

**AGENDA**  
**CITY OF MINNETONKA**  
**ECONOMIC DEVELOPMENT ADVISORY COMMISSION**

Thursday, January 26, 2011  
6:00 p.m.

Council Chambers  
Minnetonka Community Center

1. Call to Order
2. Roll Call

Kathryn Aanenson  
Benita Bjorgo  
Chandra Coughlin  
Michael Happe

Ken Isaacson  
Bruce Smith  
Peter St. Peter

3. Approval of October 27, 2011 EDAC Minutes

**BUSINESS ITEMS**

4. Economic Improvement Program (EIP)

Recommendation: Review and provide feedback

5. Staff Report

6. Other Business

•The next EDAC meeting is **Thursday, February 23 at 6:00 p.m.**

7. Adjourn

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

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

**OCTOBER 27, 2011  
6:00 P.M.**

**1. CALL TO ORDER**

President St. Peter called the meeting to order at 6:00 p.m.

**2. ROLL CALL**

EDAC commissioners present: Kathryn Aanenson, Benita Bjorgo, Chandra Coughlin, Michael Happe, Ken Isaacson, Bruce Smith, and Peter St. Peter.

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

**3. APPROVE SEPTEMBER 22, 2011 MEETING MINUTES**

Happe moved, Isaacson seconded a motion to approve the September 22, 2011 meeting minutes. Aanenson, Bjorgo, Happe, Isaacson, Smith, and St. Peter voted yes. Coughlin abstained. Motion passed.

**4. 2012 NON-PROFIT FUNDING**

Durbin introduced the item. St. Peter explained the scoring procedure.

Smith asked if there are additional funding opportunities besides the CDBG and Livable Communities accounts. Durbin said that she would consult with finance staff regarding funding sources for programs that commissioners support.

Isaacson suggested that a program-specific budget be provided next year. Durbin felt it was a great idea.

St. Peter confirmed that each commissioner had the scoring and ranking sheets.

Timothy Morin, Senior Community Services coordinator for the H.O.M.E. program, stated that he and the organization are grateful to the City of Minnetonka for its continued support throughout the years. He appreciated the in-kind office space for his senior outreach worker and himself. H.O.M.E. stands for Household and Outside Maintenance for the Elderly. H.O.M.E. is in its 31st year of providing services in suburban Hennepin County. The longevity would not be possible without the support of community partners. H.O.M.E. provides housekeeping, lawn mowing, snow removal, painting and minor repairs. Clients

are charged a nominal fee based on income and ability to pay. Spring and fall yard clean up and window washing are provided at no cost. This service is provided by volunteers of local churches, corporations, schools, and many other groups who want to help in their community. The economic downturn and tremendous growth of the senior community has created a need that has never been greater.

Mr. Morin stated that 1,736.25 hours of service was provided to 115 Minnetonka senior households in 2010. He is at the community center two days a week to meet with seniors.

St. Peter clarified with Mr. Morin that the 115 Minnetonka residents listed in the application includes all Minnetonka residents serviced. Mr. Morin saw a wide range in Minnetonka in regard to the sliding fee scale. The program will serve anyone no matter what their income. The folks who pay more according to the sliding fee scale help subsidize those who pay less. Some services may also be billed to insurance companies. County waivers and grants are also utilized.

St. Peter asked Mr. Morin to estimate how many of the Minnetonka residents received a benefit from the requested funding. Mr. Morin guessed Minnetonka residents in general would land more toward the middle of the sliding fee scale. He could provide that information.

Happe noted the annual budget is \$2.7 million. Mr. Morin clarified that the total revenue and support of the H.O.M.E. program is \$710,608. Senior Community Services provides licensed social workers to all of suburban Hennepin and Wright Counties; Medicare and Health Insurance counseling; and operates six senior centers, caregiver support programs, and many other programs. The funding is being requested specifically for the H.O.M.E. program.

Happe confirmed with Mr. Morin that the H.O.M.E. program does raking, shoveling, and minor maintenance. The cost is based on the residents' income. A sliding fee scale is subsidized through funds from the Metropolitan Area Agency on Aging, United Way, and CDBG funds. Lawn raking and window washing in spring and fall is provided by volunteers and is a free service to any individual.

Mr. Morin hoped to expand the amount of staff in the next couple years to provide services to newer areas and accommodate the growing senior population. The revenue is providing a cash flow before transitioning into expanding the program and staff. The revenue and support coming in are utilized for itemized items on the budget and subsidizing the sliding fee scale.

Happe noted the cost of the program is \$700,000 and a portion of that is paid by the residents receiving the services. Happe asked what amount was paid by residents receiving services. Mr. Morin responded that it varies from city to city. He would have to research the exact information.

Happe asked how residents find out about the program. Mr. Morin stated a comprehensive marketing plan began in 2009. The program relies heavily on social workers, staff at senior centers, mailings. Word of mouth has always been the biggest advertisement. Caregivers learn of the program and pass on the information. Marketing is done at churches. Meals on Wheels volunteers in the Maple Grove area handed out water bottles advertising the H.O.M.E. program.

Smith asked if a three percent increase is reasonable. Mr. Morin explained there is a slow increase each year. Many folks face nursing home placement or pass away. Serving a specified number of residents would not work.

Dave Brown, Government Grants Manager of Advantage Services Department for CommonBond Communities, was present to talk about Crown Ridge. He appreciated the opportunity to present the funding request and the support received in the past. The requested funding would support academically-focused, after-school tutoring and homework help for children; employment, financial literacy, and asset building skills for adult family members living at Crown Ridge; and the cost of program space. Crown Ridge is a 64-unit affordable housing community. Currently 63 households and 141 residents, including 58 children, live at Crown Ridge. The average household income is \$22,767, which is just above the poverty level for a family of four.

Brenda Delaney, Advantage Services Program Manager, explained the largest youth program held at Crown Ridge is Study Buddies. Study Buddies is a one-on-one academic program held on Monday evenings for an hour and a half each week. This year at Crown Ridge, there are 16 youth matched with 16 mentors. Volunteer retention has helped Study Buddies maintain a solid program. Three times per year she meets with each participant's teacher. Teachers provide feedback on what each student is working on and suggests ways that volunteers can help students do better. Additionally, Ms. Delaney administers academic assessments three times per year. Last year, 9 out of 10 youths improved their reading scores and 7 out of 10 youths improved their math scores. Last year, a second grader named Mason was matched with Steve. At the beginning of the year, it was a struggle to get Mason to walk in the door and not hide under the table. This year, Mason was excited to hear Steve would be his mentor again. She has 15 pairs currently thriving and doing great.

Coughlin asked if the program is growing and for the total number of those served. Ms. Delaney stated the Study Buddies program is at capacity with 17 due to the space available. Last year there were 18 pairs. St. Peter recalled funding \$6,000 to allow one of the units to be rented and used for the program. It nearly doubled the space available. Ms. Delaney stated that it houses 10 of the pairs.

Happe noticed the \$11.5 annual budget. Mr. Brown explained that included the budget for the entire housing complex and program budgets for the current year

and projected budget next year. The budget this year was approximately \$76,000, next year \$86,000. Some of next year's budget would be covered by a federal grant from the Local Support Initiatives Corporation which got some federal money for the purpose of providing employment services for adult parents living at Crown Ridge.

Happe asked how much of next year's budget is not funded right now. Mr. Brown approximated \$21,000.

St. Peter asked for the longitudinal success of the program. Mr. Brown stated they are tracking academic performance. High school graduation rates for youth living in CommonBond housing is close to 100 percent. That is a major goal.

JoAnne Robinson, of the Minnetonka Heights Community Program, located at Minnetonka Heights apartments and townhomes at 5809 South County Road 101, is celebrating its 10<sup>th</sup> year of providing services. She enjoyed being onsite and able to reach out and be there for the residents. It is making a huge impact. The demand continues to grow as needs are changing and becoming more plentiful. The organization is happy to share resources and opportunities. She likes to say that the organization bridges the opportunity gap. A lot of work is done with their partners Homes Within Reach, YMCA camps, 10 kids to overnight camp at Idahopi, the City of Minnetonka, and the school district which provides a tutor two nights a week at the after school program. The afterschool program provides a respectful learning environment and teaches skills such as cooking, chess, and yoga. There is a diverse background of residents. There are 172 units, 500 residents, and 65 active families. She provided pictures of projects and the residents.

Smith was interested in the cost per person. This was one of the lowest funding requests that he has seen. From a Minnetonka perspective, he felt it made sense. He questioned what the residents would get for the \$20,000 and the success rate. Ms. Robinson stated that it costs \$2,000 for each student to be in the after school program three to four times a week. That includes salaries, supplies, tutors, computers, and field trips. Camp costs \$185 a child. The children's programming takes up the bulk of their funding. There is also a senior program which brings them together for coffee or cards. There is a Thanksgiving meal that feeds 125 to 150 members of the community and costs approximately \$1,000. Small things like going into a home and sharing knitting does not cost anything. She will conduct more research and share what she finds out.

Happe said the YMCA is fantastic. What it is doing now is community outreach of the existing programs at an outside location. He asked how the location was chosen and if there are additional satellite locations. Ms. Robinson explained the location was brought about when it was realized it would help to have someone on site to cross language and cultural barriers and build relationships and trust in the community. She has spent 10 years building relationships. Her organization

has after-school and summer programs at Stratford Woods, Hunters Ridge, and Excelsior Third Avenue apartments after learning of large groups of underserved children and families that could benefit. The school district recognized the need and welcomed the program.

St. Peter recalled discussions regarding problems occurring at Minnetonka Heights in the late 1990s. City staff were part of community discussions with YMCA staff. Ms. Robinson just had a site visit from a Park Nicollet advisory board member who said that her location is friendly and positive.

Aanenson recused herself from the next discussion since she is a member of Minnetonka Lutheran Church.

Ann Deuring introduced herself and Pastor Bob Rusert from Minnetonka Lutheran Church. Ms. Deuring explained Minnetonka Lutheran has applied for a grant to begin a new project of providing community suppers in the church facility. A program of community suppers would feed three kinds of hunger in Minnetonka: physical, community, and service. Minnetonka Lutheran has a heart for serving, as do all our civic organizations, and an asset that not too many people can rival. It has a world-class kitchen that is not in the basement. In a time when many organizations have gone to the more compact kitchen, Minnetonka Lutheran has maintained the traditional, large kitchen because they know food is a great way to connect and they know food and are good at it.

Ms. Deuring said the church's job is to spread the good news, but wants to assure that the intentions are not such that everyone who attends would get a dose of religion. St. Augustine said "Evangelize constantly, but use words only when necessary." Hospitality will be the only message. Over 57 years, the name of the church has been Minnetonka Lutheran, located in Minnetonka. Minnetonka Lutheran is here to serve the hungry of Minnetonka. She hopes this venture becomes a community initiative, has strong volunteerism to sustain it, and supports ICA to help people through tough times and bring them to a healthy place again.

Pastor Rusert stressed the program would be community-based and not a Minnetonka Lutheran program. He has been approaching other churches and organizations to work with. The idea is to provide an opportunity to teach servanthood. He added that Minnetonka Lutheran houses six different scouting programs. The church has members of the community from multiple churches or no church background at all, along with AA and Alanon. He hopes to present the facility for use by the community.

Bjorgo asked about services provided in addition to the Wednesday meals. Ms. Deuring did not know a lot more at this time. If the grant is received, they would get very busy. It would be a fine opportunity to provide tutoring, financial advising, and companion meals.

Isaacson could tell from what he read in the packet that it looks like it would be an interesting program. He understood the initial budget to be \$400,000 to serve 4,000 people in 2012. St. Peter clarified Minnetonka Lutheran is requesting \$20,000. The overall whole church budget is \$425,800.

Isaacson stated that looking at new programs is extremely difficult. The request almost equals the entire CDBG program that was awarded last year. He appreciated the effort.

Happe asked if the church would go ahead with the program if the city did not make a contribution. Mr. Rusert said it will happen if the funding is found, but funding is needed to launch the effort.

Smith thought the program would be great. He enjoyed building relationships. Because of the limited size, he looked at ways to leverage existing services. ICA and IOCP have almost exactly the same thing Minnetonka Lutheran is offering other than the fact that they are actually making the food. He questioned what is it besides making the food that would set the program apart or provide services not being covered by ICA and IOCP. Ms. Deuring responded that a lot of ICA clients do not have kitchens to prepare the food and a community sense is being promoted. She wants the whole community to come. There are people who would not come, even if they need to, if they thought the program would just be for "needy" people.

Mr. Rusert added that getting all of the families in a place where they can mingle and commune, not just take the food home and make it, provides a bigger sense of community. The city of Minnetonka is a caring place, not just Minnetonka Lutheran Church.

Coughlin asked if the program is in response to ICA and IOCP not being able to meet the level of demand. Mr. Rusert said that is part of it. Coughlin said the economy is increasing the demand. Mr. Rusert said ICA's resources are being stretched. Minnetonka Lutheran Church's program would be a partner and ministry that ICA could refer people to. It would provide a tangible connection.

St. Peter strongly encouraged Minnetonka Lutheran's program to partner with ICA or a similar organization to complement what their program is able to offer and supplement it. He liked the model. Partnering would be a good way to get it off the ground and show its viability. Unfortunately, the city received half of the funds it received last year to distribute, with greater need expressed by everyone. Mr. Rusert stated that those contacts have been initiated.

Smith commented ICA and IOCP partner with Second Harvest and their dollar goes a long way toward providing food. Those organizations can get \$9 worth of food for \$1. It might take a zero off of the request.

Cathy Maes, with ICA food shelf, thanked commissioners for the past funding received from CDBG funds. ICA is celebrating its 40<sup>th</sup> year. She has been with ICA for 3.5 years. She wished she could say the demand is getting better, but she cannot. The demand is daunting. Since 2008, ICA's business is up 80 percent. Beyond food, ICA works to keep residents in their homes. That is a major goal. ICA helps pay rent, mortgages, and utilities to keep residents in their homes and children in their schools. ICA only funds solvable, resolvable situations. So, if someone's car breaks down this month, paying to fix it would allow them to work and pay their rent next month so that would be a situation ICA would help with. Unfortunately, she has seen more unsolvable and unresolvable situations this past year than ever before, and has had to send residents to Minneapolis for shelter. ICA's board looks at that as an indication that something bigger needs to be done. Minnetonka Police Department members have attended ICA's board meetings and talked about residents they have found living in cars with their children and pets. Officers now hand out ICA cards to those people in Minnetonka.

Ms. Maes said ICA is looking at other ways to locate housing options and to partner with other organizations. ICA is considering operating a shelter here in the western suburbs. ICA continues to look for ways to do things differently to meet the needs of the neighbors most in need. Another ICA site has been opened in Excelsior. That has expanded the business by 35 percent. ICA was open 5 days a week 3.5 years ago. With the second location, ICA is now open the equivalent of 10 days a week. ICA has hired a job coach. She has met with over 100 people and has had some great successes assisting others with finding employment. A refrigerated truck was purchased so senior housing facilities can be visited, and groceries delivered. ICA knows seniors are underserved.

Smith asked exactly what the money would do; for example, how many meals it would purchase, how many people would it serve, and how many counseling sessions would it create. That would help him equate value with dollars.

Ms. Maes confirmed with Durbin that CDBG funds need to be used for housing. ICA would use the funds for rent, mortgage, utilities, and in one month's time ICA spends approximately \$35,000 to \$40,000 in housing. On average, ICA's families receive between \$800 and \$1,200 to keep them in their homes. Rent prices continue to increase. An average two-bedroom apartment is over \$800 a month.

Smith asked how many people the funds are serving, how much in rent is being given, what percent of the utility bills ICA pays, and how many people is ICA helping pay utility bills for. Ms. Maes responded in a month's time, with \$40,000, ICA serves 50 households. \$8,000 may not make a dent, but ICA needs \$8,000. ICA needs lots of people and agencies to give it \$8,000 to make the budget balance.

Ms. Maes thanked the city for its support.

Janet Lindbo, Homes Within Reach, also known as West Hennepin Affordable Housing Land Trust (WHAHLT), stated:

- The organization was created nine years ago and since then has created 90 homeownership opportunities in 11. Homes Within Reach has assisted 45 families, approximately 153 people, in becoming Minnetonka homeowners over that period of time.
- Many of the families who work in the community are teachers, chefs, retail personnel, city employees, or employed by small and large firms.
- Two of the land trust homes in Minnetonka were rehabbed, foreclosed properties. Homes Within Reach continues to look for foreclosed properties and receives funding to match the city's funding to purchase additional foreclosed properties. Additionally, four properties were purchased from seniors wanting to relocate to a setting to provide more independence and assistance.
- This past year, Homes Within Reach worked with the city to create a quality home on Hopkins Crossroad near I-394 for a family who is thrilled to be a Minnetonka homeowner. Homes Within Reach made major improvements to the home including making the drive access the residential street of Oak Knoll Terrace to improve traffic flow and make it safe for the homeowner as well.
- Homes Within Reach is a reality because of multiple individuals as well as public and private organizations. Many of them have connections in Minnetonka, and some are here today making presentations. Those involved include city staff, Minnetonka schools, social service providers, ICA, Jewish Family Services, Community Action Partnership of Suburban Hennepin, a variety of community providers, and apartment management.
- She thanked the city for its current and past support of Homes Within Reach. Homes Within Reach would not be able to reach out and assist families in becoming Minnetonka homeowners without the city's engagement.

Isaacson asked if Homes Within Reach is actively acquiring land. Ms. Lindbo answered no. She explained the budget breaks down allocations for land and improvements. The land goes into the trust of Homes Within Reach/WHAHLT. Typically the rehabilitation and cost of the improvements is what the homeowner purchases.

Isaacson read about local land trusts struggling for sustainability. He asked if WHAHLT had been impacted. Ms. Lindbo answered that she works with a myriad of groups that are CLTs, metro and state wide, as well as other providers. All are struggling in some sense. The credit market is tight, so the homes are sold two or

three times, similar to the market-rate homes. If production is not up, there is no way to pay overhead. Ms. Lindbo assumed there will continue to be struggles, but Homes Within Reach will continue to work with its partners. One of the best things about the partnerships is there are some capacity-building dollars available. Additionally they are hoping to augment dollars from federal and private sources to be able to sustain and grow the program over the next 5 to 8 years.

Happe noticed the 2012 budget is listed at \$3.5 million. The City of Minnetonka has regularly given \$200,000 to \$250,000 a year. The request is \$225,000 this year. Homes Within Reach has 88 properties accumulated in 9 years. Happe asked how it works. He questioned if Homes Within Reach purchased houses and gives them to people. Ms. Lindbo said typically Homes Within Reach takes the land cost out of the mortgage equation. Fundraising is done to fund the land, which is put into trust with Homes Within Reach. Homebuyers are modest-income families who are then able to purchase homes in Minnetonka and other western suburbs from anywhere from \$120,000 to \$150,000 depending upon what the land cost is and so on. A ground lease is executed which provides the homeowner with all of the rights of owning the land, but the homeowner does not in that it belongs to Homes Within Reach for 99 years. The property can be inherited by the homeowner's family. Any resale buyer must meet the homeowner qualifications which require his or her income to be below 80 percent of the area's median income. In Minnetonka, that equals about \$56,000 a year. There is a cap of 35 percent of the equity in the home when it is sold. For example, if the residence was purchased for \$120,000 and it was sold twenty years later at \$130,000, then the seller would receive 35 percent of everything put into the home. Many applicants stay in the land trust home all of their lives. Some will move beyond and purchase a market-rate residence as their employment improves.

Happe asked if the \$3.5 million per year is used, essentially, to buy land for the residences to be put into the trust. He asked if it was also used to pay a portion of the property taxes. Ms. Lindbo stated that the \$3.5 million includes proceeds from the improvements, but does not buy the land. Homes Within Reach purchases between \$900,000 and \$1.2 million worth of land. The organizational budget also includes the proceeds of the improvement. That is why it seems inflated. It is the mortgage piece.

Smith asked if Homes Within Reach has used all of the funds every year. Ms. Lindbo answered that it usually takes about 24 months to expend funds because the city's commitment is used to gain matching funds. It is written into the agreement that the funds will be used within a 24-month period of time. Ms. Lindbo stated that quite a bit of funding is garnered from Minnesota Housing and federal monies and vice versa. Homes Within Reach matches anywhere from 40 percent to 60 percent of the funds received from the City of Minnetonka.

Isaacson asked if the two homes, one to have closed in September, and the one with active buyers, have closed. Ms. Lindbo answered affirmatively. She did not have open inventory right now in Minnetonka. She is buying one soon and has several applicants she is working with. She has many informational materials to help people understand the overall structure of the land trust. She would be happy to email or mail information to commissioners.

Bjorgo abstained from discussion and action of the following request from the Minnetonka Historical Society due to a conflict of interest.

Bill Jepson, president of the Minnetonka Historical Society, stated:

- The organization's mission is to preserve the history and heritage of Minnetonka. The Minnetonka Historical Society is the only organization that serves the city in terms of preserving its heritage.
- The Minnetonka Historical Society's project is to digitize the archives that are in boxes and put them on the society's website.
- The last inventory was done in 1987.
- All historical society members are volunteers. Many services related to preserving the heritage have been provided for free.
- General meetings occur twice a year. Last year, the Paulson farm family gave the Minnetonka Historical Society photographs and letters which society volunteers digitize, save, and want to put on the website for everyone to learn about Minnetonka.
- The Minnetonka Historical Society applied recently to the state for \$6,000, but was not awarded.
- The society hired an employee this summer to digitize the materials. In 30 hours a few boxes were completed. It would take approximately 200 hours to do the last 20 boxes. He provided photographs and letters from the 1860s and 1870s. The society wants to get the project done. Software called Pastime Museum is used to preserve the heritage.
- The Minnetonka Historical Society serves everyone in the city. It helps older, less mobile, and handicap folks access the information from home.

St. Peter suggested high school or college students be offered the opportunity to volunteer and receive course credit. St. Peter has been involved with organizations that did that and had very good results. He also suggested that Apple II records could be converted to a modern program.

Mr. Jepson stated that volunteers have been recruited many times over the years from different sources. A stipend helps lock in a commitment. Laura Ronbeck of city staff has tried to find volunteers, high school or college age, to complete a survey within the city of its historical structures and she found no one willing to put in the time on a volunteer basis even if credit would be given for a school

course. St. Peter suggested working it through school administration and the teachers in the programs. The students would not recognize how valuable an experience it would be until a teacher talks to them. Mr. Jepson is a high school teacher and his sons go to Hopkins, but they have been unsuccessful in recruiting volunteers.

St. Peter suggested boy scouts be contacted to do the project to earn a merit badge or several scouts if done as a group activity.

Dorothy Welch, of the Minnetonka Historical Society, stated she is a teacher and an optimist. She has offered credit to students to do the project. It is something that has never been successful. She has had her grandson working on it, but it is hard to motivate him unless he is paid. Mr. Jepson's son has helped, but he cannot give up a job to do the project. She has been trying the colleges to get a museum trainee as a volunteer. That has not worked either. Minnetonka Historical Society members are concerned because they have boxes of old photographs. She has just been given access to thousands of photographs regarding the Gray family for which Gray's Bay is named. The society will be photocopying the photographs for a long time. It is very difficult to get a student to complete the day to day copying and scanning. The request is for 200 hours to finish the project of digitizing the priceless records.

Mr. Jepson stated the funds for the Minnetonka Historical Society have been dwindling over the last few years. Ice cream social money was cut off two years ago. The society is running out of a book published 12 years ago. That is why the society is requesting \$3,000.

St. Peter thanked the volunteers for the presentation.

Judy Elling, Executive Director of ResourceWest, stated:

- ResourceWest is a small, non-profit organization housed in Hopkins that serves the area out to Excelsior. ResourceWest has the same service boundaries and clientele as ICA; however, it does many different services than ICA. The organization does not duplicate services, but connects clients and the people in the community to those resources.
- ResourceWest wants to be able to help every person who walks in the door so multiple visits to different organizations are not necessary. ResourceWest provides information referral services year round. The Project Starfish meets with individuals to find out what their core needs are and match them with the appropriate resource. The Project Starfish coordinator has great relationships with ICA and Homes Within Reach. She keeps track of new and discontinued programs, and manages microgrants of \$300 a year for individuals. Since 2009, the demand for microgrants has increased 75 percent. In 2009, \$1,800 was given out and in 2010,

\$6,993 was given out. The money is used for stabilizing employment or health such as car repairs, car insurance, gas, bus passes, health insurance premiums, prescription copays, and a multitude of other things. The belief is that as long as that person can be stable in their employment and health then he or she will not lose his or her housing.

- Because housing is taken care of by ICA, Homes Within Reach, and Hennepin County, ResourceWest does not fund housing. ResourceWest does not help with utilities. CAPSH and ICA take care of those costs.
- ResourceWest has a computer technology center that is volunteer staffed. There are six computers that provide access to the internet and people who can help write resumes, search for jobs, and complete post-secondary homework.
- ResourceWest is known for its back to school program and toy chest.

Isaacson asked if ResourceWest pursues CDBG funds from other communities it serves. Ms. Elling said the only other community it receives CDBG funds from is Hopkins, and there has been talk about whether that will remain a viable option because of the reporting. Hopkins has historically given ResourceWest \$5,000 of CDBG funds.

Smith saw a net income of \$5,000, expenses \$130,000, and revenue \$212,000. Ms. Elling apologized for the error. \$212,000 was the net income, expenses out totaled \$215,000. There was a net loss in 2010. ResourceWest's funding is 90 percent individual gifts and grants. The only federal-type dollars are the CDBG funds which last year totaled almost \$9,000. Long-term funding grants were received from the two school districts. This upcoming year will be the last year ResourceWest will receive money from the Minnetonka School Collaborative, which provided \$10,000. ResourceWest did receive an unexpected grant from the Hopkins School Collaborative for \$10,000 with no guarantee for money next year. ResourceWest is poised to deal with the CDBG and long-term grants terminating in the next few years.

Smith asked what would happen with the \$5,000. Ms. Elling explained the funds received are applied directly to the children's programs. Those programs maintain the most statistics. The fiscal year 2010-2011 served 150 families in the Minnetonka School District and 285 families who reside in Minnetonka. Smith would appreciate knowing how many backpacks and other items were purchased each year. Ms. Elling stated that the back to school cost for each child is estimated at \$60 and winter warm wear is estimated to cost \$75 per child.

St. Peter commented that project Starfish may be the better fit for CDBG funds since it is required to be used for housing. Ms. Elling noted that could be done. Right now, a database is being created for the Starfish program. A graduate

intern is helping her compile the data. Ms. Elling will have statistical data ready in regard to the Starfish program at the end of this fiscal year on how many Minnetonka residents are being directly impacted. There would be no problem earmarking the CDBG funds for project Starfish.

St. Peter confirmed with Wischnack that would be appropriate.

Smith said that his former employer had a back to school drive and collected items for kids during the holiday season. He did not know if ResourceWest had plugged into donated items. Ms. Elling explained that Caring Tree supplied ResourceWest with enough school supplies for 250 students this year, and will increase that request because donations were low. Cargill did a generous drive for ResourceWest at its Hopkins location and said it will do it again next year. ResourceWest has collection barrels out and requests businesses to adopt ResourceWest during those times and help with drives. The more in-kind donations ResourceWest gets, then the less money has to be spent.

Scott Zemke, director of program operations with Community Action Partnership of Suburban Hennepin (CAPSH), said he manages all direct-client services. Mr. Zemke stated:

- Their largest program is energy assistance and second largest program is foreclosure-prevention. The foreclosure-prevention program remains extremely busy. The housing market has not improved. CAPSH has a huge influx of foreclosure clients. Over the last quarter, CAPSH has sent out information to 285 Minnetonka residents who are in danger of foreclosure.
- CAPSH also does first-time-homebuyer counseling and education. Now is the time for people who have decent credit to purchase a house, and for people who do not have as good of credit, to speak with counselors to get their credit improved to take advantage of the low interest rates and housing prices.
- CAPSH does reverse mortgage counseling for seniors who want to stay in their house, but are having trouble keeping up with property taxes and their homeowners insurance. A reverse mortgage works similar to a mortgage, but it gives the senior some equity to use to live in the house.
- CAPSH has a rehabilitation counselor.
- CAPSH has a very good partnership with the City of Minnetonka, where they administers the city's emergency repair program.
- In addition, CAPSH does the energy-assistance program which has an energy related repair component. If a furnace needs repairing, CAPSH could use the funds from the Minnetonka funds and use energy assistance funds to repair the furnace.
- CAPSH does tax assistance, food-support advocacy and outreach throughout suburban Hennepin County including Minnetonka.

Residents who might not otherwise apply for what was once known as food stamps can get assistance from CAPSH staff helps who fill out the paperwork to receive food support from Hennepin County.

Happe believed the request from the city of Minnetonka is for the housing programs. CAPSH's annual budget for the organization is \$3.5 million. Happe asked how much of that supports the housing program. Mr. Zemke stated that the housing-related programs represent \$500,000 of the total budget.

Smith asked if there had been consideration of not offering reverse mortgages as a way to cut costs. Mr. Zemke said it is not terribly expensive for CAPSH to have a reverse mortgage counselor on staff, because that person is also a foreclosure prevention counselor. She is about .1 reverse mortgage counselor and .9 on foreclosure prevention counselor. CAPSH is a full-cycle, HUD approved housing counseling agency so that means that it offers the full continuum of housing services. The program will remain unless it becomes cost prohibitive.

Smith noted Wells Fargo just got out of the business of reverse mortgages. Mr. Zemke explained the reason for that is because of the way that FHA is now insuring the loans. There are issues with lenders continuing to pay property taxes and adding to the principle. M&I and other players are still doing reverse mortgages.

Matt Eichenlaub, attorney with HOME Line, stated there are four attorneys on staff. The main thing HOME Line does is give tenants advice, over the phone, about their rights regarding the lease, landlords, and evictions. Last year, HOME Line helped 130 Minnetonka residents. Typical calls involve questions regarding security deposits, repairs, evictions, and foreclosures. Most of the clients are very low income. HOME Line saved tenants about \$18,000 last year with their advice and assistance helping tenants avoid foreclosure. Mr. Eichenlaub really enjoys talking to high school students. He explains the important things when it comes to renting and owning and keeping a house. It is a beautiful program.

Smith asked if callers provide the city they live in. Mr. Eichenlaub answered yes.

Smith asked what HOME Line's plan is to sustain its services. Mr. Eichenlaub answered one thing is that HOME Line is looking into is increasing the individual donor base. HOME Line started fundraising a couple years ago by holding a treadmillathon. It is webcasted over the internet and people donate money. Matching grants were provided by the Bigalow Foundation. The fundraiser has been a success. HOME Line published a book called How to be the Smartest Renter on Your Block and it is selling very well. A lot of trainings are conducted for social workers and landlords around Minnesota to earn revenue. HOME Line also applies for grants. Ultimately, HOME Line may have to cut service to places that do not fund them. HOME Line started as part of Community Action Program Suburban Hennepin and served that area. Then it expanded and expanded to

practically statewide, except Minneapolis. If it happens, contracting with the areas it is funded to work in may be the only option. He hoped not and will continue fundraising.

Happe was curious why the program was spun off from CAPSH originally. Mr. Eichenlaub said that occurred before his time with HOME Line. His understanding is that HOME Line split off 20 years ago. Mr. Eichenlaub said he did not know.

Andy Swanda, director of development at TreeHouse, stated:

- TreeHouse serves at-risk youth in the Twin Cities. Currently, TreeHouse is serving 1,500 teens on the Minneapolis side of town through 7 locations. Next year, 2 locations will be opened on the St. Paul side of town, one in Mahtomedi and one in West St. Paul.
- Over 75 percent of the teens are receiving free or reduced lunch. TreeHouse deals with kids in some type of poverty.
- The overwhelming majority of kids are coming from broken homes and live with one or neither of their parents and are being shuffled around from community to community. In the grant request TreeHouse submitted, it requests funds for Transportation for Hope. Because of the teens' financial and family situations, the teens call TreeHouse for rides.
- TreeHouse is a place the teens come to for support, honest adult relationships, and honest peer relationships. If TreeHouse staff did not drive out and get them, the teens would not be able to come.
- He shared the story of Rachel who came to TreeHouse because a van went through her neighborhood and a friend who was one year older went with her. Shortly after Rachel attended TreeHouse, staff learned that Rachel's mom had recently committed suicide, her older brother was a drug addict and had been removed from the home, and her father had become physically abuse. TreeHouse staff intervened and child protective services did remove the child and placed her with her aunt and uncle so that she was safe and could continue school. The reality is is that TreeHouse has 1,500 kids like Rachel.
- Mr. Swanda has been at the Minnetonka TreeHouse with kids who have been held up at gun point. It is a blessing that TreeHouse staff have the opportunity to go out and get them because of the vans that the community helps provide for the kids.
- At TreeHouse, teens do feel safe and are loved by an honest adult that is pouring hope and encouragement into their life.
- A description of the programs is provided in page 3 of the packet and the five goals that TreeHouse desires to see for every teen are in the second box on page 3.

In response to St. Peter's question, Mr. Swanda stated the application materials "City of Minnetonka" represents teens from Minnetonka schools. Secondary would be teens from Hopkins' schools and 15 of the teens listed go to Eden Prairie schools. The overwhelming majority are Minnetonka High School teens. Those numbers reflect the number of students participating at the Minnetonka TreeHouse located at County Road 101 and Highway 7. There are teens living in Minnetonka who attend different schools.

Isaacson asked if TreeHouse applies to all of the communities it serves for CDBG funds. Mr. Swanda answered affirmatively. TreeHouse just received a grant from a crime prevention group in Bloomington to sponsor vans in Bloomington. Brooklyn Park Rotary supports the program. Over 350 teens participate from Brooklyn Park. TreeHouse is trying to promote community ownership of all of the locations. Mr. Swanda started working for TreeHouse in August and did not know for sure if CDBG funds had been applied for from other cities. He guessed the exact request had been submitted to all municipalities TreeHouse serves.

Smith asked if the request is to support the transportation program. Mr. Swanda responded positively. Smith asked what the \$2,500 would do; for example, make repairs or make a certain number of trips. Mr. Swanda said that there are 23 vans, 3 of those operate specifically in Minnetonka. The cost to operate each van costs \$10,000 per year which includes fuel and basic maintenance. The \$2,500 would support  $\frac{1}{4}$  of 1 of the 3 vans which operate in Minnetonka.

St. Peter called for a 5-minute break and reconvened the meeting.

Happe noted that removal of the application that scored below the required 65 would make it a little easier to have the needed amount of funds. The remaining applicants are somewhat within a range that might be able to prorate the remaining balance between them.

St. Peter commented the H.O.M.E. program's request is significantly larger than it had requested in the past. Given their financial condition over the last three years and the long-term balance sheet, he sees a little less credibility with their request other than that the organization is trying to save itself. In terms of overall services to Minnetonka, as can be seen from the score, it did well and provides Minnetonka residents with services. He did not know if it should be \$11,000 worth. If H.O.M.E. is bumped down to \$6,000 or \$7,000, perhaps the rest could be prorated. He asked if any of the others should be dropped off of the list.

Isaacson made note of the percent increase of the requests from last year. He requested a comparison for each applicant of the amount requested last year with the amount requested this year be displayed on the spreadsheet. Durbin obliged.

St. Peter said TreeHouse does not technically meet the CDBG qualification. It has a remote relationship to housing and housing related issues. The city has not funded it in the past. TreeHouse has requested funds in the past, but never made the cut. TreeHouse's deficit has been funded by a transfer from a faith-based foundation in the years when it was needed. St. Peter noted that all of the other programs have been funded by the city going back to 2000.

Aanenson said that if TreeHouse and Minnetonka Lutheran Church are removed and last year's numbers are used, then the totals would work. St. Peter agreed.

Smith had a question about the 50 percent increase for HOME Line. Aanenson was considering using the 2011 numbers.

Smith said that if two programs would be eliminated, then the amounts from 2011 would be met.

Commissioners concurred with HOME Line being funded the same as it was in 2011.

Smith saw the most important needs in the community to be for food and shelter. He thought providing more for ICA would be more effective. \$1 gives ICA \$9 worth of food. He hoped to give more funding to ICA.

St. Peter pointed out that CDBG funds are to be used for housing issues. Durbin noted that while the public funds can be used very generically, CDBG tends to be focused on housing; however, the only thing CDBG cannot fund is food shelves specifically. ICA is making a housing request as opposed to the food portion. While CDBG funds cannot fund the food portion, funding the housing portion is possible. CDBG can fund all of ResourceWest's programs because the clients meet low and moderate incomes.

St. Peter said ICA has received the most special money available in three of the past five years.

Aanenson added if the ICA funding is increased, it could be designated to be used for the housing programs to free up other money.

St. Peter would be comfortable swapping the SCS H.O.M.E. program and ICA amounts. SCS H.O.M.E.'s presentation did not seem as compelling as last year. He suggested rounding the amounts to the nearest hundred.

St. Peter suggested ICA at \$9,400; SCS HOME at \$6,200; ResourceWest at \$3,900; HOME Line at \$1,900; and CAPSH at \$4,000.

Isaacson moved, Happe seconded a motion to recommend that the city council adopt a resolution approving distribution of CDBG funds as follows: ICA \$9,400; SCS HOME \$6,200; ResourceWest \$3,900; HOME Line \$1,900; and CAPSH \$4,000. If the city receives a decrease or increase in its predicted allocation of CDBG funds, then the amounts assigned to each applicant shall be adjusted pro-rata. Aanenson, Bjorgo, Coughlin, Happe, Isaacson, Smith, and St. Peter voted yes. Motion passed.

St. Peter felt it fair to say the Livable Communities fund budgeted \$16,000 for Common Bond, Crown Ridge; \$20,000 for Ridgedale YMCA; and \$225,000 for Homes Within Reach. Durbin agreed.

Isaacson confirmed with Wischnack that the Livable Communities fund will not be replenished. Wischnack estimated that the Livable Communities funds resources will run out in seven years.

Smith asked if there is a long-term plan to continue to fund Homes Within Reach. He thought it would be nice to notify Homes Within Reach if the city has no intention of funding the program. St. Peter said Homes Within Reach has been warned each year when it submits an application. Four years ago, the coverage for its funding was changed so it is house specific rather than being allowed to cover overhead and other items. Wischnack noted the HRA fund is more of a long-term fund. What she hopes will happen is that the housing programs will become sustainable about the same time in 2018 and that, eventually, the programs could be picked up if the city still chooses to support them. The HRA levy was intended to support Homes Within Reach.

St. Peter questioned if Homes Within Reach is at risk of losing some of the money that the city previously allocated based on the 24-month utilization. Durbin said there are some 2010 funds that are being worked through. With the sale of the two homes, Homes Within Reach will be using the money and paying it off.

Happe said it gnawed on him a little bit that the same amount of time was spent on a presentation for a \$225,000 grant as was spent on a \$2,500 grant. In this case, of the three options for the Livable Communities fund, Homes Within Reach has the lowest ranking by the commissioners. He was not clear on what the EDAC's charge is tonight. He asked if commissioners could recommend the city council increase or decrease the amount of funds. St. Peter said that is an option that commissioners have. Wischnack clarified that November 21, 2011 is the day the city council considers final recommendations from all departments and commissions. These numbers would be included in that report. The city council may adjust the numbers. For now, this list should be included in the November 21, 2011 memorandum to the city council.

Smith asked why townhomes or condominiums are not being invested in. St. Peter explained state law requires a land lease to run only with a single-family

house. Certain townhome associations, if set up with separate plots of land, could work. Wischnack recalled Deephaven Cove has 5 WHAHLT units; Sanctuary has 4 units; and Lakeside Estates has 1 unit. WHAHLT does invest in alternatives to single-family residences that can be individually owned.

Smith asked if there would be a better way to spend the \$225,000, since it would only benefit 4 families each year. He did not know if that would be the best way to spend the money. Wischnack explained the easy thing to overlook with WHAHLT is the timeframe and amount of affordability over time. No other tool provides 99 years of affordability. The longevity of the affordability must be considered. St. Peter recalled a presentation that explained the WHAHLT concept. Wischnack noted it may be time to do that again for the EDAC.

St. Peter recalled a comparison in 1999 that looked at leveraging funds. WHAHLT came out above individual development even without the term issue of affordability. The cost of land in Minnetonka was in excess of \$600,000/acre. Just bulldozing and building a single building on an acre was very difficult to leverage the land cost out of it to make it viable and then it was only a 30-year maximum.

St. Peter noted the problem is sustainability and generating operating overhead funds which is what the other land trusts have run into difficulty with. Smith recalled, in Woodbury, a couple land trusts that are disbanding. St. Peter provided that the remaining assets transfer into another nonprofit of some kind.

Smith would love to have a longer conversation with Ms. Lindbo. He wants to understand how the organizations sustain themselves.

Smith moved, Isaacson seconded a motion to recommend that the city council adopt a resolution approving distribution of Livable Communities fund as follows: Crown Ridge \$16,000; Minnetonka Heights \$20,000; and Homes Within Reach \$225,000. Aanenson, Bjorgo, Coughlin, Isaacson, Smith, and St. Peter voted yes. Happe abstained. Motion passed.

Happe stated the Historical Society did not meet the minimum required 65 points.

Happe moved, Smith seconded a motion to recommend that the city council adopt a resolution denying the Minnetonka Historical Society's request for funds. Aanenson, Coughlin, Happe, Isaacson, Smith, and St. Peter voted yes. Bjorgo abstained. Motion passed.

Wischnack asked St. Peter when he would like Ms. Lindbo to provide a presentation. St. Peter answered next month. He favored more substance to the meeting. Wischnack will check Ms. Lindbo's availability.

Happe suggested Ms. Lindbo schedule the presentation for July or August of 2012 to prepare for next year's budget discussion. St. Peter was fine with that.

Wischnack suggested sending out budget pages based on what has been talked about thus far. If a commissioner has an issue, then please contact staff who will determine whether or not to call a meeting. St. Peter agreed.

## **5. STAFF REPORT**

Wischnack reported that:

- The process has begun to hire a consultant for the Southwest Light Rail project. The station area plan is still on hold.
- The city council reviewed a concept plan for the station area, and provided feedback supporting more of a transit-oriented design.
- The 169/Bren Road bridge is open. The contractor did a fantastic job of getting it done on time. Staff will conduct a “thank you” event for the public on November 2. Donations of food from area businesses will be given away by staff.

Durbin reported that the Welcome to Minnetonka program’s first loan closed for approximately \$7,000. Staff continues to work with applications received for both programs. Advertising and interest continues for both programs.

Wischnack reported staff made a presentation to the Metropolitan Council requesting \$1.5 million of its Livable Communities Demonstration Account to be used for the YMCA project. Staff is waiting to hear the results of the request. Smith asked for what the funds would be used for. Wischnack answered land acquisition, demolition, and some of the construction for senior housing. There is also the LAAND application which is an interim loan to hold land. Smith asked if the gap would be taken care of by the grant. Wischnack said that had not been determined yet. If this grant is received, then the developer has to begin the application process with a review by the EDAC. A redevelopment contract must be worked out with the EDAC about how the dollars would be used.

Smith asked if the funds would be a grant or loan. Wischnack answered grant. It would be a part of the overall project. Smith thought there is a tremendous amount of source currently unidentified in the sources and uses. Wischnack said if the project moves forward, it would be reviewed by the EDAC again.

## **6. OTHER BUSINESS**

Wischnack will email commissioners to determine when the next meeting will be held. St. Peter asked if any of the dates provided would not work for commissioners. November 7 and November 10 did not work for all commissioners. Everyone could meet at 5 p.m. on November 14. Two commissioners will be unavailable December 22, 2011.

CEO Michael Langley will make a presentation at the Sensible Land Use Coalition on December 7, 2011.

**7. ADJOURN**

Happe moved, Isaacson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:40 p.m.

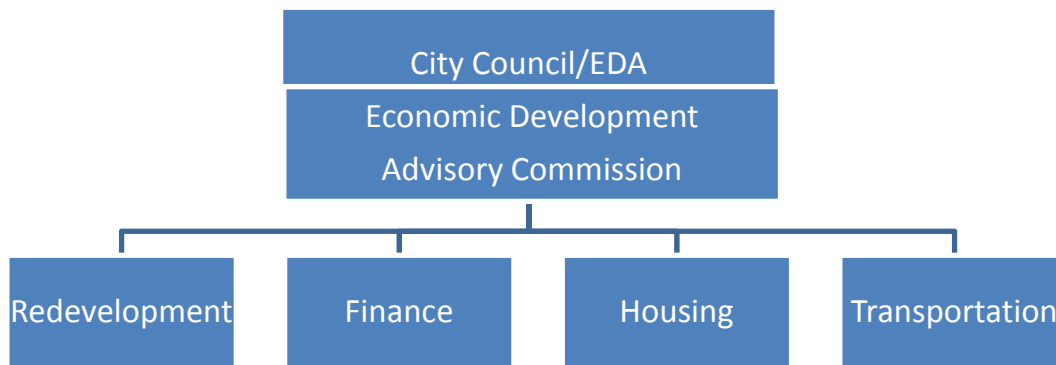
**EDA Agenda Item #4  
Meeting of January 26, 2012**

**Brief Description** Economic Improvement Program (EIP)

**Recommendation** Review and provide feedback

**Background**

When the EDAC was established, it was charged with reviewing and providing recommendations on multiple economic development topics, as shown below.



Within each of these topics, there are numerous projects, programs, and funding sources associated with each. To date, these programs have been addressed periodically in various plans. The city has not established specific strategies in these areas, but has set the groundwork for some of the city’s intentions, such as the comprehensive plan.

*2030 Minnetonka Comprehensive Guide Plan*

The 2030 Minnetonka Comprehensive Guide Plan, completed in 2008, was prepared to guide development, redevelopment and public services and programs through the year 2030. The guide plan addresses multiple topics—including housing (pages A1-A26), transportation (pages A27-A39) and economic development/redevelopment (pages A40-A52).

*2009 Opportunity City Pilot Program*

The Opportunity City Pilot Program, sponsored by the Urban Land Institute and the Regional Council of Mayors, reviewed and evaluated the city’s goals, policies and housing programs, looked at the changes in the community, and identified gaps in the

city's housing programs. In the end, a summary report (pages A53 to A62) was provided that made recommendations on how to increase the city's capacity to provide a full range of housing choices. This program built upon the city's comprehensive plan.

### *2011 Strategic Planning*

In 2011, the city council underwent a strategic planning process, where a community vision, mission, guiding principles, and goals and strategies were adopted (pages A63 to A64). Transportation and community development; including transit, business, housing, and redevelopment, were two of goals and strategies identified.

### *Other meetings and discussions*

Periodically, the city council and EDAC discuss the city's economic development programs on a broad level. A short discussion of this occurred in September 2011 during a joint study session (summary on page A65). It was identified at this study session that emerging issues, initiatives and priorities for economic development activities need to be addressed and a more formalized economic strategy needs to be created.

## **Economic Improvement Program**

Some of the city's plans, as previously identified, address economic development activities; however, the plans do not address existing and future issues and initiatives comprehensively. Staff has determined that the best way to accomplish this is to develop an Economic Improvement Program (EIP, which strategizes future investments and properly positions the city

The EIP will be structured similar to the Capital Improvement Program (CIP) that the city has for capital expenditures. The EIP will include information on all economic development programs, their intent, key measures and budget impacts. It will also allow for the consideration of new efforts—even if they are currently unfunded. Like the CIP, which details project expenditures over five years, the EIP will also detail budget and sources of funding into the future. The EIP will be reviewed and revised annually.

While the structure of the EIP is still being developed, major components include:

- **EIP Policy Page.** This policy will be located in the front of the EIP and defines what funding categories different programs will fall under, and also details the funding principles.
- **EIP Program Pages.** Each of the city's existing and potential future economic development efforts will have its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years. (See pages A68-A97 for a sample of the

pages). Note: Some of these pages are incomplete; however, all pages will be completed by the February EDAC meeting.

- Funding Sources and Expenditure Projections Pages. After the program pages, a summary of sources and expenditures, according to funding source, will be added that will provide a comprehensive overview of each account.

## Recommendation

Staff has begun developing the EIP and is looking for feedback from the EDAC on:

- EIP policy (page A66).
- Programs to be included in the EIP (page A67). Staff has developed a list of programs that will be included in the EIP. Are there any programs that are not included on this list that should be?
- EIP program pages (pages A68 to A97).

The next steps in the development of the EIP are:

February 23	EDAC review complete draft of EIP
March 19	City Council/EDAC joint study session Review draft EIP with EDAC's feedback from February 23 incorporated.
April 26	EDAC recommend to city council the final EIP
May/June	City Council—Adopt EIP during same meeting as CIP

Originated by:

Julie Wischnack, AICP, Community Development Director  
Elise Durbin, AICP, Community Development Supervisor

## Chapter V. Housing Plan

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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
<b>TOTAL</b>	<b>12,986</b>	<b>100.0</b>

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**

<b>Original Land Value*</b>	<b>Number</b>	<b>Percent</b>
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	
<b>Original Total Value**</b>	<b>Number</b>	<b>Percent</b>
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
<b>Total</b>	<b>70</b>		

\* 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
<b>Total</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>1,271</b>	<b>44</b>	<b>0</b>	<b>2,114</b>	<b>551</b>	<b>248</b>	<b>4,243</b>

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
<b>Total</b>	<b>681</b>	<b>754</b>	<b>3,600</b>	<b>2,782</b>	<b>2,077</b>	<b>1,848</b>	<b>877</b>	<b>367</b>	<b>12,986</b>
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
<b>Total</b>	<b>16</b>	<b>181</b>	<b>1,134</b>	<b>1,899</b>	<b>841</b>	<b>399</b>	<b>4,470</b>
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
<b>Total</b>	<b>261</b>	<b>100%</b>	<b>289</b>	<b>100%</b>	<b>376</b>	<b>100%</b>

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 1<sup>st</sup> 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 <sup>st</sup> quarter 2007	\$1,106	\$1,028	\$1,029	\$1,037	\$901
Vacancy rate of market-rate units in 1 <sup>st</sup> 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 1<sup>st</sup> Quarter 2001 to 1<sup>st</sup> Quarter 2007 as shown in Table V-13.

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

Year (1 <sup>st</sup> 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
<b>Total</b>		<b>35</b>	<b>889</b>	<b>828</b>	<b>973</b>	<b>455</b>	<b>827</b>
<b>Percent</b>		<b>0.9%</b>	<b>22.9%</b>	<b>20.7%</b>	<b>24.3%</b>	<b>11.4%</b>	<b>20.6%</b>
<b>Total</b>							<b>4,007</b>

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.

## Chapter VIII Transportation Plan

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The purpose of the Transportation Plan is to provide the policy and program guidance needed to make appropriate transportation decisions when development occurs, when elements of the transportation system need to be upgraded or when transportation problems occur. The Transportation Plan demonstrates how the Minnetonka will provide for an integrated transportation system that will serve the future needs of its residents and businesses; support the city's development plans and complement the portion of the metropolitan transportation system that lies within the city's boundaries.

Minnetonka is responsible for maintaining public roadways as well as a system of trails and sidewalks within the city. Maintaining and improving this multi-modal transportation system is important to the ongoing economic health and quality of life of the city and it is needed for people to travel easily and safely to work and other destinations, to develop property and to move goods.

The Transportation Plan is organized into the following sections:

- \* Roadway System Plan
- \* Transit System Plan
- \* Bicycle and Trail System Plan
- \* Aviation Plan
- \* Implementation Plan

### A. Goals and Policies

Guidance for the development of the Transportation Plan is provided by the Metropolitan Council's 2030 Transportation Policy Plan (TPP). The Metropolitan Council's TPP includes five major themes that address regional transportation:

- \* Land Use and Transportation Investments: Coordinate transportation investments with land use objectives to encourage development at key nodes.
- \* Priorities for Transportation Modal Investments: Encourage a multi-modal transportation system including bicycles, pedestrians, roadways and transit.
- \* Highway Planning: Plan a cost-effective, safe, multi-modal regional highway system that reflects the needs of a growing population and economy.
- \* Improve the Transit System: Tailor transit services to diverse market conditions, improve ridership on transit services, and develop a regional network of transitways on dedicated rights-of-way.
- \* Travel Demand Management: Encourage behavioral and land use changes that will result in fewer vehicle trips, particularly during the peak rush hours.

To respond to the above themes as well as to serve economic activities and improve the quality of life within Minnetonka, the city has adopted transportation policies. These policies

were developed in concert with the overall comprehensive plan goals and policies and include:

Policy No. 1: Provide a safe and integrated transportation system.

- ✓ Treat all modes of transportation and related facilities as one integrated system to be coordinated and developed with other partners and stakeholders.

Policy No. 2: Recognize the interrelationship of land use and transportation, and anticipate impacts of the location and intensity of planned land uses on the transportation system.

- ✓ Plan transportation facilities to function in a manner compatible with adjacent land uses.
- ✓ Strongly encourage pedestrian-friendly and transit-oriented building and site design through measures such as high-density development and growth, which is located along major transportation routes.
- ✓ Require pedestrian connections between complementary land uses.
- ✓ Encourage shared access to streets by adjacent land uses.

Policy No. 3: Provide and promote convenient and accessible transportation systems to residents and businesses.

- ✓ Encourage shared parking between different developments when appropriate.
- ✓ Advocate the location of commercial activity at focused points in the city with adequate transportation infrastructure to accommodate these uses.

Policy No. 4: Manage the impact of new development upon the local transportation system and encourage the use of Transportation Demand Management (TDM) and other traffic management techniques.

- ✓ Require new developments of a certain size to prepare Travel Demand Management Plans.
- ✓ Require new developments to prepare traffic impact studies to determine and mitigate impacts from the proposed development on the transportation system.

Policy No. 5: Anticipate, plan for and collaborate with other agencies for local and regional transportation improvements and programs to lessen the impacts of congestion.

- ✓ Continue to work with Mn/DOT and the State Legislature to improve the capacity of regional highways.
- ✓ Continue to work closely with Hennepin County to improve mobility along county routes within the city.

Policy No. 6: Encourage, with other government agencies, the expansion of multi-modal and transit services in the city to support resident and business transportation needs.

- ✓ Work with existing groups and organizations to adequately meet the specialized transportation needs of seniors, youth, handicapped, and underprivileged citizens in the city.
- ✓ Promote mass transit options, such as bus rapid transit, to reduce dependence on automobiles and provide a diverse, balanced set of public transportation alternatives.
- ✓ Promote telecommuting and flex scheduling to reduce traffic.
- ✓ Identify or develop additional park-and-ride lots throughout the city to encourage transit ridership.

Policy No. 7: Plan for trails and pedestrian ways as a transportation mode and provide a network of trails and pathway connections to schools, commercial areas, parks, activity centers, and access to transit services.

- ✓ Maintain safe road crossings in high traffic areas.
- ✓ Identify pedestrian/bike trails to connect with adjacent surrounding communities.
- ✓ Focus bicycle and trail connections on activity centers within the community and in neighboring communities.

Policy No. 8: Encourage appropriate “traffic calming” techniques within and near residential neighborhoods that are impacted by congestion and excessive traffic volumes and/or speeds.

- ✓ Consider traffic-calming measures to discourage through traffic on local streets.
- ✓ Encourage design of all local residential streets to prevent penetration by through traffic, and properly direct traffic to collector or arterial streets.
- ✓ Where possible, ensure that roadways carrying through traffic border residential and service-commercial areas, rather than penetrating through these areas.
- ✓ Support regional roadway improvements to reduce local roadway traffic levels, which otherwise belong on the regional system.

## B. Major Trends and Influencing Factors

Several social, economic, and environmental trends will have an effect on the entire Twin Cities Metropolitan Area, including the Minnetonka over the next 20 years. These include population growth, changes in household size, increases in transportation fuel costs and environmental efforts/concerns. With increased population growth and limited new and/or expanded transportation facilities, congestion on the regional highway system is expected to increase.

## Section II Transit System Plan

Roadways alone will not be able to address all of the transportation needs within Minnetonka. Other systems, such as transit, are required to serve the varied needs of a metro community. Transit is an important element in the overall transportation network because it:

- Offers an option to senior citizens and people who cannot drive or cannot afford an automobile with access to various services within the area (i.e., medical care, shopping and governmental services).
- Provides opportunities to people who prefer an alternative to automobile travel.
- Potentially removes a portion of existing or future automobile traffic from the roadway, possibly reducing travel time and congestion for other vehicles on the roadway.

### A. Existing Transit Services and Facilities

The 2004 Metropolitan Council 2030 Transportation Policy Plan identified four existing transit market service areas for all communities within the Twin Cities metropolitan area. The market service areas were defined by:

- Population density
- Employment concentration and job density
- Trip volumes and patterns
- Transit dependent segments of the population

Minnetonka is located in the Metropolitan Transit Taxing District. Portions of the city are located within Transit Market Area II while others are located within Transit Market Area III. This means that the eastern portion of the city has a comparatively high level of transit service, with frequent local and express service offered 12-20 hours a day, seven days a week. The majority of the western half of the city is located within Transit Market Area III which means there are fewer transit opportunities featuring peak-only express routes and dial-a-ride service. Please refer to Table VIII-5 for detailed information on Transit Market Areas and their corresponding levels of service. Figure VIII-11 illustrates existing transit services and facilities within the city.

**Table VIII-5  
Transit Market Area Services**

Market Area	Land Use Pattern	Service Options	Service Characteristics
I	Highest concentrations of activity, housing and jobs	Regular-route locals, all-day expresses, special needs paratransit (ADA, seniors, etc.) ridesharing	<p><b>Frequencies:</b> 5-15 minute local and circulator</p> <p><b>Span of Service:</b> 18-24 hours, 7 days per week</p> <p><b>Access:</b> Locals spaced 0.25-0.5 miles apart with 8-10 bus stops per mile</p>
II	Moderate concentrations of jobs, housing and activities	Regular-route locals, all-day expresses, small-vehicle circulators, special needs paratransit (ADA, seniors, etc.) ridesharing	<p><b>Frequencies:</b> 15-30 minute or 30-60 minute depending on land use pattern</p> <p><b>Span of Service:</b> 12-20 hours per day, 7 days per week</p> <p><b>Access:</b> Locals spaced 0.5-1.0 miles apart with 6-8 bus stops per mile</p>
III	Generally lower concentrations with intermittent pockets of moderate concentrations (pockets would receive highest service levels)	Peak-only express, small vehicle dial-a-ride, midday circulators, special needs paratransit (ADA, seniors, etc.) ridesharing	<p><b>Frequencies:</b> Peak-period-only expresses, 1-2 hour midday frequencies, dial-a-ride advance registration</p> <p><b>Span of Service:</b> 10-14 hours per day, weekdays and limited weekends</p> <p><b>Access:</b> Services tied to park-and-ride lots and hubs</p>
IV	Lowest concentrations of housing and jobs	Dial-a-ride, volunteer driver programs, ridesharing	<p><b>Frequencies:</b> As needed</p> <p><b>Span of Service:</b> 8-10 hours per day, weekdays</p> <p><b>Access:</b> Services tied to park-and-ride lots and hubs</p>

Please Refer to the Transit Map (Figure VIII-11)

Minnetonka is currently served by three transit service providers:

- Metro Transit
- Metropolitan Council Transportation Services
- Metro Mobility

These agencies provide the following:

#### 1. Metro Transit

Metro Transit is the primary transit operating division of the Metropolitan Council. There are a number of Metro Transit routes through Minnetonka, including limited service, non-stop service (including to/from downtown Minneapolis) and more frequent service routes. The routes running more frequently offer service every 15 minutes during weekdays from 6:00 a.m. to 7:00 p.m., and Saturdays from 9:00 a.m. to 6:00 p.m. Key transit corridors include TH 7 and I-394. There are four park-and-ride locations within the city. The largest park-and-ride lot is located at the interchange near CSAH 73 (Hopkins Crossroad) and I-394.

This park-and-ride location has a capacity of 1,046 vehicles and offers a connection to four bus routes (615, 652, 673 and 675). The second park-and-ride location within Minnetonka is located at the Plymouth Road Transit Center at I-394 and CSAH 61 (Plymouth Road). It has a capacity of 111 vehicles and provides a connection to five bus routes (652, 671, 672, 675 and 677). Residents have expressed concern regarding capacity issues at both the CSAH 73 (Hopkins Crossroad)/I-394 and CSAH 61 (Plymouth Road)/I-394 park-and-ride lots. In order to meet current and expected demand at these two sites, the need for expanded capacity and increased service levels should be studied further.

Two smaller park-and-rides are located along CSAH 5 (Minnetonka Boulevard) one at the intersection with CSAH 60 (Baker Road) (capacity 10) and one at the intersection with Steele Street (capacity 25). In addition to these park-and-ride facilities, transit users in Minnetonka have access to the Louisiana Avenue Transit Center with connections to 10 bus routes (9, 604, 643, 649, 652, 663, 672, 675, 755 and 756). All transit routes serving the City of Minnetonka are listed in Table VIII-6. Figure VIII-11 displays the existing transit facility information within the city.

**Table VIII-6**  
**Characteristics of the Metro Transit Routes Serving Minnetonka**

Route	Type	Cities Served	M-F Hours	Sat Hours	Sun Hours	Weekday Peak Period Frequency
9	Local	Minnetonka, St. Louis Park, Golden Valley, Minneapolis	5 a.m. to 1 a.m.	5 a.m. to 1 a.m.	6 to 11 p.m.	15 min
12	Local	Minnetonka, Hopkins, St. Louis Park, Minneapolis	5 a.m. to 2 a.m.	5 a.m. to 1 a.m.	5:30 a.m. to 12 a.m.	15-20 min

Route	Type	Cities Served	M-F Hours	Sat Hours	Sun Hours	Weekday Peak Period Frequency
568	Express	Minnetonka, Minneapolis, Edina	6 a.m. to 9 a.m. and 3 p.m. to 6:30 p.m.	-	-	1 trip
612	Local	Minnetonka, Hopkins	6 a.m. to 9 a.m. and 3 p.m. to 6:30 p.m.	-	-	60 min
615	Local	Minnetonka, Hopkins, St. Louis Park	7 a.m. to 6 p.m.	7 a.m. to 6 p.m.	-	60 min
643	Express	Minnetonka, Golden Valley, St. Louis Park, Minneapolis	6 a.m. to 9 a.m. and 3 p.m. to 6:30 p.m.	-	-	30-50 min
652	Express	Minnetonka, Golden Valley, St. Louis Park, Minneapolis	7-9 a.m. EB 3:30 - 5:15 p.m. WB	-	-	3-4 trips
663	Express	Minnetonka, Golden Valley, St. Louis Park, Minneapolis	6 - 10 a.m. EB 3-7 p.m. WB	-	-	15-60 min
664	Express	Minnetonka, Hopkins, St. Louis Park, Minneapolis	6-8 a.m. EB 3:30 to 6:30 p.m. WB	-	-	4-5 trips
665	Express	Minnetonka, Hopkins, Minneapolis	6 a.m. to 9 a.m. and 3 p.m. to 6:30 p.m.	-	-	3 trips
667	Express	Minnetonka, Hopkins, St. Louis Park, Minneapolis	5:30 to 9 a.m. EB 3:30 to 7 p.m. WB	-	-	15-40 min

Route	Type	Cities Served	M-F Hours	Sat Hours	Sun Hours	Weekday Peak Period Frequency
670	Express	Orono, Tonka Bay, Shorewood, Excelsior, Minnetonka, Hopkins, Minneapolis	6:15 to 8:20 p.m. EB 4 to 6:30 p.m. WB	-	-	3-4 trips
671	Express	Shorewood, Excelsior, Greenwood, Deephaven, Minnetonka, Minneapolis	6:20 to 8:20 a.m. EB 4 to 6:20 p.m. WB	-	-	3 trips
672	Express	Orono, Long Lake, Wayzata, Minnetonka, Plymouth, St. Louis Park, Minneapolis	6 a.m. to 6 p.m.	-	-	20-35 min
673	Express	Minnetonka, Minneapolis	5:20 a.m. to 6:30 p.m.	-	-	10-20 min
675	Express	Mound, Spring Lake Park, Wayzata, Minnetonka, Golden Valley, St. Louis Park, Minneapolis	5:20 a.m. to midnight	6:15 a.m. to 11 p.m.	9 a.m. to 8 p.m.	30-60 min
677	Express	Mound, Spring Lake Park, Wayzata, Minnetonka, Minneapolis	5:50 to 8:20 a.m. EB 4 to 6 p.m. WB	-	-	2-3 trips

## 2. Metropolitan Council Transportation Services

Metropolitan Council Transportation Services provides transit service using contracted private providers, in a variety of applications not easily covered by the primary regular route public service providers. This includes contracted regular route services and dial-a-ride systems for community circulation and connections. Transportation Services currently provides weekday

and Saturday general-public dial-a-ride service covering all of Minnetonka, which includes key connections to regular route transit in Hopkins and at Ridgedale Mall for city residents.

### 3. Metro Mobility

Metro Mobility is the Americans with Disability Act (ADA) public paratransit service for persons with disabilities. The Metro Mobility service area is divided into six zones with service providers operating in each zone under contract to the Metropolitan Council. Metro Mobility operates service in Minnetonka during the same span of service each day as the fixed route service operates. Metro Mobility is a shared ride system, in which customers make a reservation and routes are developed according to the trip origins and destinations. Rider eligibility is based on a person's functional inability to use regular-route services due to disability or health condition. The federal Americans with Disabilities Act (ADA) provides parameters and requirements for the service structure that the Metropolitan Council must follow. Metro Mobility service is funded through appropriations from the Minnesota State Legislature, passenger fares and federal funding. The Metro Mobility service in Minnetonka is currently available to eligible customers from 5:00 a.m. to 2:00 a.m., seven days a week.

## B. Transit Strategies

The regional transit goal for the Twin Cities metropolitan area is to double ridership by 2030. Transit needs and strategies for the metropolitan area as a whole were identified in the Metropolitan Council's 2030 Regional Development Framework (2004) and Transportation Policy Plan (2004). Both of these documents essentially emphasize similar transit development goals. The findings and recommendations from these plans relevant to Minnetonka are summarized below:

### 1. 2030 Regional Development Framework

- a. Make local transportation, transit, pedestrian and bicycle investments to improve connections between workplaces, residences, retail, services and entertainment activities.
- b. Identify opportunities to improve connections and address transportation issues such as travel demand management, access management, safety and mobility when planning infill and redevelopment projects.
- c. Adopt ordinances to support integrated land use (i.e. ordinances encouraging or allowing shared parking; centers, transit oriented developments).
- d. Coordinate with businesses and other public agencies congestion-reduction measures such as collaboration with employers, provision of information or incentives to minimize or decrease peak-period impacts.

### 2. Transportation Policy Plan

- a. Planning and investing in multi-modal transportation choices based on the full range of costs and benefits.
- b. Encouraging mixed-use development in centers along transportation corridors that better links housing, jobs and amenities, and reduces the need for single destination trips.
- c. Making more efficient use of the regional transportation system by encouraging flexible work hours, telecommuting, ridesharing and transit ridership.

- d. Focusing highway investments first on maintaining and managing the existing system, and second on slowing congestion.
- e. Building transit ridership by expanding the current bus system and developing a network of dedicated rail and/or bus “transitways”.
- f. Encouraging local communities to implement a system of fully interconnected arterial and local streets, pathways and bikeways.

### 3. Travel Demand Management

Travel Demand Management (TDM) includes strategies and actions for reducing single-occupant vehicle travel, increasing vehicle-occupancy rates, and reducing vehicle miles of travel. Changes in travel behavior for the metropolitan area are constantly being sought to more effectively manage existing transportation facilities. By modifying demand for travel, congestion and the need for facility (roadway) expansion can be lessened.

Minnetonka is a member and active participant in the I-494 Corridor Coalition and their I-494 Commuter Services. This coalition is a Transportation Management Organization (TMO) funded by ongoing Congestion Mitigation and Air Quality (CMAQ) grants for 80 percent of cost primarily by the Metropolitan Council.

Travel demand management may include strategies and incentives to reduce trip-making activity, decrease single-occupant vehicle travel, shift travel away from congested locations, increase high occupancy vehicle travel and decrease peak hour travel. Most TDM actions are targeted toward the peak hour work trip in highly congested areas. TDM programs are more effective where there are multiple strategies for changing behavior. The particular actions selected depend upon the stated objectives and priorities of the TDM sponsor, funding availability, administrative resources, and participant support. Minnetonka has a TDM program that requires developers to provide a sidewalk/trail alignment plan and describe efforts to promote walking, biking, transit and carpools with each development proposal. As part of the city’s TDM program, they will also consider reduced zoning ordinance requirements such as a reduction in requirements for auto parking in transit-oriented developments or bike/walk districts. Other TDM strategies applicable to Minnetonka are discussed below:

- a. Ridesharing: Minnesota Rideshare provides carpool and vanpool matching services, promotes ridesharing, and sponsors demonstration projects in the Twin Cities area. Ridesharing can be especially attractive for longer trips on congested corridors such as work trips from Minnetonka to other metropolitan centers.
- b. Transit/Ridesharing Incentives: Employers can encourage employees to rideshare or use public transit if available. The benefits to the employer may include a reduction in the need for parking facilities and less traffic congestion around the employment site. Incentives from employers can include subsidized bus passes, on-site sale of bus passes, distribution of transit schedules and ridesharing information, subsidy of vanpools, and preferential parking for those ridesharing.
- c. Alternative Work Schedules: Variable work hours, flex time and other alternative work schedules can shift from the peak hour or period. However, changes in start-time tend to dilute the ability to share rides.
- d. High Occupancy Vehicle Lanes: High Occupancy Vehicle (HOV) facilities provide incentives for carpooling, vanpooling and transit. As highways become congested, highway lanes reserved for HOVs can provide time savings over the more congested

mixed traffic lanes. The occupancy restriction typically applies during peak periods and in the peak direction.

## C. Future Transit Development

### 1. Local Public Transit Services

Minnetonka has been provided by the Legislature, the right to operate an independent suburban transit authority, with the ability to locally manage and operate transit services for residents and share in a portion of regional operating and capital transit funds. The city obtained this authority in 2002, and currently receives and oversees transit services from the Metropolitan Council via a Memorandum of Understanding. Minnetonka could elect in the future to directly contract for and operate these services if the City Council so chooses for any reason. With or without independent transit operations, city staff may direct and provide input for service redesigns annually under current agreements. Local bus service redesign can benefit residents and provide for changing travel patterns, population growth, and business growth where it is deemed appropriate, depending on resource availability and transit usage.

### 2. Transitways and transit facility enhancement

Metro Transit and the Metropolitan Council are considering a list of new transitway projects that will impact Minnetonka transportation and access. The current Transportation Policy Plan calls for continued development of at least one Light Rail Transit (LRT) corridor in the area. A route proposed that has the potential to affect Minnetonka transit users includes the Southwest Corridor LRT Line. Transit stations at key points on this route will offer park-and-ride facilities and bus transfers from local routes to expedite travel in the Metro area. The Southwest Corridor LRT includes a preferred alignment that directly serves the Opus area, as well as Hopkins and the Golden triangle, offering significant transit improvements for Minnetonka-area residents, employees, and employers as well as the communities of Eden Prairie, St. Louis Park and Minneapolis.

Minnetonka will continue to study opportunities to improve transit effectiveness throughout the city. This will include planning for walkable communities, Transit-Oriented Development (TOD), additional park-and-ride facilities, better coordination of transportation services and resources, and densification of housing and employment where it is appropriate and advantageous. The I-394 corridor is a key corridor that runs along the cities northern boundary, moving both Minnetonka residents to and from home and work and servicing the many needs of people throughout the Twin Cities. This corridor must play a significant role in the advance of transit opportunities. These considerations will be fully integrated with and complementary to Hennepin County's and the Metro Region's plans and policies for transit and transportation. In addition, as the new Village Center areas (see Land Use Section) continue to develop/redevelop, the overall transit system will need to be reviewed to ensure connectivity to these centers.

### 3. Improved Travel Demand Management

As noted earlier, Travel Demand Management (TDM) strategies and travel options, as promoted by I-494 Commuter Services, the local Transportation Management Organization (TMO) and Metro Commuter Services, the regional TMO, have had some success affecting commuter travel, especially ridesharing, car-pooling, and van-pooling, but has not had a significant impact on congestion or travel flexibility. Strategies such as flex work hours have not been adopted widely in the Twin Cities, nor has telecommuting. These both offer good

potential as future measures, especially telecommuting as computer networks continue to grow in capacity and sophistication.

New TDM options will be supported and explored by Minnetonka as they develop. These include systems such as Nu-Ride, a commercial internet-based and highly flexible rideshare system, and car-share programs such as HourCar and ZipCar that provide easy local access to short term car rentals or car subscription services. Transit promotions, new fare tools and transit incentives including expanded specialty pass programs, and changes to taxi regulation and other commercial services are other TDM activities that may provide benefits to Minnetonka residents and employers.

#### 4. Other transit alternatives

Minnetonka residents are part of the regional car pool matching database, a service for those wishing to share a ride. Carpool participants qualify for the regional guaranteed ride home program; may use High Occupancy Vehicle (HOV) lanes and meter bypass ramps; receive parking discounts in some circumstances; may participate in occasional promotional benefits. Minnetonka commuters also have the opportunity to participate in the regional Van-GO! program. Van-GO! is a regional vanpool program sponsored by the Metropolitan Council. Van-GO! vanpools are made up of 5 to 15 commuters picked up along the vanpool route or at an agreed upon location. Like buses and carpools, vanpools are eligible to use meter bypass lanes or ramps and HOV lanes.

### D. Transit Advantages

There are several “transit advantages” available to commuters traveling to and from the city of Minnetonka. These are facilities such as bus-only shoulders, HOV lanes, and ramp-meter bypasses that give buses, and the people riding them, an advantage over a single-occupant vehicle. Bus-only use of freeway shoulders when the roadway is congested is available along portions of I-494 and I-394. I-394 includes a reversible high-occupancy-vehicle (HOV) lane, which creates a priority route for buses and car pool vehicles during peak traffic hours. Recently, the MnPASS toll system was implemented on this road, allowing single-passenger vehicles to use the road for a fee. These lanes can only be used by buses and vehicles carrying two or more people during peak congestion hours. There are several meter bypass lanes within the Minnetonka service area. Bypass lanes allow buses and cars with two or more people to bypass congested on-ramps during peak travel times. There are additional meter bypass lanes accessible to commuters traveling from Minnetonka to other parts of the region, but not located within the city of Minnetonka itself.

## Chapter IX Economic Development and Redevelopment

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Minnetonka has always been a great place for business. Since its beginnings as a settlement built around the first privately owned sawmill west of the Mississippi River, to its current status as the home of several multi-national corporations, Minnetonka has *always* been, and *continues* to be seen as an attractive place for business.

Minnetonka has many attributes that make it an ideal city to locate and do business including:

- \* A convenient Twin Cities location;
- \* A highly educated workforce (according to the 2000 census, 95.9 percent obtained a high school education and 51.6 percent had a bachelors degree or higher);
- \* Its close proximity to transportation modes, including local and international airports; highways and major roads and railways;
- \* Its reputation as a wonderful place to live with a range of housing opportunities and charming neighborhoods;
- \* Highly regarded natural resources and recreational opportunities;
- \* Its close proximity to shopping and entertainment;
- \* Notable school districts; and
- \* A city administration that values business and industry.

Although Minnetonka is home to several multi-national and regional corporations, the city realizes the importance of locally owned and operated neighborhood businesses to its economy and livability. The city places emphasis on building strong, lasting relationships with its business community, no matter how large or small.

Minnetonka is a fully developed city. Only one percent of land in the city is undeveloped. Thus, any new development will come in the form of redevelopment. This chapter of the 2030 Comprehensive Guide Plan reviews recent employment and business trends in the city and discusses opportunities and constraints for future development. It also looks at specific business locations and “villages” where development and/or redevelopment is expected to occur over the next 20+ years, citing specific objectives for these areas and general policy that will guide public investment decisions at these locations. The city’s role, as well as tools to achieve development and redevelopment, is also discussed in this chapter.

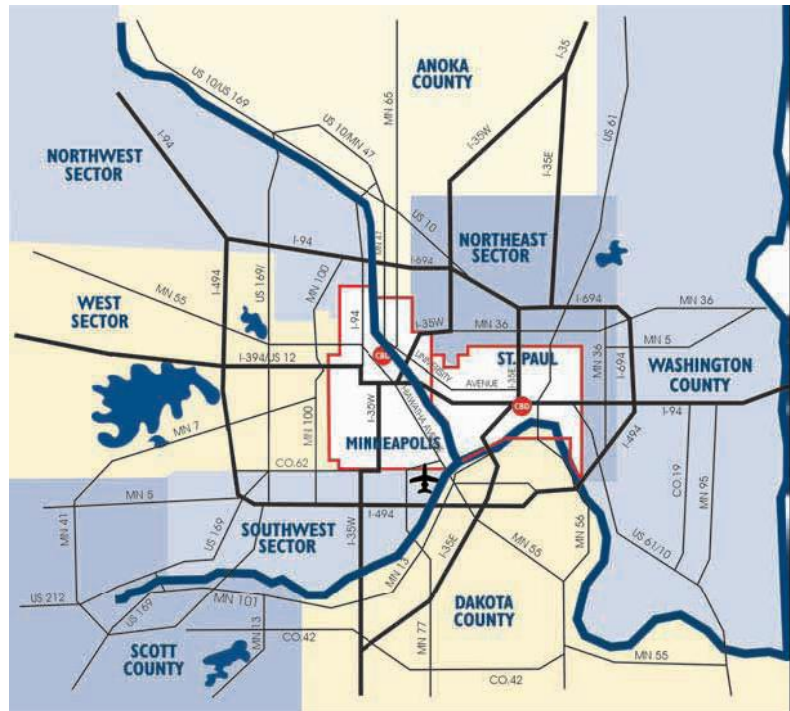
### A. Recent Business Trends

#### 1. Office/Warehouse/Industrial

Minnetonka is in the west market sector of the Minneapolis/St. Paul Metropolitan office market as shown on Figure IX-1. The west market sector is the third largest office submarket in the metropolitan area.

**Figure IX-1  
Market Sector Map  
Minneapolis/St. Paul Metropolitan Area**

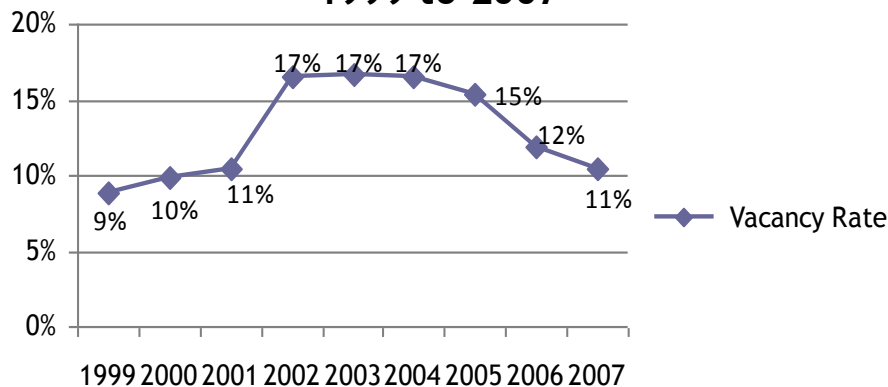
The office space boom came to Minnetonka in the early 1980s and early 1990s with the construction of large-scale office buildings and campuses along major highways and roadways, such as the Carlson Towers, Opus Business Park, and the Minnetonka Corporate Center. During this time, the way businesses operated changed significantly—from administrative space and product creation occupying the same warehouse space to administrative offices occupying their own space in newly constructed, elaborately designed business towers, independent from the locations where products were made and distributed.



Source: Colliers Turley Martin Tucker Minneapolis/St. Paul 2007 Commercial Real Estate Report

During the late 1990s, the rise of the internet industry provided the impetus for the construction of more office space in Minnetonka and throughout the country. After the internet market declined in the early 2000s, beginning in 2004, the office and industrial market vacancy rate experienced a significant decrease.

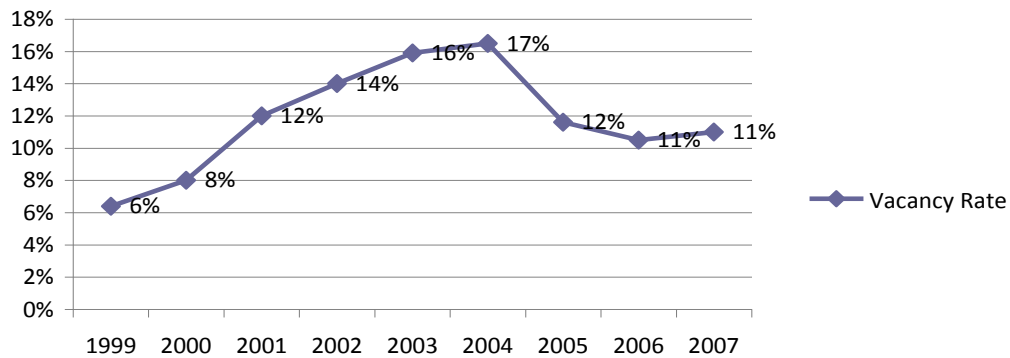
**Table IX-1  
Historical Vacancy  
West Office Submarket  
1999 to 2007**



Source: United Properties Office Outlook West 2007

Vacancy rates increased as companies went out of business and were forced to move out of buildings. Currently, new office development is occurring in Minnetonka and vacancy rates have decreased significantly to their pre internet decline rates.

**Table IX-2**  
**Historical Vacancy**  
**Southwest Industrial Submarket**  
**1999 to 2007**



Source: United Properties Industrial Outlook Southwest 2007

Due to land constraints both in Minnetonka and in many communities in the west/southwest suburbs, future office and industrial development is projected to take place through redevelopment. This trend can already be seen as the demand for more land on which to build office space has prompted companies to either move their operations to adjacent areas within Minnetonka and/or just outside to adjacent communities.

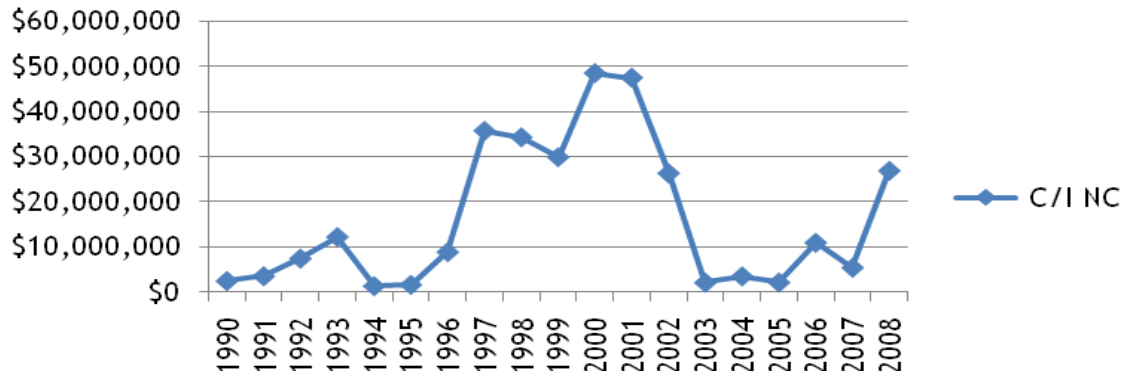
For example, one trend has been for a company to start out with a location in Minnetonka, and as it grows and requires more space, it may move its operations or part of it to a nearby community such as Eden Prairie (and vice versa). Businesses located in this region balance their need for additional space with the land constraints found in a prime west/southwest suburban location. Because of this “business reciprocity”, cities must work together as a region, as well as with local chambers of commerce to attract and retain businesses. To accommodate their need for space, Minnetonka companies are also redeveloping their current space using enhanced building design, including “green” techniques.

## 2. Retail/Commercial

Minnetonka is composed of residential neighborhoods with commercial districts, or “villages” along major corridors and intersections. Some commercial villages such as Glen Lake, Minnetonka Mills, and the district at the intersection of Minnetonka Boulevard and County Road 101 have long been interwoven into the character and identity of their surrounding neighborhoods, with businesses that provide them with essential goods and services. Larger commercial areas, such as Ridgedale and the Highway 7/County Road 101, are more regional or community-oriented, respectively, in nature and serve a broader, more diverse population.

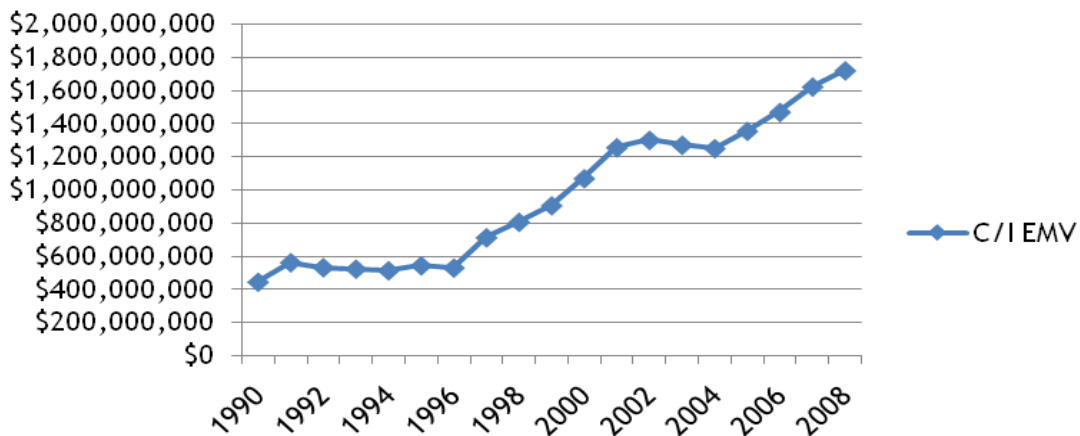
Tables IX-3 and IX-4 show the value for new construction and estimated market value for commercial and industrial development in Minnetonka.

**Table IX-3**  
**Commercial/Industrial New Construction**  
**Total Value for All Projects**  
**Minnetonka**  
**1990 to 2008**



Source: Minnetonka City Assessor's Office  
 Note: 2008 - as of April 2008

**Table IX-4**  
**Commercial/Industrial Estimated Market**  
**Value**  
**Minnetonka**  
**1990 to 2008**



Source: Minnetonka City Assessor's Office

### 3. Fiscal Disparities

The Twin Cities metropolitan area has a unique tax base sharing program, fiscal disparities, that began in 1971. Each community contributes 40 percent of its growth in commercial/industrial property tax base into a shared pool. The pool is then redistributed back to jurisdictions based on population and value of property compared to the metropolitan average. The purpose of the program is to reduce the fiscal disparities between communities in the seven-county metropolitan area. For example, the smaller per capita property value a

community has compared to the metropolitan average, then the larger the distribution they receive and the larger the per capita property value then the smaller distribution.

In 2007, Minnetonka was the third highest net contributor in the metropolitan area, behind Bloomington and Eden Prairie. Therefore, Minnetonka contributed more to the fiscal disparities program than the city received in return. The city, in 2007, contributed \$11,238,943 to the fiscal disparities program, and received a distribution of \$3,796,441, a net loss of -\$7,442,502.

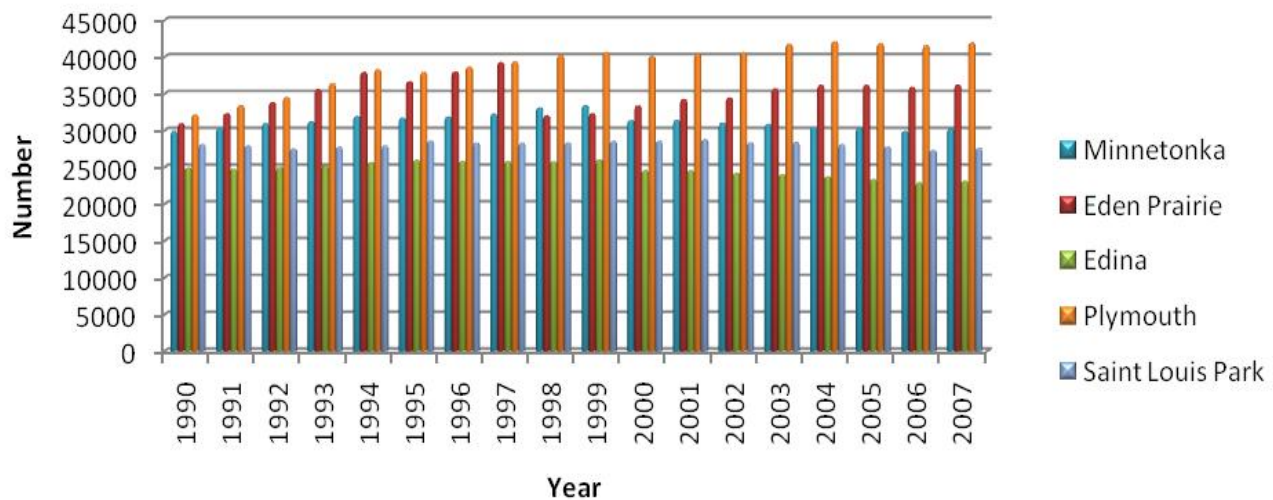
## B. Employment Trends

### 1. Labor Force

Minnetonka has an educated labor force. According to the 2000 Census, 95.9 percent of Minnetonka residents had obtained a high school diploma and 51.6 percent had earned a bachelor’s degree or higher. Additionally, 71 percent of the total population age 16 years and older worked in 2000. The majority of those individuals worked outside of Minnetonka (76 percent). Only 24 percent of Minnetonka residents live and work in Minnetonka. This is comparable to the percentage of residents of surrounding cities, such as Edina, Plymouth and Eden Prairie that work in their city of residence.

In 2007, there were 30,238 persons in “the labor force” in Minnetonka. The labor force consists of people ages 16+ who are employed or actively seeking employment. The labor force is defined by where people live, not where they work. This was down from previous years and less than all adjacent communities except for Edina as shown in Table IX-5. This is most likely due to the aging of the community, which results in a higher number of residents leaving the workforce for retirement - both Minnetonka and Edina have a higher percentage of senior citizens than surrounding communities.

**Table IX-5  
Annual Average Labor Force  
Not Seasonally Adjusted  
1990-2007**



Source: MN DEED, Local Area Unemployment Statistics

2. Employed Persons

In 2010, it is projected that there will be 53,800 people employed in Minnetonka. The figures in Table IX-6 below represent the number of jobs in Minnetonka. It is projected that by 2030, there will be 58,600 jobs in the city.

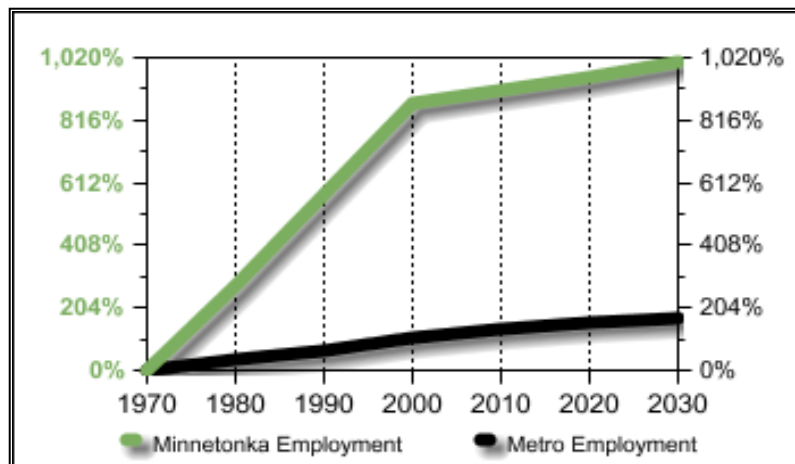
**Table IX-6  
Employment Trends**

Year	Employment
1970	5,290
1980	19,818
1990	35,536
2000	51,276
2001	50,031
2002	45,258
2003	44,339
2004	46,888
2005	46,980
2006	46,832
2010 (Projected)	53,800
2020 (Projected)	56,000
2030 (Projected)	58,600

Source: Metropolitan Council

From 2000 to 2006, according to the Metropolitan Council, there was a loss of 4,444 jobs in Minnetonka; an 8.7 percent decrease. This could help to explain the decrease in the number of employed persons. However, this job loss also occurred throughout places where the number of employed persons increased, such as Eden Prairie and Plymouth, which may signify that more people living in these cities commute to employment in other places.

Despite recent decreases, employment projections from 2000 to 2030 show a net gain of 7,324 jobs in Minnetonka, a 14 percent increase.



**Figure IX-2  
Minnetonka and Metro Area  
Employment Change and  
Projections  
1970-2030**

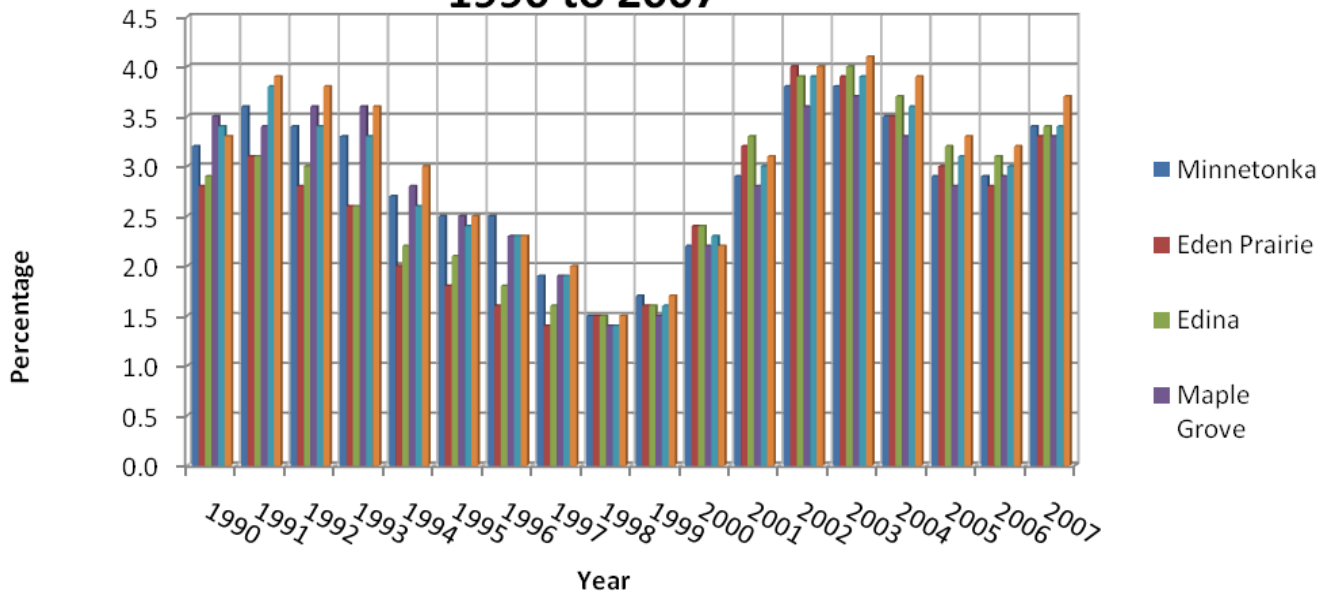
Source: Metropolitan Council

### 3. Unemployment

Minnetonka's unemployment rate for 2007 was 3.4 percent, lower than the 4.3 percent annual average for the Minneapolis metropolitan area and the 4.6 percent for the state. The unemployment rate has remained low over the past 17 years, consistent with surrounding communities as shown on Table IX-7. This is most likely due to Minnetonka's educated and skilled workforce.

Table IX-7

## Average Annual Unemployment Rate 1990 to 2007



Source: MN DEED, Local Area Unemployment Statistics

### C. Redevelopment in Village Areas

Minnetonka is a fully developed city with less than one percent of developable, vacant land. City leaders have long realized that any future development will likely be in the form of redevelopment. There are many opportunities for redevelopment in the city, such as older industrial and business parks, underutilized parcels along major arterial roads, former “big box” stores and outdated neighborhood commercial spaces.

The city has identified several business areas or “villages” where redevelopment will likely occur within the next 20+ years and have developed specific redevelopment objectives for each village. The city's goal is not to dictate specific types of development to occur in these villages - the city realizes that market forces and individual property owners will decide what is ultimately built. Rather, the city, through the comprehensive plan update, is providing a framework or plan for uses that will be most complementary for these specific sites, and will best serve the interests of the broader community.

#### 1. Ridgedale/I-394 corridor

In the 1970s, the construction of I-394 led to the growth of retail, service and commercial development adjacent to the highway from Minnetonka to Minneapolis. The largest development along the I-394 corridor is Ridgedale Center, Minnetonka's regional shopping

center. Numerous complementary retail and commercial businesses such as grocery stores, strip malls, and restaurants grew around the shopping center, making it a regional destination.

Because of its regional scope, future redevelopment in Ridgedale should place heavy emphasis on its potential for more than just shopping, but on making it a regional entertainment district. Ridgedale is an ideal place for movie theaters, restaurants with live music and family-oriented entertainment. The city will promote these types of businesses in Ridgedale, as well as other appropriate areas throughout the city.

While most land in the Ridgedale area is fully developed, plans for this area, as called out in Chapter IV - Land Use Plan of this document, include the redevelopment of various sites placing heavy emphasis on the use of transit oriented design (TOD), public spaces, more dense housing, pedestrian connectivity and mobility and enhanced automobile circulation. Traffic management techniques will be critical to the redevelopment of this area.

## 2. Opus

The Opus Business Park is a prime example of the redevelopment trend occurring in Minnetonka. While most of the business park was built in the 1980s and 1990s, several parcels are currently being redeveloped. The need for road improvements will likely constrain further development in and around the Opus Business Park. However, through the redevelopment process, the city will continue to work with businesses to address the need for road improvements and continued pedestrian connectivity in this area.

There are plans for a future light rail transit (LRT) station in the Opus area that will take riders from Minnetonka to downtown Minneapolis or Eden Prairie and vice versa. While these plans are not finalized at this time, future redevelopment of this area should anticipate the LRT system and heavily focus on the use of TOD principles to develop land uses that are compatible with transit, such as high-density housing and mixed use residential/office/commercial buildings. The LRT, combined with the use of TOD will greatly increase both residential, office, and commercial density in Opus, beyond what current development. The use of TOD will also provide the impetus for the use of sustainable building design and techniques and “green” buildings in this area.

## 3. Glen Lake

Glen Lake is a community village area located on Excelsior Boulevard between Glenview Drive on the east and Williston Road on the west. Some redevelopment of this area is currently underway through private investment in new mixed-use residential/commercial construction and public investment in streetscaping and park renewal. Opportunities for future development in Glen Lake include further private investment in the redevelopment of outdated commercial areas with new, cohesively designed, mixed-use developments as well as continued public streetscaping improvements.

## 4. Highway 7/County Road 101

The commercial area along County Road 101 at Highway 7 is known as “7-Hi”. This community commercial village currently includes big box retail and grocery stores, office, strip malls, restaurants, and other compatible uses. Future redevelopment objectives for this area include a mix of uses, including residential, public green spaces that connect to local trails and neighborhoods, and the incorporation of transit facilities. Cohesive design principles will be important as this area redevelops, since it is not anticipated to redevelop all at the same time.

## 5. Minnetonka Boulevard and County Road 101

The redevelopment of the neighborhood commercial village at the intersection of Minnetonka Boulevard and County Road 101 focuses on new, cohesive design elements, and pedestrian-friendly streetscape improvements. A large road improvement project completed in 2007 at this intersection has provided the impetus for both private reinvestment and additional public investment in streetscaping and landscaping in this area. Some property owners have already begun reinvesting in their properties.

### D. The City's Role in Economic Development and Redevelopment

In the past, the city has not needed to provide much assistance to commercial, industrial or office developments. However, as new economic development and redevelopment opportunities and retaining existing businesses becomes more competitive between cities, the price of land continues to increase, and limited land supply for new facilities and expansion opportunities, the city may have to provide more assistance in the future in order to attract and retain these economic development and redevelopment opportunities.

#### 1. Economic Development Authority

The City of Minnetonka's Economic Development Authority (EDA) is a seven-member body that includes two City Council representatives and five citizens. The EDA was established in 1988 replacing the previous Housing and Redevelopment Authority. The EDA's mission is to advise the City Council on matters related to economic development, redevelopment and affordable housing.

The EDA has typically taken a reactive role in economic development and redevelopment since the private market has been able to finance projects on its own. On a few occasions, the EDA has been active in economic development and redevelopment projects.

- \* Glen Lake Area

The EDA was involved in the Glen Lake Station public and private improvements in the late 1970s and early 1980s. The city and EDA improved roads, sidewalks, landscaping, and the plaza, while helping developers invest in the private buildings.

The most recent example where the EDA has played an active role is the Glen Lake Redevelopment, a mixed-use development that began in 2006. Working with a private developer, the EDA provided TIF for the redevelopment of several aging buildings and new public improvements. The city and EDA are also working to update the sidewalk, landscaping, streetlights, and plaza that were improved nearly 30 years earlier.

- \* West Ridge Market

The EDA worked with a private developer and used tax increment financing (TIF) to help create West Ridge Market, a mixed-use project of commercial and multi-family housing, in the late 1990s.

- \* Ridgebury

Like the West Ridge Market redevelopment, the EDA and a private developer worked together to create new office space and multi-family housing. The EDA provided TIF for the project that began development in the late 1990s/early 2000s.

The EDA has taken an active role in ensuring that both affordable rental and for-sale housing is included in new residential development. The city also makes funding available for single-family rehabilitation. The city views the provision of and investment in affordable housing as

critical to economic development by making decent, affordable housing for those who may work in Minnetonka and adjacent communities. More information on the city's housing activities and goals are included in the Housing chapter of this plan.

## 2. City Review of Projects

The city's development review process of economic development and redevelopment projects is either a two-step or three-step process depending on the project. Most projects typically go through the two-step process where the Planning Commission first reviews and makes a recommendation to the City Council. The City Council then reviews and makes the final decision.

Some projects, where there may be an affordable housing component to the project or city financial assistance is requested, will go through a three-step development review. First, the EDA will review and make a recommendation to the City Council. Next, the Planning Commission will review and also make a recommendation to the City Council. Finally, the City Council will review the project and recommendations made by the EDA and Planning Commission and make a final decision.

## E. Economic Development and Redevelopment Tools

### 1. Industrial Development Bonds

In the past, one of the most commonly used financial assistance tools was the tax-exempt revenue bonds. These bonds are essentially a low-cost loan to industrial developers from the city. The city issues the bonds, but they are backed by the promise of the payments from the industrial developer rather than the taxing power of municipality. The bonds are approved in Minnetonka or other communities since they have no direct cost or obligation to the local taxpayers. Many building in the Opus Business Park and other industrial buildings throughout the city were financed using these bonds.

### 2. Tax Increment Financing (TIF)

Tax Increment Financing (TIF) has been used sparingly by the city because it has not experienced the need to provide subsidies to attract economic development or redevelopment. Instead, in the past, TIF has been mainly used as offsets for developers to include affordable housing in their developments. TIF uses the increased property tax payments from a site after development to retire bonds or notes that are used to raise capital for use in a given project. After the bonds or notes are repaid, the increase in property tax again flows to the city, county and school district.

The city's use of TIF is as follows:

Name of District	Decertified or Current	Use of Funds
Economic Development District No. 1 (Carlson)	Decertified	Public improvements including interchange
Housing District No. 1 (Cliffs/RidgePointe)	Decertified	Land write-down and site preparation
Soils District No. 1 (Hedberg)	Decertified	Hazardous materials mitigation, soil correction, groundwater monitoring
Redevelopment District No. 1-3 (Ridgebury)	Decertified	Affordable housing land write-down
Housing District No. 2 (Beacon)	Current	Acquisition and land write-down

Name of District	Decertified or Current	Use of Funds
Hill)		
Redevelopment District No. 1-2 (Boulevard Gardens)	Current	Land write-down
Housing District No. 3 (Mtka Mills)	Current	Land write-down
Renewal & Renovation No. 1 (Glenhaven)	Current	Land acquisition, public improvements, relocation

3. Twin Cities Community Capital Fund

The Twin Cities Community Capital Fund (TCCCF) is a relatively new economic development loan fund, established in 2004 that is a conduit for financing. Local governments and county governments in the Twin Cities metropolitan area can participate by becoming members. Once a community joins, it allows businesses that currently are located or wish to locate in that community to apply for loans for such things as acquisition, construction, and renovation. The loans offered by the TCCCF are a source of gap financing. A lender(s) provides the majority of the financing and the TCCCF helps to finance the gap between the amount needed to complete the project and the amount of financing the business can obtain. The TCCCF loans are secured by a pool of funds that are made up from the membership fees by the participating communities.

Minnetonka joined the TCCCF in 2004 at the Class A level, which allows loans to be made up to \$2,000,000 for Minnetonka businesses or those that wish to locate to the city. No TCCCF loans have been made at this time in Minnetonka; however, several businesses have looked into the program.

4. Common Bond Fund

Hennepin County and the City of Minneapolis have collaborated to make available the City of Minneapolis' Common Bond Fund to all Hennepin County communities. Revenue bonds are issued for industrial, manufacturing or certain commercial businesses in order to acquire land or production equipment or to construct, expand, or renovate buildings.

5. Department of Employment and Economic Development

The Department of Employment and Economic Development (DEED) is a state agency that provides certain programs to assist with business location, expansion, or retention.

6. TwinWest Chamber of Commerce

TwinWest is the local chamber of commerce for Minnetonka businesses. They serve 10 western and northwestern suburbs. TwinWest provides networking, professional development, community connections, advocacy, and information to their members. The City of Minnetonka is also a member of TwinWest and participates in various events and programs.

7. Tax Abatement

Tax abatement is a more recent economic development tool available to local governments. Abatement uses a rebate of taxes to help finance projects rather than an exemption from paying taxes. Each local taxing jurisdiction (city, county, and school district) decides if they are going to abate the taxes, and one, two, or all three of the governments can participate. Projects that use abatement must meet certain public purpose tests, and cannot be used in conjunction with tax increment financing.

The City of Minnetonka has not used tax abatement, but has taken steps to learn more about the program.

#### 8. Transit Oriented Design (TOD)

The use of TOD can have huge economic benefits and its economic impact cannot be underestimated. The use of TOD in high density areas, such as Ridgedale and Opus will provide opportunities for a mix of housing, jobs, shopping and recreational choices in those areas, making it easier for people to walk, bike, or take transit to their destinations. Businesses located in or adjacent to TOD areas will benefit from foot traffic due to density of housing and employment in the area, enabling them to attract customers during the day and in the evening and on both weekdays and weekends.

TOD will be very important to Minnetonka, as demographic changes will include increases in the number of older households, singles, and smaller households over the next 30 years. These populations will look for a variety of housing choices, especially those located near employment, goods, and services and public transportation alternatives. While living near a transit station might not appeal to everyone, TOD areas will still provide those who may not live around stations the opportunity to park, ride, and enjoy the amenities of the area.

#### 9. Technology

Technology is critical to today's economy. Businesses rely on the internet more than ever before. More and more people are choosing to work from home or use the internet to make purchases and handle business. Public investment in such technological innovations will be critical for cities like Minnetonka to continue to be competitive and to attract businesses to the community. Not only are public investments in technology important for attracting businesses, but also to attract and retain residents who want to live in a city that is current on trends and provides them with the necessary tools that cater to their lifestyles.

The city should survey local businesses and residents to determine what types of technology are most important to them and their business activities.

#### 10. Home Based Businesses

Research conducted by adjacent communities show that the number of home based businesses is substantial. The number of home based businesses is likely to increase over the next twenty years since the internet and other technology has made working from home more convenient (and economical for many).

While the number of home based businesses in Minnetonka is unknown, the city should conduct a survey of residents in attempts to grasp the amount of these businesses in the community, as well as to develop relationships. The city should also play an active role in providing these businesses with networking opportunities.

#### 11. Conclusion

In order to maintain and perhaps enhance its current economic vitality, the city in the future will need to consider and promote:

- \* Transportation/mobility/accessibility,
- \* Business outreach and retention activities,
- \* "Green" and sustainable building techniques and design,
- \* Good building design,

- \* Transit Oriented Design in high density locations such as I-394/Ridgedale and Opus,
- \* Pedestrian connectivity,
- \* New technologies that businesses view as vital
- \* Recreation opportunities, and
- \* Natural resources and open space



July 27, 2009

# **Urban Land Institute Minnesota/ Regional Council of Mayors**

## **Opportunity City Pilot Program Summary Report**

### **City of Minnetonka**

**Urban Land Institute (ULI) Mission:**

*ULI provides responsible leadership in the use of land and in the creation of thriving communities worldwide.*

**Urban Land Institute Minnesota (ULI MN):**

*ULI Minnesota actively engages public and private sector leaders to foster collaboration, share knowledge and join in meaningful, strategic action to position our region for economic growth and prosperity.*

**Regional Council of Mayors (RCM)**

*Supported by ULI Minnesota, the nationally recognized Regional Council of Mayors was formed in 2005 and represents Minneapolis, Saint Paul and 36 municipalities in the developed and developing suburbs. This collaborative partnership provides a nonpartisan platform that engages mayors in candid dialogue and peer-to-peer support with a commitment towards building awareness and action focused on housing, sustainability, transportation and job growth.*

A special thanks to the Opportunity City Pilot Program sponsors. Without their financial contribution, the program would not be possible.

- Family Housing Fund
- Metropolitan Council
- City of Minnetonka

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**Program Goals/Outcomes:**

The goal of the Opportunity City Pilot Program is to build on the collaborative relationships among Regional Council of Mayors (RCM) and Urban Land Institute (ULI) professionals to identify and implement best practices that support a full range of housing choices for economic stability and regional prosperity.

The City of Minnetonka is one of five metropolitan suburban communities selected to participate in the ULI MN/RCM Opportunity City Pilot Program. Minnetonka has a history of participation in RCM. Past Minnetonka mayors, Jan Callison and Karen Anderson (a founding member of RCM), were active participants in the RCM. Current Mayor Terry Schneider has participated regularly since becoming mayor in 2009. The Minnetonka EDA committed \$5,000 to the Opportunity City Pilot Program and Minnetonka dedicated countless staff hours to the collection of information, evaluation of tools and strategies and coordination related to the housing audit, community data and site evaluation.

With cities working together and learning from each other, the outcome of the process is to develop an approach that identifies local housing tools and strategies that can serve as a model for other cities and be brought to scale at the regional level. In addition, implementation of new tools and strategies will enable suburban cities to better prepare themselves for the future through preservation, rehabilitation and production of quality housing units, use of regulatory incentives, incorporating sustainability and connecting housing to jobs and transportation networks.

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**Process: The Housing Audit**

- 1.) Review of the housing framework.
- 2.) Analyze the Community Change Report as it relates to demographic and household data.
- 3.) Review and evaluate existing city tools and strategies surrounding the preservation and production of a full range of housing choices.
- 4.) Identification of specific recommendations for local implementation.

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Attachments to the summary report include: housing framework review, community factors questions, community change report, program review detail, Corridor Development Initiative report and performance review template.

## **Minnetonka's Story**

*The City of Minnetonka has long been regarded as a desirable place to live and raise a family with its diverse topography, natural amenities and close proximity to downtown Minneapolis. As land for housing diminished the market demand for that housing grew, causing values to rapidly increase. Currently, the availability and affordability of homes for young households is limited. The lack of availability is directly related to the low turnover of existing housing, less than 2% per year, which further diminishes options for neighborhood regeneration.*

*Minnetonka's policy leaders have been well aware of these issues for some time and have taken a leadership role in dedicating financial resources and making land use policy decisions in support of affordable housing. However, through the Opportunity City Program, the community data indicates that aging-in-place has increased while capturing younger households that are moving from rental to ownership has decreased. These factors will continue to limit opportunities for younger households and their ability to live in the City.*

*Providing additional tools and strategies that support a full range of housing choices will help Minnetonka address the limited affordable housing and availability of existing and new housing options. These options should include providing support for additional housing types at various values that empty nesters and older households would find attractive so they could still have the benefit of remaining in the city. This, coupled with strategies to retain and attract young households by targeting purchase assistance and the construction of new affordable housing options within redevelopment areas, will help the City remain economically and competitively viable.*

*Through continued strong leadership that supports difficult policy decisions, Minnetonka will remain an attractive and desirable place to live for all ages and income levels.*

## **City Housing Goals and Policies:**

The Opportunity City Pilot Program has five key themes in support of a full range of housing choices:

- Preservation and rehabilitation.
- Production of housing units that support varied resident life cycles and incomes.
- Use of regulatory incentives.
- Sustainability.
- Jobs/housing balance connected to transportation systems.

The review of the City of Minnetonka's goals and policies indicates a wide range of support for these key themes. The various community goals are incorporated into the City's current Comprehensive Plan and are briefly outlined below. *[More detail provided in Appendix 1.]*

### **Housing Goals:**

- Strengthen neighborhoods by improving the existing housing stock.
- Promote new affordable and market-rate rental and for-sale housing.
- Encourage diversity in the types, sizes and prices of housing units available in Minnetonka.
- Create partnerships with other agencies to ensure the longevity of affordable housing.

### **Land Use Goals:**

- Build a community that provides generous natural beauty, quiet neighborhoods, an overall sense of safety and security, a strong tax base, orderly commercial and industrial districts and ample local employment opportunities.

### **Livable Communities Action Plan Goals through 1996-2010**

Many of the goals already have been achieved.

- Build 180 for-sale housing units.
- Build 324 affordable rental units.
- Provide homebuyer assistance for 90 households.
- Rehabilitate 120 owner-occupied units.
- Build 89 family rental units.
- Build 90 rental units for senior citizens and those with special needs.
- Increase the number of property owners who accept Section 8 rent assistance certificates.
- Rehabilitate two rental apartment buildings.

## **Evaluate Community Factors:**

In every city, there are internal and external factors that hinder the city's ability to provide a full range of housing choices. In Minnetonka, several factors were evident, as determined through interviews with staff and meetings with policy leaders. The following is summary of the key community factors for Minnetonka. *[More detail provided in Appendix 3.]*

### **Fully Developed Community and High Cost of Land**

- Costly to redevelop existing land uses.
- Infill redevelopment occurs but the type and size of the new use is expensive and may not fit into the existing neighborhood character.
- Difficult to attract young households due to the lack of available options and higher cost of existing housing.

### **Resistance to Higher Density Housing**

- Fully developed city with only some areas developed at higher densities.
- The cost of redevelopment requires higher densities that the 12 or more units per acre allowed in Minnetonka. Higher density projects at 20-25 units per acre help to reduce the high costs of redevelopment and provide workforce housing opportunities.

### **Aging of Homes and Aging Households**

- City beginning to experience scattered deferred maintenance.
- Observing the increased difficulty of older households in single-family homes being able to maintain the homes and afford increasing property costs.

### **Housing Affordability Compared to Employer Wages**

- There is a disconnect between large retail sector wages and available housing.
- There is increasing ethnic diversity within the local labor force of those who may be unable to afford to live in the city.

### **Transportation\Transit Limitations**

- There is limited access and use of transit and other public transportation.
- There is a disconnect between the concentration of development and transit needs.
- Where there is transit, there is low resident ridership—even in higher-density areas and areas of affordable housing.

## **Review of Program and Land Use Tools:**

The City of Minnetonka offers two housing rehabilitation loan programs funded by the City's annual allocation of Community Development Block Grant (CDBG) funds. These programs, owner-occupied renovation and a deferred emergency program, are for residents needing to finance home improvements such as siding and window replacements, furnace and energy efficient improvements and general remodeling. The programs are available to households that own their home and have an income at or below 80% of the area median income, which was approximately \$64,720 for a family of four in 2008. Until July 2009, the income limit for this program was at 50% of area median income.

The City also has an Economic Development Authority (EDA) that levied \$100,000 through an HRA Levy for 2009 and is considering another levy for 2010 to specifically support affordable ownership programs. The HRA levy is an important City tool to help provide additional financial resources related to affordable home ownership and housing renovation in support of a full range of housing choices in the City.

In addition, Minnetonka residents have access to various state and county programs with various restricted income limits. The following is a summary of the programs reviewed as part of the housing audit. *[More detail on the review of each program is provided in Appendix 4.]*

**Ownership Housing Reinvestment.** The CDBG-funded programs are available to residents that target ownership housing renovation. A total of 475 loans have been issued since the program started in 1976. Based upon data available since 2000, 66 loans totalling \$834,000 were issued, which is an average of \$13,000 per loan. The program provides up to \$20,000 in deferred loans with 0% interest for 10 years. The loan is payable upon sale of the property; 9% of the loans have been repaid, which equals a total of one or two payments per year. The city stopped actively marketing this program in 2005 when it created an Emergency Loan Program that provides \$5,000 deferred loans with 0% interest for 10 years. This program is offered on a limited basis. The city has issued 30 loans since 2006 with no repayments collected to date.

**Housing Services for the Elderly.** The City provides an annual CDBG allocation in support of the Household and Outside Maintenance for the Elderly (H.O.M.E) program which assists those who are age 60 and older, or those with disabilities. Services include house cleaning, food preparation, grocery shopping, window washing, lawn care and other maintenance and homemaker services. The program has served 348 residents over a three-year period, for a cost of approximately \$120 per resident served. The program reduces and addresses deferred maintenance issues that may otherwise need to be resolved through code enforcement efforts.

**Support of Affordable Housing.** The City has welcomed the addition of new units of housing at an affordable price over the past several years with financial assistance resulting in:

- **WHAHLT (land trust):** 34 units of new and renovated units sold to low income households. The City provides a \$750,000 line of credit and an annual \$250,000 grant for property purchases.
- **Minnetonka Heights:** Renovation of a 172-unit apartment complex using City bonding.
- **Elmbrooke:** Renovation of 46 unit apartment complex using city bonding and an EDA loan.
- **Cedar Hills Townhouses:** Renovation of 30 units using CDBG and other state and county funds.
- **Glen Lake Landing:** 97 affordable units.
- **Cedar Pointe Townhouses:** City provided funds to help make affordable nine units in a 152-unit rental complex.
- **Minnetonka Mills Townhouses:** City supported the use of TIF to construct 30 units of affordable rental town homes.
- **Beacon Hill Terrace:** Provided TIF and city bonds to allow 44 affordable units in this 110-unit apartment complex.
- **Excelsior Court Apartments:** Contributed CDBG funds for 24 affordable rental units.
- **West Ridge:** City approved the use of TIF for 227 affordable senior and family, rental and ownership units. There are 48 units that are subject to resale covenants.
- **Ridgebury:** Provided TIF to support the sale of 56 new affordable units in a 163-unit development. The affordable units are all subject to resale covenants.
- **Habitat for Humanity:** The City provided a land write-down for four affordable units.
- **Glen Lake Redevelopment:** A three-phase, 197-unit redevelopment with 23 affordable units. Only one phase has been built.

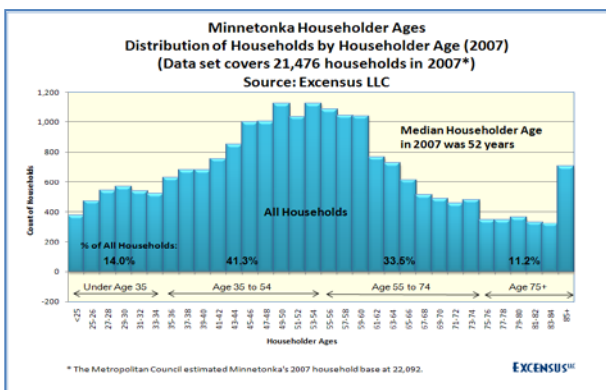
**City Official Controls and Land Use Strategies.** The City also uses several methods through its land use and official controls to support and promote a full range of housing choices.

- **Planned Unit Development (PUD).** The City uses the PUD process for redevelopment areas and mixed-use projects to allow more land use flexibility.
- **Tax Increment Financing (TIF).** The City only uses this tool if the project dedicates 10-20% of the units as affordable or sets revenue aside for housing if there is no affordable housing in the project.
- **Housing & Redevelopment Authority (HRA) Levy.** The City EDA in 2009 used its powers to provide an HRA levy that will generate funds for the land trust. The City will consider another levy in 2009 for 2010 funds.
- **Rezoning or Comp Plan Amendments.** The City supports providing 20% of new housing units as affordable when there is a rezoning or comprehensive plan amendment.
- **Development Security.** The City is flexible on development securities, including disbursement agreements.
- **Property purchases.** The City has proactively purchased single-family homes when available in areas for future redevelopment. The homes are rented at an affordable rate when possible.

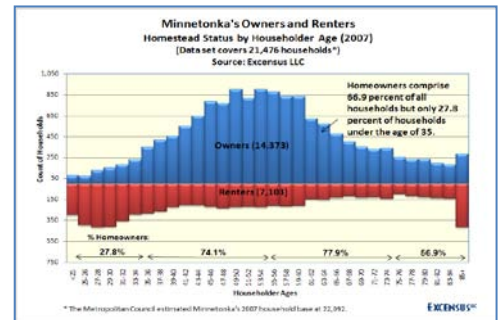
**Community Change—Key Points:**

The City of Minnetonka’s households are concentrated in the middle-age (45-64) range with 80% of those households choosing to remain in their existing home or to “age-in-place.” Trends since 2004 show a gain in older households and an offsetting decrease in households under the age of 45. The continued aging of the households can create an imbalance with a larger portion of the residents not moving and so not allowing traditional single-family homes to become available for new, younger households. Younger households, under age 35, are having difficulty finding available and affordable housing with only 27% of those living in single-family detached homes. Those under the age of 35 currently account for only 14% of all households. This trend is likely to continue, as Minnetonka has very low residential turnover rates. Low turnover is a reflection of the satisfaction with the community and desire to live in the City, but this may also be an indication of a limited supply of housing types available and desirable to older households. There is a potential economic cost to this “aging in place.” It can destabilize school enrollment levels, shift demand for local commercial goods and services and reshape the need for community-based programs and services. All are issues that policy leaders and local planners should be concerned with.

From 2004 to 2007, 43% of the new households coming to Minnetonka were renters, with 80% of those new renters under the age of 35. This is an indication of the importance of rental housing to young households. These and other conclusions are part of the demographic change report provided to Minnetonka. The following is a brief summary of the key statistics. [The full change report is provided in Appendix 5.]



- Older households (ages 55 or older) occupy half (49%) of the single-family homes built before 1980 and 92% of single family homeowners over age 75 (8% of the total households) were in older homes.
- Homeowner turnover ranged from 10% to 13% for older and younger households, but was only 2% to 3% for homeowners between the ages of 45 and 84. The moves by this age group (45-64) accounted for over 40% of all homeowner moves.
- A very small share (2%) of the City’s owner-occupied single-family detached homes are “affordable” based on the Metropolitan Council’s threshold value of \$207,800 in 2007. However, 36% of all owner-occupied single-family attached housing (townhome, condo) had a value within this “affordable” range and 60% of those homeowners were under the age of 35. The affordability of homes makes it difficult for younger households to move into the city.
- With 33% of the City’s households living in apartments, this housing type serves a broad mix of household ages. However, there is a significant amount of turnover with 55% of the rental households new during 2004–07 and the majority of those moves made by younger households under the age of 35.



- During 2004–07, only 22% of residents who moved ended up in another home within the City—one of the lowest retention rates of any Opportunity City reviewed, closely matching Shoreview at 20%. Only 10% of households moving from an apartment were able to find a single-family home in the City; they likely were moving out of the city to find a home. This is evident since 36% of the apartment household moves were to a single-family home.
- Compared to other cities evaluated, Minnetonka has a higher rate (16%) of residents who have their primary job within the City.

## **Minnetonka Mills Corridor Development Initiative (CDI) Process**

The City of Minnetonka chose to engage in the LISC Corridor Development Initiative (CDI) process to help evaluate land use options for the Minnetonka Mills Village Center Area. The CDI offers a proactive, facilitated process that brings together all interested parties—governing agencies, developers and neighborhood and community interests surrounding the future use of a particular development area prior to responding to a specific development proposal. The CDI consisted of four community workshops. Approximately 115 community members attended the workshops, aimed at gathering input on community values and concerns, and assessing likely development scenarios that could meet those values. The process involved a technical team of facilitators, designers, developers, and city staff to inform and support participants as they explored ideas. Resulting from the process was an increased confidence by participants about possible guidelines that could be requested of a developer to enhance the area for future and current residents. The purpose of the CDI process is to identify a range of development options that meet community goals and market viability, rather than landing on one specific development direction or product. [*The Minnetonka Mills Corridor Development Initiative Report Summary of Development Objectives is available in Appendix 6 with the full report available on the city website at <http://www.eminnetonka.com/> or at <http://www.housinginitiative.org/info/>.]*

A summary of the **key development objectives** prepared as a result of the CDI is summarized below.

- I. Preserve Minnetonka Mills with mixture of residential and commercial uses**
  - A. Provide multi-generational destinations.
  - B. Seek to reflect and enhance the historic nature of the Minnetonka Mills area with any commercial and residential development or redevelopment design.
  - C. Create engaging pedestrian-friendly streetscapes that connect the commercial area along Minnetonka Boulevard and the surrounding park / trail system.
  - D. Use design and site orientation that is respectful of residential and commercial uses.
  - E. Foster small, independent businesses.
  - F. Consider impact on existing neighborhood character.
  - G. Maintain the commercial area only on the south side of Minnehaha Creek, with buildings not to exceed 35 feet.
  - H. Encourage staging any commercial redevelopment so that current businesses can stay open during any reconstruction.
  - I. Encourage views to Minnehaha Creek.
- II. Assess and/or enhance public connections to natural amenities**
  - J. Capitalize on the natural characteristics of the site (i.e. Minnehaha Creek) for public access, views and gathering places.
  - K. Connect area (housing, commercial, institutional uses) to the regional system of trails and create public gathering places and access to the creek.
  - L. Preserve as many trees as possible.
  - M. Maximize existing connections in the new park system.
  - N. Encourage possibilities to connect Big Willow trail system to Burwell Park trail system as part of any new development.
- III. Consider high quality development compatible with the other categories**
  - O. Consider options that include mixed-use residential/small-scale retail, housing options compatible with current neighborhood scale, sustainable or green development (may include elements such as a green roof or new housing to enable the maximum public green space along the creek through compact residential development).
  - P. Provide off-street parking behind or beside buildings along Minnetonka Boulevard.
  - Q. Utilize green technologies in development to support environmental goals.
  - R. Incorporate design elements that help enhance the visual appeal of the area through high-quality materials, plantings, public art, ornamental lighting and other interesting features to enhance the sense of place.
  - S. Conduct a comprehensive study of current occupancy and needs for senior housing.
  - T. Protect existing neighborhood scale through the use of buffers or gradation of height.
  - U. Include affordable housing consistent with city guidelines if redevelopment occurs.
- IV. Preserve, enhance and restore natural resources of the Minnetonka Mills district**
  - V. Minimize the impact the proposed land use will have on the natural resources of the Minnetonka Mills district through tree preservation, innovative stormwater practices that reduce the volume of stormwater runoff and limit new storm sewer discharges into the creek, increasing structural setbacks from the creek where practical and feasible, preservation and restoration of wildlife habitat, and use of native vegetation for landscaping.

## **Recommendations to Increase the City's Capacity to Provide a Full Range of Housing Choices**

The City of Minnetonka has made both a financial and policy commitment to housing maintenance and affordable ownership and rental housing through its use of CDBG funds, livable communities dollars and tax increment financing. One of the key observations that emerged through the Opportunity City process is the continued difficulty in attracting and retaining young households and the low turnover of aging adults, which creates a high level of aging in place. Increasing the number of options for both young households wanting to live in the city and older adults wanting to move from their single-family homes but stay in the city will be important. City leadership can prioritize its policies related to future land use and housing programs that help provide more options and opportunities related to renovation and redevelopment to address this issue. Recommendations resulting from the housing audit, community change information and review of City goals, policies and community factors include:

**Address Aging in Place.** Minnetonka residents are aging and remaining in their homes longer. Retention of households—even as they age—is a benefit for a city; it helps keep the social fabric and volunteer base of the community vibrant—but a lack of neighborhood regeneration can stifle home values and shift public and private sector service needs. Losing younger households as they grow because they do not have available housing options has an impact on local school stabilization. Local leaders can provide policies and tools that create opportunities for all resident life cycles and maintain a vibrant community with healthy levels of turnover (more than 4%) and retention (higher than 20%). Recommended policies and actions include:

- Evaluate the needs of existing older residents for alternate types of housing—including single-family attached and multi-family rental options. **Survey residents and evaluate income levels** of those aging in place. Match incomes and home values to future development opportunities.
- Make stronger connections between new senior housing and the local market by adopting a policy that **requires local marketing of units to existing households**. This allows exclusive opportunities for older residents. Developers would be encouraged to provide a discount to local seniors who move within a certain first-right time frame. In addition, require that new senior developments provide information to local seniors regarding the **Senior Housing Regeneration Program** that purchases existing single-family homes from seniors who are moving and resells those homes to first-time homebuyers, eg. Roseville's Senior Linkage Policy.

**Increase Opportunities for Young Households.** Efforts to provide additional opportunities for young households in the City are important to a full range of housing choices and to regenerate neighborhoods stabilize school enrollment and keep commercial services viable. The City can provide resources with a specific focus on increasing the younger resident population. Recommendations include:

- Continue to support annual investment in long-term ownership affordability through the **WHALT (land trust) and Habitat for Humanity**. These methods ensure that existing homes are renovated and energy-efficient, and sold to households at an affordable price. The homes remain affordable so that future buyers, as well as the first owner, are able to buy the home at an affordable price.
- Invest in the **Senior Housing Regeneration Program (SHRP)** for the purchase of existing housing from older households wishing to sell. The SHRP provides hassle-free purchase options for seniors. The home is sold as-is at an agreed upon market value without incurring realtor fees. The senior is able to leave items they do not wish to take in the home, without incurring disposal or sale fees. The home is then renovated and resold, generally to younger households at affordable prices. Public investment, usually in the form of a deferred second mortgage, would need to be at least \$20,000 per home for renovation and purchase write-down.
- Foster strong working relationships and dialogue with the **City's school districts**. By working together, the City and schools can market programs for home purchases by teachers and families that currently rent or open enroll. Targeting housing programs to households with children will help provide healthy living arrangements and stabilize school turnover.
- Expand connections of current and future housing opportunities to local jobs by **working with employers** to determine housing needs and evaluating links between employment wages and housing values. Consider establishment of a **Live Where You Work** program, eg. St. Louis Park's program.
- Increase access to Minnesota Housing's first-time homebuyer program, which provides **downpayment and closing cost assistance**. Consider supplementing these existing programs due to the higher cost of housing in Minnetonka and connect local funding to foreclosed homes.

**Provide Resources for Home Maintenance and Neighborhood Preservation.** Minnetonka uses its allocation of CDBG funds for deferred loans for resident home maintenance and maintenance service for the elderly. However, due to consistent reductions in federal funds, additional local resources will be needed to continue the same level of service. To enhance the existing tools in the toolbox, the City should consider the following:

- Continue to financially support the **H.O.M.E. program** and evaluate the need for additional City support to expand the use of the program locally.
- Evaluate the creation of a **home-renovation loan program** using future HRA levy funds that would target households with income at or below 120% of area median income—an acceptable workforce housing income limit. This type of program will increase options for those who are not eligible for CDBG renovation programs, eg. Roseville, Woodbury and Coon Rapids programs.
- Create a **sustainability loan or grant program** that provides financial incentives for the use of energy-efficient and renewable products in home renovation, eg. Woodbury Goes Green program.
- Address renovation of older common-interest communities, approximately 10% of the city’s total housing stock, through the use of the **Housing Improvement Area** legislation that provides affordable renovation loan options, eg. Coon Rapids, Columbia Heights.
- Adopt a **Point of Sale ordinance** that requires a home to be brought up to code prior to resale. The program could tie a deferred second mortgage for the amount it would cost to bring the home up to code for those who are unable to pay for the improvement. Recapture of the mortgage would be provided upon resale and could be forgiven if the new purchaser is a young household within the 120% of the area median income limit.



**Use Land Use Controls and Resident Engagement Strategies.** City leaders have a variety of public tools and strategies they use to determine their participation in land use decisions, affordable housing and the facilitation of redevelopment and renovation. Continuing to be part of the solution and helping to change the way land is used and how it contributes to providing a full range of housing choices takes strong local leadership and vision. National statistics indicate that future households will demand more compact and connected communities. The City of Minnetonka is fully developed but has opportunities for redevelopment. Providing a wide range of strategies that balance renovation, maintenance and redevelopment of the existing housing stock is important. Recommendations relating to specific public policy decisions include:



- Evaluate alternate ways to zone land that would better manage and promote mixed-use and compact, connected development. **Form-/performance-based zoning** is an option that supports more walkable, mixed-use development, particularly surrounding future transit and redevelopment areas.
- Adopt the **ULI Minnesota Community Site Principles** in the evaluation of future multi-family and mixed-use housing development and redevelopment opportunities. [Appendix 7]
- Support building and land development requirements that promote sustainability and long-term energy efficiency. Local efforts can help reduce the regional carbon footprint, increase long-term affordability (through lower utility and maintenance costs) and support healthy living.
- Provide a **density bonus and waive fees** in support of the development of a full range of housing choices, including affordable ownership and rental housing, eg. City of Woodbury.
- Increase efforts to **educate and engage residents** on the value of higher-density development through the use of facilitated discussions and ongoing neighborhood engagement. Eg. Corridor Development Initiative process, St. Louis Park’s model for neighborhoods and Chaska’s Faces and Places Campaign.

## Next Steps:

The Opportunity City Program is only the first step in supporting a full range of housing choices in the community. Key policy leaders need to support next steps that make valuable changes to the way that the tools and strategies are delivered throughout the City. Many of the recommendations have budget implications and affect staff resources. Prioritization of the recommendations is essential. The next steps associated with implementation of the recommendations should include:

- Gaining acceptance of the ULI MN/RCM Opportunity City report by the EDA and City Council, which includes incorporating community site principles into future land use decisions.
- Preparing a work program that outlines the steps and time needed to effectively implement the recommendations. Determine how the recommendations affect land use codes, program service providers and staff workload. Include performance targets to track the progress. Setting performance targets and tracking the progress of local tools and strategies against benchmarks will provide a level of understanding to public officials and residents that become critical during the annual budgeting process. *[Detail on performance measures as related to housing tools and strategies is provided in Attachment 8.]*
- Evaluating budget and staff resource implications tied to each recommendation. Prioritizing recommendations that will have the largest impact in supporting housing goals for a full range of housing choices.
- Evaluating the need to amend the City's comprehensive plan based upon implementation of recommendations.
- Discuss the broader meaning of the demographic data as it compares to current market conditions and evaluate how the data relates to the region. Incorporate future data updates and the online neighborhood-level data tool.



Thanks to the participants in the ULI MN/RCM Housing Initiative Opportunity City Pilot Program:

- **City of Minnetonka**—Mayor and Council members, Economic Development Authority, Planning Commission, Park Board, Community Commission. City staff Julie Wischnack, Elise Durbin and Stephanie Scott-Sims.
- **Minnetonka Mills District Corridor Development Initiative - Advisory Group**
  - Karen Anderson (past Mayor)
  - Patty Acomb (resident)
  - Steve Adams (planning commissioner)
  - Scott Bader (developer)
  - Tony Wagner (city council member)
  - Denny Lambert (park board)
  - Julie Wischnack (city staff)
  - Elise Durbin (city staff)
  - Loren Gordon (city staff)
- **ULI Minnesota Consulting Team**
  - Caren Dewar, ULI Minnesota Executive Director
  - Cathy Bennett, Bennett Community Consulting
  - Dennis Welsch, Center for Policy and Planning
  - John Carpenter, Excensus
  - Barbara Raye, Center for Policy and Planning
  - Gretchen Nichols, Local Initiatives Support Corporation (LISC)

### Mission

Our purpose is to provide the core public services our community residents and businesses rely upon in their daily lives, while striving to preserve and enhance the distinctive character that makes Minnetonka a special place to live.

### Vision

*External:* Minnetonka will be the community of choice where people live, work, play and conduct business in a naturally beautiful environment.

*Internal:* Our dedicated employees will deliver dependable, quality services with a positive, helpful attitude to those who live, work, play and conduct business in Minnetonka.

### Guiding Principles

- We will focus on excellent customer service by striving to do the right thing, at the right time, for the right reason to meet the needs of our customers.
- We will set the standard for innovative leadership by forging collaborative partnerships, adopting new technologies and promoting effective service delivery.
- We will foster open and inclusive communication to encourage community involvement, and to maintain the trust and respect of those we serve.
- We will live our shared values of authentic communication, contagious enthusiasm, shared success, outcome focused teamwork, adaptable learning and innovation, and healthy human relationships.

### Goals + Strategies

**We will be responsible stewards of the city's physical assets, human capital and financial resources by:**

- Providing good value for the dollars entrusted to us.
- Managing for the long-term to ensure the city's ongoing ability to provide quality services at a reasonable price.
- Sustaining core services and continuing infrastructure investments, while living within our means.

**We will protect and enhance the unique natural environment of our community by:**

- Carefully balancing growth and development with preservation efforts that protect the highly valued water and woodland resources of our community.
- Developing and implementing realistic long-term plans to mitigate threats to water quality, urban forests, and the unique natural character of Minnetonka.
- Taking an active role in promoting energy and water conservation, sustainable operations and infrastructure, recycling and environmental stewardship.

**We will maintain quality public safety for our residents and businesses by:**

- Implementing appropriate recommendations in the Public Safety Management and Operations Study to address the evolving police, fire and emergency service needs of our community, including an aging and more diverse population.
- Providing seamless, coordinated and integrated public safety services through common protocols and shared practices among departments and personnel.
- Leading collaborative efforts with other agencies to cost-effectively provide quality public safety services, with an emphasis on coordinated technology, equipment and programs.

**We will work to meet the transportation needs of our residents and businesses by:**

- Providing and preserving a quality local street system, based on a financially sustainable plan for reconstruction and ongoing maintenance.
- Collaborating with our state, regional and local partners in the timely development of shared highways and streets.
- Actively participating in regional light rail planning and development to ensure that community needs and interests are served.
- Pursuing shared sub-regional transit solutions with neighboring communities to improve service within the area.

**We will support well-planned, responsible community development by:**

- Carefully balancing individual property rights with community-wide interests, while respecting the unique character of Minnetonka's neighborhoods.
- Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.
- Actively promoting the vitality of designated village centers, which integrate uses and connect people to commercial, residential, employment, and public activities.
- Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.

**We will provide excellent recreational amenities by:**

- Offering a full range of programs for people of all ages and ability levels.
- Responsibly maintaining our parks, trails and recreational facilities, while fairly balancing user fees with general community support.
- Renewing, expanding and maintaining a trail system to encourage outdoor recreation, and improve the connectivity and walkability of our community.

**STAFF SUMMARY  
CITY OF MINNETONKA  
SPECIAL JOINT STUDY SESSION WITH EDAC  
CITY COUNCIL STUDY SESSION  
MONDAY, SEPTEMBER 26, 2011  
PAGE 6**

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getting representatives from all the associations together for an information session. Schneider said surveying the associations would help the city get more current data. Smith said the biggest component was not necessarily education and marketing but assessment and how many of projects might be coming forward.

Allendorf asked if the banks knew about the program. Wischnack indicated they do and that staff meets regularly with them. Informational emails are sent to the larger banks.

Schneider asked for comments on the general relationship between the council and EDAC.

Smith said he would like the council's perspective on what the EDAC's function should be. Schneider said when the EDA and EDAC structure was discussed the idea was to get a broader base of talent involved and for the council to take a more proactive role in providing guidance. He noted the council had not really done that outside the few things that had come up. He suggested future work sessions to identify emerging issues. Wagner said when the EDAC was formed the idea was for there to be a plan identifying three or four key initiatives. There was an EDAC work plan meeting and it would be useful to have the full council available to give direction. As the liaison he has seen a higher level dialogue since the EDAC was established but work needed to be done on not just being reactive. Housing has remained a heavy emphasis for the group.

Schneider suggested a facilitated work session might help with developing a priority list. Wiersum said he liked that idea and suggested the vision for the EDAC also be discussed at the session. He would also like to look at what other EDAs and other EDACs in other cities are doing.

St. Peter agreed the EDAC hadn't received guidance from the council that they were led to believe was coming. He said the next big area in the EDAC work plan was the Ridgedale area unless something like the light rail jumped in front of that.

Happe said he thought a half day retreat was a great idea. He noted much of the EDAC's work so far was related to affordable housing issues. Schneider agreed and said the intention was to broaden the scope of issues.

**2. Adjournment of the special joint study session in order to convene the regular study session**

The special joint study session was adjourned at 7:25 p.m.

## **Economic Improvement Program Policy**

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

### **Funding Categories**

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

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

### **Planning Principles**

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

## ECONOMIC IMPROVEMENT PROGRAM PAGES

<b><i>Housing</i></b>
CDBG Program Administration
Cedar Pointe Townhouses
Crown Ridge Apartments
Emergency Repair Program
Fair Housing
Homes Within Reach
Housing Improvement Area (HIA)
Minnetonka Heights Apartments
Minnetonka Home Enhancement rehabilitation program
Owner-Occupied Housing Rehabilitation
Public Services
Revenue Bonds
TIF Pooling
Welcome to Minnetonka first time homebuyer program
<b><i>Business</i></b>
Economic Gardening
Fire Sprinkler Retrofit
Grants
Industrial Revenue Bonds (Common Bond)
Minnesota Community Capital Fund (MCCF)
Minnesota Investment Fund (MIF)
Open to Business
Special Service District
<b><i>Transit</i></b>
LRT
Transit Improvements
<b><i>Redevelopment</i></b>
Predevelopment Projects
Village Center
Boulevard Gardens TIF District
Beacon Hill TIF District
Minnetonka Mills TIF District
Glenhaven TIF District

# HOUSING

**Project Title:** CDBG  
Administration

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Cedar Pointe Townhouses

**Total Estimated Cost:** \$0

**Funding Category:** 1

**Description:** In 1997, the city and Cedar Pass entered into an agreement to provide nine affordable units at the Cedar Pointe Townhouses. The agreement called for the city to fund any gap between the market rents and the section 8 assistance minus Cedar Pass' annual \$10,000 contribution. The agreement ends January 2, 2013

Source of Project Funding:	2013				
Livable Communities Account	\$0	Agreement ends January 2, 2013			
<b>Key Measures</b>	Affordable units	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
		9	9	0	0

<b>Purpose</b>	Cedar Pointe Townhouses has nine affordable units, which are rented out to Section 8 voucher holders. These tenants are at 50% AMI or less and pay 30-40% of their adjusted monthly income for rent.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>This agreement was put into place as part of the larger redevelopment of the area. Through negotiations of the redevelopment nine, 3-bedroom, rental units were made affordable. These units counted towards the city's 1995-2010 affordable housing goals.</p> <p>Cedar Pointe Townhouses added new affordable, three-bedroom townhouse rental units which diversified the types and sizes of rental units available in the city. This broadened the housing choices available in the city to help attract young residents.</p>
<b>Scheduling and Project Status</b>	The agreement to provide city assistance ends January 2, 2013.
<b>Budget/Staff Implications and Other Partnerships</b>	<p>The 2012 estimated funding is \$55,000.</p> <p>This project will have no further implications on the budget after 2012.</p>

**Project Title:** Crown Ridge Advantage Center

**Total Estimated Cost:** \$64,000

**Funding Category:** 1

**Description:**  
 Crown Ridge is a 64-unit, mixed income apartment building, owned and operated by CommonBond Communities. An array of services is offered through an on-site Advantage Center, with programming for youth and adults.

Source of Project Funding:	2013	2014	2015	2016	2017
Livable Communities Account	\$16,000	\$16,000	\$16,000	\$16,000	
<b>Key Measures</b>	<u>2011      2012      2013      2014</u>				
	Individuals utilizing Advantage Center				

<b>Purpose</b>	The Advantage Center at Crown Ridge provides housing for those at 30% to 100+% AMI. The city's funds are used to support programming and the expanded programming space. Minnetonka's funds are also used to leverage other private/foundation funds.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>In 2000, after realizing many of the low-income and immigrant families at Crown Ridge were not economically thriving, the city worked with CommonBond Communities to offer their Advantage Center program to connect residents to community resources and provide other on-site programming.</p> <p>Crown Ridge broadens housing choices for residents by having affordable and market-rate rental housing. The programming at the Advantage Center provides a range of diverse services and programs, while collaborating with multiple groups/agencies, for residents of all ages at Crown Ridge.</p>
<b>Scheduling and Project Status</b>	This is an ongoing program.
<b>Budget/Staff Implications and Other Partnerships</b>	<p>Crown Ridge requests funding through the non-profit funding process each year.</p> <p>The funding for 2012 is \$16,000. Of the total requested funds, \$10,000 is for Advantage Center programming and \$6,000 is to partially fund additional space for Advantage Center programming.</p> <p>After 2016, the Livable Communities Account is no longer available.</p>

**Project Title:** Fair Housing

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

<b>Source of Project Funding:</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Emergency Repair Program

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Homes Within Reach

**Total Estimated Cost:** \$900,000

**Funding Category:** 1

**Description:**

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

Source of Project Funding:	2013	2014	2015	2016	2017
Livable Communities Account	\$225,000	\$225,000	\$225,000	\$225,000	0
<b>Key Measures</b>	<u>2011</u> <u>2012</u> <u>2013</u> <u>2014</u>				
	Total HWR units in Minnetonka	45	48	51	54

<b>Purpose</b>	The Homes Within Reach program will provide single-family, permanently affordable, homeownership opportunities to those at 80% AMI or less. Minnetonka's funds will be used to leverage and match other county, regional, and state funds.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	In an effort to promote long-term affordable, scattered-site housing, while maximizing the cost-effectiveness of public investment, the community land trust model was presented as a tool in 2000 to help the city increase its amount of affordable housing.  Homes Within Reach is a partnership which promotes new affordable housing, and also helps to ensure its long term affordability. Because most of Homes Within Reach's home are single-family units, this program broadens housing choices to attract young residents and families.
<b>Scheduling and Project Status</b>	This program is ongoing. Depending on the level of commitment by the city and other matching funds, Homes Within Reach anticipates adding three to five new permanently affordable owner-occupied units to the city each year.
<b>Budget/Staff Implications and Other Partnerships</b>	Homes Within Reach requests funding through the non-profit funding process each year. Growth in long term affordable units is important, but there should be some adjustment to the city's commitment to ensure it is sustainable. The 2012 funding amount is \$225,000. After 2016 the livable communities account is no longer available.

**Project Title:** Housing Improvement Areas

**Total Estimated Cost:**

**Funding Category:** 1

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

Source of Project Funding:	2013	2014	2015	2016	2017										
Development Fund	\$675,000	\$1.3	0	\$1.5	0										
Revenue Bonds															
<b>Key Measures</b>	<table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Number of Units Assisted</td> <td></td> <td></td> <td>180</td> <td>300</td> </tr> </tbody> </table>						2011	2012	2013	2014	Number of Units Assisted			180	300
	2011	2012	2013	2014											
Number of Units Assisted			180	300											

<b>Purpose</b>	The program is intended to serve an aging multi-family housing by providing a financing structure to address major building investments. The program would also ensure, going forward, that the association is able to correct the financing of long-term capital expenditures.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>Comp Plan: Continue to collaborate with lenders or other agencies that offer programs for home rehabilitation.</p> <p>Strategic Plan: Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.</p>
<b>Scheduling and Project Status</b>	This program is ongoing.

<b>Budget/Staff Implications and Other Partnerships</b>	Homes Within Reach requests funding through the non-profit funding process each year. Growth in long term affordable units is important, but there should be some adjustment to the city's commitment to ensure it is sustainable. The 2012 funding amount is \$225,000. After 2016 the livable communities account is no longer available.
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**Project Title:** Minnetonka Home Enhancement

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Owner Occupied Rehab

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Public Services

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Revenue Bonds

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** TIF Pooling

**Total Estimated Cost:** \$6.1 M

**Funding Category:** 1

**Description:**

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

Source of Project Funding:	2013	2014	2015	2016	2017										
TIF – Boulevard Gardens	\$1 million	\$0	\$2 million	\$1 million	\$2 million										
<b>Key Measures</b>	<table border="1"> <thead> <tr> <th>Affordable Units</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td></td> <td>40</td> <td>0</td> <td>80</td> <td>40</td> </tr> </tbody> </table>					Affordable Units	2013	2014	2015	2016		40	0	80	40
Affordable Units	2013	2014	2015	2016											
	40	0	80	40											

<b>Purpose</b>	Pooling allows a percentage (35%) of the total increment generated by the district over its entire life to be used for tax credit eligible housing projects anywhere in the city. Depending on property values over the remaining 12 years of the district, the pooling dollars available during this time frame are estimated to be \$6 million. These funds are required to be spent according to an amended TIF plan, which can take place as projects are proposed.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>Strategic Plan: Initiating programs and policies that broaden housing choices to both meet the needs of our aging population and attract young residents.</p> <p>Comp Plan: Continue working with developers to include affordable housing in their developments, where appropriate.</p>
<b>Scheduling and Project Status</b>	The dollars must be expended by 2021
<b>Budget/Staff Implications and Other Partnerships</b>	The use of pooling dollars does not affect staffing. If pooling dollars are not used, the dollars return to the appropriate taxing jurisdiction.

**Project Title:** Welcome to Minnetonka

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

# **BUSINESS**

**Project Title:** Economic Gardening

**Total Estimated Cost:**

**Funding Category:** 2

**Description:**  
 Hennepin County offers this program to assist medium size companies with growth potential.

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	Hennepin County is offering this as part of a pilot program funded to help high-growth / high potential Stage II companies grow faster and create more jobs by providing CEO peer mentoring, stage-specific content and referral to relevant service providers. Stage II is defined as: 10-99 employees, more than \$1M in revenue and having high-growth potential. There is no cost to the companies accepted for participation in the network.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>Strategic Plan: Supporting business retention and expansion and attracting new businesses to help our private sector be economically competitive.</p> <p>Comp Plan: In order to maintain and perhaps enhance its current economic vitality, the city in the future will need to consider and promote: business outreach and retention activities.</p>
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Fire Sprinkler Retrofit

**Description:**

**Total Estimated Cost:**

**Funding Category:** 2

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Pass Through Grants

**Description:**

**Total Estimated Cost:**

**Funding Category:** 1, 2, 4

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Common Bond  
Industrial Revenue  
Bonds

**Total Estimated Cost:**

**Funding Category:** 2

**Description:**

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** MCCF

**Description:**

**Total Estimated Cost:**

**Funding Category:** 2

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Minnesota Investment Fund

**Description:**

**Total Estimated Cost:**

**Funding Category:** 2

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Open to Business

**Total Estimated Cost:** \$50,000

**Funding Category:** 2

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

Source of Project Funding:	2013	2014	2015	2016	2017
Development Account	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Key Measures</b>	<u>2011      2012      2013      2014</u> Technical assistance hours provided				

<b>Purpose</b>	The Open to Business program assists small business owners and potential entrepreneurs, while filling a need in business programming not available previously.
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	<p>The Open to Business program provides one-on-one technical assistance to Minnetonka small business owners and operators. Assistance is given in planning and organizing business ventures, financial management, marketing and regulatory compliance. A small loan fund is also available to access the capital to grow their business.</p> <p>The Open to Business program is a tool to assist businesses in succeeding by supporting existing small business retention, expansion, and also helping to assist new small businesses.</p>
<b>Scheduling and Project Status</b>	The program began in 2011 and is ongoing.
<b>Budget/Staff Implications and Other Partnerships</b>	<p>The Minnetonka Open to Business program is provided collaboratively with the MCCD. The MCCD provides the technical assistance, while the city assists in marketing the program.</p> <p>The funding for 2012 is \$5,000—half of the cost of the program due to a grant received from Hennepin County. This is a one-time grant.</p> <p>The funding justification for this program came from the approximately \$80,000 worth of funds returned from change in membership of the Twin Cities Community Capital Fund to the Minnesota Community Capital Fund. These funds will be used by 2018, if the \$10,000 fee remains.</p>

**Project Title:** Special Service District

**Description:**

**Total Estimated Cost:**

**Funding Category:** 2

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

# TRANSIT

**Project Title:** Light Rail Transit

**Description:**

**Total Estimated Cost:**

**Funding Category:** 3

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Transit Improvements

**Description:**

**Total Estimated Cost:**

**Funding Category:** 3

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

# REDEVELOPMENT

**Project Title:** Predevelopment

**Description:**

**Total Estimated Cost:**

**Funding Category:** 4

<b>Source of Project Funding:</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

**Project Title:** Village Center Studies

**Description:**

**Total Estimated Cost:**

**Funding Category:** 4

Source of Project Funding:	2013	2014	2015	2016	2017
<b>Key Measures</b>	<u>2013      2014      2015      2016</u>				

<b>Purpose</b>	
<b>Program Goals and Relationship to Comprehensive and Strategic Plans</b>	
<b>Scheduling and Project Status</b>	
<b>Budget/Staff Implications and Other Partnerships</b>	

## **EDAC Agenda Item #5 Meeting of January 9, 2012**

**Brief Description:** Staff Report

*The purpose of the staff report is to provide EDAC Commissioners updates on projects that are of interest to the EDAC or that the EDAC may have previously reviewed.*

### **Southwest LRT**

Consultant proposals are currently being reviewed for preliminary engineering (PE). This is expected to be completed, and a consultant hired, by end of first quarter 2012, after which PE will begin. PE will take about two years to complete, and the plans for the LRT project will be 30% drawn at that time.

A lease is being negotiated for a Southwest LRT project office at Park Place West in St Louis Park. Park Place West is located near 394 between Highways 100 and 169 near the Louisiana Avenue Transit Center.

The transitional station area planning as part of the community works project is on hold until a consultant is selected for PE. Work is being done to finalize the scope for the planning and prepare to release the Request for Proposals so that when a consultant for PE is selected, this project can move forward quickly. The purpose of this planning project will be to focus on what needs to happen between now and opening day of the LRT to facilitate the development of the station and for redevelopment.

### **Housing Programs**

Statistics to date include:

71 pre-applications for housing rehabilitation

- 8 are not qualified (over income/asset limits/LTV/property value)
- 2 have withdrawn their application
- 12 are in the Minnetonka Home Enhancement Program
  - 1 qualifying application returned, closing is pending
- 49 are in the Emergency Repair Program

9 pre-applications for the Welcome to Minnetonka program

- 4 qualifying applications have been returned
- 1 loan has closed (\$6,923.14)
- A second loan was ready to close; however, it was a foreclosure property and the negotiations with the bank were not successful. The applicant continues to look in Minnetonka for a new property

Outreach and marketing

- June 2011, November 2011, January 2012 *Minnetonka Memo* articles
- December 2011 presentation to approximately 60 real estate agents
- 106 phone calls fielded from residents, real estate agents, others interested in both programs



**2012 EDAC Meetings**  
Updated January 17, 2012

<b>Meeting Date</b> Meetings at 6:00pm unless otherwise noted	<b>Item Description</b>	<b>Room/Special Notes</b>
Thursday, January 26	Regular EDAC Meeting	Council Chambers • <i>Economic Improvement Program</i>
Thursday, February 23	Regular EDAC Meeting	Council Chambers • <i>Economic Improvement Program</i>
Monday, March 19 (6:30 p.m.)	Joint City Council/EDAC Study Session	Boards and Commissions Room • <i>Economic Improvement Program</i>
Thursday, March 22	Regular EDAC Meeting	Council Chambers
Thursday, April 26	Regular EDAC Meeting	Council Chambers
Thursday, May 24	Regular EDAC Meeting	Council Chambers • <i>Homes Within Reach</i>
Thursday, June 28	Regular EDAC Meeting	Council Chambers • <i>2013 budget review (annually)</i>
Thursday, July 26	Regular EDAC Meeting	Council Chambers • <i>2013 HRA Levy (annually)</i>
Thursday, August 23	Regular EDAC Meeting	Council Chambers
Thursday, September 27	Regular EDAC Meeting	Council Chambers
Thursday, October 25	Regular EDAC Meeting	Council Chambers • <i>2012 Non-profit funding (annually)</i>
Thursday, November 8	Regular EDAC Meeting	Council Chambers • <i>2012 HRA levy (annually)</i>
Thursday, December 20	Regular EDAC Meeting	Council Chambers <i>2012 EDAC work plan (annually)</i>

\*\*Note: This schedule is tentative and subject to change.

Other Potential Agenda Items

- Continuous updates: LRT Preliminary Engineering and Community Works
- Introduction to TIF, Tax Abatement, and TIF pooling
- TIF Management Review and Analysis (annually)
- Metro Transit Sector Study

## PROJECT UPDATE

### Affordable Housing

#### 2011-2020 Affordable and Lifecycle Housing Goals

	Goals (2011-2020)	Results	Percent of Goals Achieved
New Affordable Units (rental & ownership)	246 to 378	30	12%
New Lifecycle Units	375 to 800	150	40%

#### Projects counting for 2011-2020 affordable/lifecycle housing goals

Project	Year Completed	Affordable Units	Lifecycle Units
Sunset Hills Apartments	Approved by Council	51	64

#### Housing Project Updates

Project	Total Units	Affordable Units	Update
Sanctuary	23	4	Construction of fourth affordable unit is still pending. New owner has taken over and will be looking at how to construct this fourth unit
Glen Lake	248	41	<ul style="list-style-type: none"> <li>• All 11 affordable units at The Oaks of Glen Lake (Exchange building) are occupied.</li> <li>• St. Therese (senior facility) opened in November. Over 100 residents have occupied within first two months.</li> </ul>
Homes Within Reach			45 Minnetonka units, 88 units total.

### Transit

- Metro Transit sector study consultant proposals returned and under review
- Southwest LRT Community Works project continues
- Approval given September 1 for Southwest LRT to enter into preliminary engineering

### Economic Development/Business

- Minnetonka Open to Business program continues

### Other Projects (Detailed information can be found at [www.eminnetonka.com](http://www.eminnetonka.com))

Project	Description	Status
Shady Oak Road	Reconstruction from Co Rd 3 to Hwy 7	Construction in 2014
Bren Road/Hwy 169 interchange	Reconstruction Bren Road bridge over Highway 169	Bridge open Final landscaping spring 2012
UnitedHealth Group	Phase 2 Building Expansion 354,000 square foot, 10-story tower	Construction continues
Sunset Hill apartments	64 unit apartment building on Wayzata Boulevard	Funding obtained Construction starts spring/summer 2012
Ridgedale YMCA	Redevelopment of YMCA site	LAAND loan for \$1,000,000 approved by met Council
Hampton Inn	Redevelopment of the old Cattle Company property	Approved by City Council December 19. Construction starts spring 2012

Updated January 9, 2012