It is anticipated that in Minnetonka there will be a need for additional housing and unit types to meet the growing demand for senior housing.

As of June 2007, Minnetonka's senior housing supply consisted of two affordable rental buildings (143 units) and eight market-rate buildings (882 units with 86 affordable units). The majority of Minnetonka's senior housing accommodates frail seniors and offers congregate, assisted living, and memory care services. Compared to neighboring communities as depicted in Table V-16, Minnetonka has a larger number of housing types that cater to older senior needs and services.

Table V-16
Housing Comparison-Edina, Eden Prairie, Plymouth & St. Louis Park

	Minnetonka	Edina	Eden Prairie	Plymouth	St. Louis Park
Number of subsidized senior units in 2007	229	391	60	144	304
<i>As % of senior population</i>	4.7%	5.4%	2.5%	3.7%	7.6%
Number of owner-occupied senior units in 2007	0	338	142	210	166
<i>As % of senior population</i>	0.0%	4.7%	6.0%	5.4%	4.2%
Number of adult rental units in 2007	0	0	66	193	0
<i>As % of senior population</i>	0.0%	0.0%	2.8%	5.0%	0.0%
Number of congregate, assisted living, & memory care units in 2007	882	795	537	278	526
<i>As % of senior population</i>	18.3%	10.9%	22.7%	7.2%	13.2%
Senior units added from 2000 to 2006	61	6	458	482	265

Source: Regional MLS, GVA Marquette Advisors, Maxfield Research, Inc.

Additionally, there are no owner-occupied or market-rate rental senior units (senior housing without services that are marketed toward younger, active seniors) in the city. The opportunities to add additional senior units to the City's housing stock are limited due to the lack of developable land. Thus, redevelopment of property, and the development of multi-family for-sale units such as co-ops will likely be the only opportunities to increase senior housing in the community.

C. Analysis of Housing Needs

1. Housing Affordability

Minnetonka is conveniently located near the Twin Cities metropolitan area, well served by interstate highways, and is characterized by significant woodland and water resources. Due to its location and attractiveness, the land and housing values in the city are high when compared to many other suburban communities. Over the past decade, land and housing values have substantially increased in the city provide limited opportunity for builders and developers to construct “starter” or “affordable” single-family homes. In addition, the increase in housing values in the city has affected the price of all existing homes including starter and affordable homes so that they are generally unavailable. Though rents have also increased over the past decade, a greater number of rental units in the city are affordable for low and moderate income households.

Many Minnetonka residents and city leaders have expressed a need to provide opportunities to encourage and ensure that there is affordable housing within the city. The following section of the Housing Chapter describes the importance of affordable housing in Minnetonka and city initiatives and strategies to increase opportunities for affordable homeownership and rental housing units for low- and moderate income households.

The U.S. Department of Housing and Urban Development (HUD) defines housing as affordable when a household spends no more than 30 percent of its annual income on its housing needs. Households that pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording other necessities such as food, clothing, transportation and medical care.

The Metropolitan Council has further defined affordable housing as:

- * Rental housing that is affordable at incomes at or below 50 percent of the area’s median family income.
- * Owner-occupied housing that is affordable at incomes at or below 80 percent of the area’s median family income.

2. Importance of Affordable Housing

The city recognizes that there is a need for quality housing in Minnetonka for residents of all income levels and ages. Further, the city recognizes its role in the metropolitan region and needs to participate as a partner to facilitate regional economic growth. One way to achieve regional economic growth is to provide opportunities for a variety of housing, including affordable housing, to complement the growth of jobs that will occur in all parts of the region.

Quality housing of a varied price range is an asset to the city because housing reinforces families by creating stable and safe living environments. Further, quality housing serves to promote attachment to Minnetonka if a variety of residential environments and costs are available for all stages of life and within a reasonable distance of services and employment.

Affordable housing is important for Minnetonka because:

- * As Minnetonka’s population ages, many older adults will have limited funds to pay for housing and maintenance costs and will seek lower-cost housing options.
- * It is attractive to many young families and young professionals as a beginning point to “move-up” to numerous other housing choices in the city.

- * Affordable housing allows people to live in the city in which they work. Many people that work in Minnetonka, such as police officers, firefighters, teachers, government employees, and service workers, cannot afford to live in the city.
- * Affordable housing provides a balance of income levels within the city and attracts a diverse range of people and talents to the community.

3. Affordable Housing Types

There are several types of affordable rental and owner-occupied housing:

a. Rental

Public Housing: Publicly owned and managed rental units for low-income households, including scattered site single-family homes, apartment buildings and other rental units operated by a public housing agency such as a housing and redevelopment authority (HRA). The tenant pays a portion of their income (usually 30 percent of the household's adjusted gross income) toward rent. There are 10 scattered-site public housing units within Minnetonka

Project-Based Section 8: Privately owned and managed rental units that are reserved for low-income households that include single-family homes, apartments and townhomes. The subsidy remains with the unit and the tenant pays a portion of their income (usually 30 percent of the household's adjusted gross income) toward rent.

Section 8 Voucher: A government funded program that helps low-income households pay the rent on private, market-rate rental units. Voucher recipients find a unit of their choice, within certain requirements, and the housing authority pays a portion of the rent directly to the property and the tenant pays 30 to 40 percent of the household's adjusted gross income toward rent. This is a tenant-based subsidy meaning the tenant can take the subsidy with them to another unit.

There are several rental communities in Minnetonka that provide a project-based Section 8 subsidy or accept Section 8 vouchers.

Metropolitan Council Family Affordable Housing Program (FAHP): The FAHP is a federally funded affordable rental housing program which provides affordable housing throughout the region. The goal of this program is to reduce concentrations of poverty by dispersing affordable housing throughout the metro area. The Metropolitan Council owns 150 units, consisting of single-family homes, townhomes, and condominiums, which are rented to low and moderate income families. There are 14 scattered-site FAHP units in Minnetonka.

b. Owner-Occupied

The city contains several affordable single family homes, townhomes and condominiums. The multi-family units are typically more affordable than existing single family homes. Typically, the older single family homes are more affordable than existing homes constructed within the last ten years.

Homes Within Reach (HWR) is a non-profit land trust program, initially formed by the city, to create and sustain affordable, owner-occupied housing in Minnetonka. Incorporated as a non-profit organization in 2001, the city and other communities support the work of HWR to provide the opportunity for low-income households to own their own home in communities where it may not be generally possible.

HWR purchases residential properties, both existing and new construction, and sells the home (without the underlying land) to income qualified households for an affordable

price. HWR retains ownership of the underlying land and provides the new homeowner with a 99 year lease on the land. By retaining ownership of the land, HWR is able to ensure that the sale of the house is affordable.

The lease interest of the underlying land is inheritable and renewable for another 99 years, and can be deducted by the leaseholder as property tax on federal income tax returns. Upon sale of the home, the homeowner receives 35 percent of the appreciation and must sell to another income qualified low-income household. This ensures that the home remains affordable for subsequent low-income households, as well as providing the seller with equity to use in the purchase of another home. In 2007, there were 29 scattered-site HWR units in the city.

D. Affordable Housing Goals

1. Livable Communities Housing Goals

In 1995, the Minnesota Legislature passed the Livable Communities Act in an effort to expand affordable and lifecycle housing opportunities throughout the metropolitan area. In November 1995, Minnetonka negotiated 15 year goals (1995-2010) with the Metropolitan Council to add new affordable and lifecycle housing in the city. While the city has worked to maintain its existing affordable housing stock, it has also worked to add new affordable owner-occupied and rental units to meet its negotiated goals as shown on Table V-17.

Table V-17
Livable Communities Act goals and results as of June 2008

	Long-Term Goals (1995-2010)	Results to Date	Percent of Long- Term Goals
Owner-Occupied New Construction	180 Units	201 Units	111%
Rental New Construction	324 Units	213 Units	65%
Total	504 Units	414 Units	82%

Source: City of Minnetonka

An additional 23 owner-occupied units have been approved for development by the city; however, have not yet been built and therefore are not reflected in the table above. The city continues to work towards achieving these goals, and the city's Economic Development Authority (EDA) adopted a resolution in 2003 stating the 10 to 20 percent of the total units in new multi-family developments should be affordable.

2. 2011-2020 Allocation of Affordable Housing Needs

In 2006, the Metropolitan Council released a report on the affordable housing needs for the metropolitan area by community between 2011 and 2020. Each community, based on a formula that included such factors as land use and transit service levels, was assigned a number of new affordable units that should be constructed between 2011 and 2020 to meet the need for new affordable housing units within the region.

The Metropolitan Council anticipates that Minnetonka will gain 811 new households between years 2011 and 2020. To meet its regional share of affordable housing, 378 (47 percent) of the new housing units should be affordable.

E. Lifecycle Housing

The primary need for lifecycle housing should be oriented towards the varied age groups of the senior population and younger families. The city's average age, in 2000 was 40.8 years, slightly above the metropolitan area's average and will experience a demand for different housing options for seniors in the coming years. Currently, the city has few types of housing options for seniors—housing with services, assisted living, and memory care/skilled nursing.

Because of the span of 40 plus years within the senior age category (ages 55 to 95), there is a need for a variety of housing types to meet senior residential living needs. For example, the younger baby boomers may have a preference for a co-op or an active living community, while the more elderly and frailer seniors will require more assistance such as assisted living, memory care, or a skilled nursing facility.

In addition to meeting the housing needs of the growing senior population, there is a continual need to meet residential living desires of young professionals, families, and others at various stages in their life. These residential living opportunities include general rental units, varied multi-family ownership housing opportunities such as condominiums and townhouses, older smaller single-family homes, and the larger and newer “move-up” homes.

F. Housing Goals and Actions

1. Preserve Existing Owner-Occupied Housing

Approximately 80 percent of the city's housing stock is owner-occupied either as single-family homes or as multi-family homes such as condominiums and townhouses. Further, nearly 65 percent of the city's single-family housing stock is 30 to 60 years of age, and another 11 percent is 60 years of age and older. As the city's housing stock continues to age, there will be a need to begin to or continue to invest in the rehabilitation and renovation of properties to maintain the condition of the housing stock.

Several rehabilitation programs are available to low and moderate income Minnetonka homeowners for home improvements. The city offers two housing rehabilitation programs that are funded with federal Community Development Block Grant (CDBG) funds. The initial program, which began in 1975, and the second in 2005, has assisted over 460 Minnetonka homeowners with over \$3.4 million for eligible home improvement projects. Additionally, other rehabilitation funds are available for residents with higher incomes, including a new energy efficiency loan for improvements to make homes more energy efficient.

While CDBG funds have been very beneficial to low- and moderate-income households in Minnetonka, those funds are not a reliable source of funding. Since 2003, the annual amount of CDBG funds allocated to Minnetonka has declined. The 2008 allocation is 4.3 percent less than the 2007 allocation.

Actions

- a. Continue to use CDBG funds as a financing tool for housing rehabilitation and research alternative methods and/or sources of funding.
- b. Continue to collaborate with lenders or other agencies that offer programs for home rehabilitation.
- c. Promote resident awareness of the programs available for home rehabilitation by publishing articles in the city newsletter, the local newspaper, and making sure information is available on the city's website.

- d. Research “point of sale” inspection and/or improvement programs and determine if it is appropriate to implement such a program in Minnetonka.
- e. Promote the use of “green” technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.
- f. Continue to promote homeowner education opportunities, such as first-time homebuyer classes, reverse mortgage education, and foreclosure prevention.
- g. Continue to be informed about foreclosures occurring in Minnetonka and increase monitoring of these properties to ensure that they do not become a nuisance or environmental hazard to the community.

2. Infill Development and Redevelopment

The city is nearly 100 percent developed. Therefore, infill development and redevelopment activities will be the primary ways to add new housing in order to meet the goals for achieving the 383 new affordable units in the city by 2020. In certain cases, redevelopment may occur where older, more affordable homes exist. Further, infill development and redevelopment will also involve replacing single-family homes with multi-family units where opportunities may exist to increase the number of affordable units.

Actions

- a. Continue to add new housing units, where appropriate, while maintaining a balance of housing types in order to meet lifecycle housing needs.
- b. Promote the use of “green” technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.

3. Rental Housing

- a. Existing rental units

Minnetonka has nearly 4,000 general occupancy rental housing units, with 800 of these units available to those earning 50 percent of the metropolitan area mean income. Three of the rental housing properties contain buildings constructed before 1970 and eight properties contain buildings constructed before 1980. As rental properties continue to age, there will be the need to examine the need for rehabilitation of certain buildings. Rehabilitation work has already been completed on several complexes including Minnetonka Heights, Elmbrooke, and more recently, the Cedar Hills Townhouses.

Actions

1. Work with property owners to encourage the rehabilitation of rental properties, as needed.
2. Investigate the need for a rental licensing and inspections program and associated costs, as well as the legal implications of having or not having such a program in place.
3. Encourage those property owners that provide affordable units in their building, either through the Housing Choice Voucher system or through another program, to continue accepting the vouchers or extending their affordability program.
4. Encourage property owners to keep rental units affordable within apartment buildings.

5. Promote the use of “green” technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.

b. New construction

The city had a significant number of new rental housing units built in the late 1990s. Due to the favorable conditions for purchasing a home, high vacancies existed within the rental housing market in the early 2000s, and therefore only three new general occupancy rental buildings have been constructed since 1997. It is anticipated that it will be difficult to construct new and larger rental housing buildings or complexes in the future because it will require redevelopment and few programs are available to cities for redevelopment activities.

Actions

1. Assist developers, to the extent allowed by law, who may want to construct rental housing. At a minimum, provide advice about desired areas and potential sites.
2. Continue to implement the EDA’s policy that 10 to 20 percent of new multi-family units should be affordable housing.
3. Promote the use of “green” technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.

4. Senior Housing

The significant increase in the senior population in Minnetonka in the coming years will impact housing opportunities and services in the city. To accommodate increased demands for housing, additional senior housing units will need to be built. In particular, one of the unmet needs is units for younger, active seniors since there are no such developments in Minnetonka. Nearly all of Minnetonka’s current senior housing has services available, and are marketed towards the older, frailer senior. At the same time, it is important to maintain a balance of housing between senior housing and family housing.

Actions

- a. Work to diversify housing choices available to seniors in order to fulfill the unmet senior housing needs in the community.
- b. Identify potential sites for senior housing development and inform developers that may want to construct senior housing as to these sites.
- c. Continue to implement the EDA’s policy that 10 to 20 percent of new multi-family units should be affordable housing.
- d. Promote the use of “green” technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.
- e. Promote the use of Universal Design techniques in both new construction and redevelopment to ensure accessibility.

5. Affordable Housing

Minnetonka has actively worked to provide opportunities for new affordable housing in the city. For example, a policy of the EDA is that 10 to 20 percent of new multi-family units should be available as affordable housing. Additionally, one of the criteria that the city

utilizes for considering land use plan changes is the inclusion of affordable housing in a project.

The city is working to achieve the 2010 Livable Communities Act goals and the 2011-2020 goal for new affordable housing as set by the Metropolitan Council. The city has met the 2010 Livable Communities Act goal for new affordable owner-occupied housing; however, it is behind the 2010 Livable Communities Act goal for the construction of new affordable rental housing. In spring 2008, the city will be 111 units short of achieving the 2010 Livable Communities Act affordable rental housing goal.

The 2020 goal is for the addition of 383 new affordable units between 2011 and 2020. Since the city is fully developed, these units will likely be added to the city's affordable housing supply through infill or redevelopment opportunities. Additionally, in order to make the units affordable, it is probable that the units will be multi-family (either owner-occupied or rental) due to the high land values in the city.

Actions

- a. Continue working with developers to include affordable housing in their developments, where appropriate.
- b. Continue to work with developers in the development process to ensure the long-term affordability of units.
- c. Work with Homes Within Reach and other affordable housing agencies and developers to add more affordable housing units in the city. Collaborate and support applications for grants or other funding sources for affordable housing. Provide information to these agencies on homes or areas of the city where affordable units could be located.
- d. Locate new affordable and senior housing near access to the transit system, as appropriate.
- e. Encourage multi-family rental developments where affordable housing is currently being provided to extend their affordability contract, if it is expiring, in order to continue providing affordable rents.
- f. Make sure affordable housing is distributed throughout the entire community to prevent concentration in one particular area of the city.
- g. Promote the use of "green" technologies, sustainable building techniques and design, and energy efficient products in new construction and redevelopment projects.
- h. Support the implementation criteria for residential development, especially as it relates to affordable and mid-priced housing opportunities established in Chapter IV - 2030 Land Use (see Overall Development Review Criteria portion of Section F - Land Use Implementation).

6. Linking Housing with Jobs, Transit, and Support Services

Employment Trends

Minnetonka has nearly the same amount of jobs as it does residents. In 2000, the city had 51,256 jobs, and is expected to have 58,600 jobs by the year 2030, an increase of 14.3 percent. The city's unemployment rate has remained relatively stable over the past few years in the low to mid three percent range. As of December 2007, the city's unemployment rate was 3.6 percent.

More than half of the jobs in Minnetonka are in the service sector, including retail and wholesale activities. Additionally, financial activities, professional and business services, and education and health services make up the majority of the city's jobs. According to the Minnesota Department of Employment and Economic Development, the 2006 average salary of all jobs in Minnetonka was \$66,508, with significant variation among the job sectors as shown in Table V-18.

Table V-18
Average Annual Salary of Selected Job Sectors
Minnetonka

Job Sector	Average Annual Salary
Arts/Entertainment/Recreation	\$16,120
Retail Trade	\$26,364
Health Care and Social Assistance	\$34,892
Education	\$36,036
Professional & Business Services	\$103,116
Finance and Insurance	\$121,004

Source: Minnesota Department of Employment and Economic Development 2006

It is important to recognize the need for affordable housing, given the variation in annual salaries, to accommodate those who work in those job sectors, such as retail trade, where the annual salary or wage meets the definition of low to moderate income. This is particularly important for single-parent households where there is only one wage earner.

Actions

- a. Educate employers about employer-assisted housing and alternative transportation opportunities for their employees. Assist in identifying potential funding sources for such opportunities.

Transit

Access to transit in Minnetonka continues to be a challenge for all residents because of the lack of convenient routes. Linking affordable family and senior housing to transit services is important as many of these residents rely upon the transit system to reach work and service destinations.

In 2002, the city opted out of the regional transit system; however, after considerable review contracted with Metro Transit to provide transit service in the city. There is more convenient transit service along the I-394 corridor that provides express bus service to and from downtown Minneapolis. There are also other express routes along major thoroughfares that provide peak hour service to and from downtown Minneapolis. While the city is served with peak hour service, there is little mid-day, evening, and weekend regular route local service and residents rely heavily upon the Dial-a-Ride during these off-peak periods. Dial-a-Ride has a limited geographic area for providing transportation and primarily serves seniors and disadvantaged persons.

With the lead of Hennepin County, the city and other communities and agencies are involved in studies pertaining to a future light rail transit (LRT) line from Minneapolis to the southwest metropolitan area, including Minnetonka. There are more studies,

coordination and funding arrangements required before the LRT line could be constructed and construction is not anticipated before 2015.

Actions

- a. Continue to collaborate with the transit providers in Minnetonka to ensure that as many residents are served as possible. Analyze and prioritize areas where more transit service may be necessary such as near locations with transit-dependent populations.
- b. Continue to be involved in the LRT planning and station area studies and look for ways to add housing, services, and walkability around station areas.

Support Services

The city provides financial support through Community Development Block Grant (CDBG) funds to a number of public service agencies that offer various support services to families and individuals in need. However, the city is limited to using only 15 percent of its annual CDBG allocation on public services. When the city's total CDBG allocation declines, as it has been over the past five years, the amount available for public services also decreases. It has been the city's practice to allocate the maximum 15 percent of its total CDBG funds to public services—many of which provide housing related services to both renters and owners.

Actions

- a. Continue allocating the maximum amount allowed by CDBG regulations towards public service agencies that provide services important to Minnetonka residents—in particular housing related services.
- b. Collaborate with agencies that provide support services to educate residents of the services available to them.

7. Local Initiatives

The limited amount of land available for development in Minnetonka creates difficulties to implement broad based housing strategies. Each opportunity for affordable housing development or redevelopment will have a unique set of land use features and planning and policy implications. The city will continue to re-examine local controls and the approval process as they impact the costs associated with residential development and redevelopment.

G. Tools for Providing Affordable Housing in Minnetonka

1. Planning and Land Use Regulations

The city recognizes that there are many land use and zoning tools that can be utilized to increase the supply of affordable housing and decrease development costs. However, with less than two percent of the land currently vacant in the city, most new projects will be in the form of redevelopment or development of under-utilized land. New infill development and redevelopment is typically categorized as a planned unit development (PUD), which is given great flexibility under the current zoning ordinance.

The city will initiate a review of the existing zoning and subdivision ordinances to determine if modifications or other techniques are needed to encourage development opportunities that are attractive for providing affordable housing in Minnetonka. This may result in the establishment of a new residential zoning district or modifications to existing residential districts. Additionally, the following tools will be used to increase flexibility and creativity:

Density Bonus

Residential projects could be developed at the higher end of the density range within a given land use designation. For example, a developer proposing a market rate townhouse development for six units/acre on a site guided for mid-density (4.1-12 units/acre) could work with planning staff to see if higher density housing, such as eight units/acre, would work just as well on the site as six units/acre. This should be done on a case by case basis rather than as a mandatory requirement, based on individual site constraints.

Planned Unit Developments

The use of cluster-design site planning and zero-lot-line approaches, within a planned unit development, may enable more affordable townhome or single-family cluster developments to be built. Setback requirements, street width design, and parking requirements that allow for more dense development, without sacrificing the quality of the development or adversely impacting surrounding uses, should be considered.

Mixed Use

Mixed-use developments that include two or more different uses such as residential, commercial, office, and manufacturing or with residential uses of different densities will be examined for projects to determine the potential for the inclusion of affordable housing opportunities.

Transit Oriented Development (TOD)

TOD can be used to build more compact development (residential and commercial) within easy walking distance (typically a half mile) of public transit stations and stops. TODs generally contain a mix of uses such as housing, retail, office, restaurants, and entertainment. TODs provides households of all ages and incomes with more affordable transportation and housing choices (such as townhomes, apartments, live-work spaces, and lofts) as well as convenience to goods and services.

2. Financial Tools

Land Dedication or Sale

The City owns a number of parcels, both developed and vacant. The city will examine if city owned property could be dedicated for affordable housing development; sold at below market rates; or, sold as a second mortgage on the property. This benefit would be passed along to the developer through lower site acquisition costs, making the development more affordable.

Home Relocation

The City owns several homes, acquired for road expansions or park plans that never developed. Almost all the homes are in good condition, needing very little rehabilitation. Some of the homes are currently rented at affordable rents. The City must eventually demolish the homes or move them to vacant parcels. The City will examine the potential to coordinate ownership with a non-profit housing provider to preserve affordability and prevent the loss of these units.

Livable Communities Fund

In 1997, special legislation was approved allowing the City to use funds remaining from Housing TIF District No. 1 for affordable housing and Livable Communities Act purposes. The City can use these funds to help achieve its affordable housing goals. The city will examine the appropriate use of these funds for qualified projects that meet housing goals.

Tax Increment Financing

Minnetonka has used tax increment financing (TIF) to offset costs to developers of providing affordable housing in their development projects. The city will continue to use TIF financing, as permitted by law, to encourage affordable housing opportunities.

Housing Revenue Bonds

The City has used housing revenue bonds for eight rental projects since 1985. Housing revenue bonds provide tax exempt financing for multi-family rental housing. The bond program requires that 20 percent of the units have affordable rents to low and moderate income persons. The city will continue to use housing revenue bonds for projects that meet housing goals.

Housing and Redevelopment Authority (HRA) Levy

By law, the city's Economic Development Authority (EDA) has both the powers of an economic development authority and a housing and redevelopment authority (HRA). It can use these powers to levy taxes to provide funding for HRA activities, including housing and redevelopment. For the first time, the city is considering an HRA levy for the 2009 budget year.

Employer Assisted Housing

Through employer assisted housing initiatives, Minnetonka employers can help provide their employees with affordable rental or home ownership opportunities. There are several options that employers can use to both increase the supply of affordable housing, as well as to provide their employees with direct assistance by:

- * Providing direct down payment and closing cost assistance,
- * Providing secondary gap financing,
- * Providing rent subsidies,
- * Providing homebuyer education and counseling funding,
- * Making corporate contributions to housing agencies, and by
- * Providing an equity contribution to developers through a limited partnership, purchasing low income tax credits.

The City's EDA can partner with employers interested in these initiatives by providing housing market information, by providing funding assistance, as well as information on other funding sources.

Livable Communities Act Funds

In 1995, when the Minnesota Legislature created the Livable Communities Act certain grant funds became available to communities through a competitive application process. The Metropolitan Council awards grants to participating communities (Minnetonka is one) for projects relating to the creation of new affordable housing.

Community Development Block Grant (CDBG) funds

CDBG funds are allocated to the city by HUD each year. Based upon the needs, priorities, and benefits to the community, CDBG activities are developed and the division of funding is determined at a local level. CDBG funds are available to help fund affordable housing.

Low Income Housing Tax Credits

The Low Income Housing Tax Credit program is administered by Minnesota Housing. The program provides tax credits to developers for rental projects renting to low- and moderate-income persons.

New Partnerships

The city will also determine appropriate levels of financial assistance, participation and/or other involvement to encourage and provide incentives to develop new housing types and residential living environments in the city. Additionally, the city will actively solicit partnerships with non-profits and other associations that offer opportunities for affordable and mid-priced housing development.

3. Housing Preservation

Emergency Repair Loan

Established in 2005, the City's Emergency Repair Loan program provides a deferred loan without interest or monthly payments for qualifying households to make emergency repairs to their home. The amount of the loan is repaid only if the homeowner sells their home, transfers or conveys title, or moves from the property within 10 years of receiving the loan. After 10 years, the loan is completely forgiven. This loan is funded through the City's federal Community Development Block Grant (CDBG) funds in order to preserve the more affordable single-family housing stock by providing needed maintenance and energy efficiency improvements.

Homes Within Reach

Homes Within Reach acquires both new construction and existing properties for their program to provide affordable housing in the city. Using a ground lease, it allows the land to be owned by Homes Within Reach and ensures long-term affordability. Additionally, if rehabilitation is needed on a home, Homes Within Reach will rehabilitate the home as needed, before selling the property to a qualified buyer.

Senior Regeneration program

As residents age, many older adults will consider selling their single-family homes for a variety of reasons. As older adults move out, the city will rely on younger households to move into these homes and preserve neighborhoods. The City could establish a senior regeneration program where it would partner with a housing agency to purchase homes from older adults looking to sell, rehabilitate the home, and sell it to income-qualified buyers.

H.O.M.E. program

The H.O.M.E. program is a homemaker and maintenance program that is designed to assist the elderly. The H.O.M.E. program assists those who are age 60 and older, or those with disabilities with such services as: house cleaning, food preparation, grocery shopping, window washing, lawn care, and other maintenance and homemaker services.

Minnesota Fix-up Fund

The Minnesota Housing Fix-Up Fund allows homeowners to make energy efficiency, and accessibility improvements through a low-interest loan.

Examples of improvement that can be made include:

- * Room addition or new garage

- * Furnace/air conditioning installation
- * Roof replacement
- * New paint job/siding
- * Upgrade/replace electrical wiring
- * Septic system/plumbing repairs
- * Energy conservation (such as windows, doors, insulation)
- * Accessibility improvements (bathrooms, ramps)

Center for Energy and the Environment

Center for Energy and Environment offers a number of housing programs for Minnetonka, including administration of the Minnesota Fix-Up Fund loan. Additionally, they offer a home energy and rental energy loan program to allow homeowners and owners of rental buildings to make energy efficiency improvements to their properties.

Community Fix-up Funds

The Community Fix-Up Fund, offered through Minnesota Housing, is similar to the Fix-Up Fund, but eligibility is targeted with certain criteria. In the city, Community Fix-Up Fund loans are available to Homes Within Reach homeowners, since community land trust properties cannot access the Fix-Up Fund due to the ground lease associated with their property.

Actions

1. Continue to seek out and use financial tools to assist housing developers in including affordable units in their projects.
2. Continue to fund and support financial programs that are utilized by residents in the maintenance of their homes.