

AGENDA
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, June 12, 2007
6:00 p.m.

Please note location



Crown Ridge Apartments
11367 Fairfield Road, Minnetonka
(Located directly behind Dick's Sporting Goods)

1. Tour of Crown Ridge Apartments and Advantage Center.

2. Call to Order.

3. Roll Call:

| | |
|-----------------|-------------|
| Liz Bayer | Al Thomas |
| Dan Duffy | Tony Wagner |
| Bunny Robinson | Bob Walker |
| Peter St. Peter | Bill Yaeger |

4. Approve Minutes from the May 8, 2007 EDA Meeting.

BUSINESS ITEMS

5. CommonBond Request for Additional Crown Ridge Advantage Center Funding.

Action recommended is to approve the request.

6. Staff Report.

7. Other Business.

- The next EDA meeting will be a joint meeting with the Comprehensive Plan Steering Committee and Planning Commission on **Thursday, July 19** from 6:30-8:30 p.m.

8. Adjourn.

The mission of the Economic Development Authority is to advise the City Council on matters related to affordable housing, redevelopment and economic development.

**Unapproved
MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**May 8, 2007
6:00 p.m.**

**Boards and Commissions Room
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER.

EDA President Peter St. Peter called the meeting to order at 6:05 p.m.

2. ROLL CALL.

EDA Commissioners present: Dan Duffy, Peter St. Peter, Al Thomas, Tony Wagner, Bob Walker, and Bill Yaeger.

EDA Commissioners absent: Liz Bayer and Bunny Robinson.

Staff present: Ron Rankin and Elise Durbin.

3. APPROVE MINUTES OF MARCH 13, 2007 EDA MEETING.

Duffy moved, Walker seconded a motion to approve the March 13, 2007 EDA meeting minutes. Duffy, St. Peter, Walker, and Yaeger voted yes. Thomas and Wagner abstained. Motion passed.

4. ELECTION OF OFFICERS.

Walker moved, Wagner seconded a motion to nominate Peter St. Peter as President and Dan Duffy as Vice President.

Thomas moved, Duffy seconded a motion to nominate Peter St. Peter as President and Bob Walker as Vice President.

Thomas moved, Wagner seconded a motion to close the nominations. All voted yes. Motion passed.

All voted no on the motion for Peter St. Peter as President and Bob Walker as Vice President. Motion failed.

Thomas, Wagner, Walker and Yaeger voted yes on the motion for Peter St. Peter as President and Dan Duffy as Vice President. Duffy and St. Peter abstained. Motion passed.

BUSINESS ITEMS

5. DISCUSS PLANS FOR THE HOUSING COMPONENT OF THE COMPREHENSIVE PLAN UPDATE.

Rankin said the comprehensive plan update process is underway, and the steering committee has already held two meetings and will take a bus tour of the city in May. He said the planning for the housing component of the comprehensive plan has also started, and the EDA will be invited to the steering committee meetings when housing is discussed, the first being July 19.

Rankin referred Commissioners to the Contract for Professional Services from Maxfield Research. He said Maxfield will provide background information to help with the housing component of the comprehensive plan update. Rankin said in 2002, Maxfield provided a lot of information, but less insight—something that needs to be better addressed this time. He said the discussion staff would like to have with the EDA is to talk about what questions the EDA would like Maxfield to answer. Rankin reviewed the questions proposed in the report, and Commissioners for their questions.

St. Peter asked if there had been any follow-up on the ability to give preferences to seniors in new higher density developments in order to free up their single-family homes. Rankin said no follow-up had been done with the City Attorney, and he said what he has heard from developers is that they try to do a local preference first when marketing; however, they must abide by fair housing laws.

Wagner said a question he would like to have answered is as the demographics change, what will drive younger families into Minnetonka.

Wagner said there is a proposed development in his ward, in an area the EDA identified in 2002 for housing opportunities, and he asked if the areas the EDA identified still make sense. St. Peter replied that these areas are only a limited number of selected sites, and said perhaps the EDA should become more proactive. He stated a conclusion from the Maxfield research done in 2002 was if you build it they will come. Rankin reviewed the areas toured by the EDA in 2002.

Walker listed several questions he would like answered:

- What are other cities doing (Benchmarking)?
- How many households will be transitioning from older residents in the next five to ten years?
- What retail will improve the ability to grow households?
- Benchmark the market values of retail/commercial, office, and industrial to other cities.

Rankin reviewed that as part of Maxfield's research they will be benchmarking with Edina, Eden Prairie, Plymouth and St. Louis Park. Wagner suggested benchmarking with a community on the east side of the metropolitan area.

Walker also asked how the city can financially encourage higher density. Thomas said the community survey results show that higher density is not well supported. Thomas asked if the city wants higher density, lower density or both.

Wagner suggested looking over the decades to see how the city's demographics have changed, and asked what does the city want its demographics to look like in the future. Rankin responded that demographics will determine what happens with housing.

Thomas said on some developments, the city has gone in the opposite direction that what residents may have wanted, and he asked if this is appropriate.

St. Peter said from the information that the EDA received at the April 18 event, Minnetonka is approximately four to six years older than the average state data. Wagner said a comment he often hears is that Edina aged. St. Peter said that Edina and St. Louis Park were similar cities in the 1980's; however, they are different 20 years later due to the type of housing they provided.

Duffy said strong schools will attract young families, and the school districts that serve Minnetonka are strong. He asked if strong schools make housing less affordable. Walker said enrollments are already declining in some of the school districts.

St. Peter said from what he has seen point of sale inspections and other similar policies have kept smaller homes more affordable. He asked to find out what the impact of such policies has been.

Rankin asked if Commissioners have any questions about senior housing. St. Peter said one type of housing that seems to be lacking is single-level living versus multi-level living for higher density townhouses.

Walker said a city in Texas imposed a population cap and wondered if any metropolitan cities or cities in Minnesota have done this.

Wagner asked if there is such things as an ideal demographic mix, how do we identify what it is, and how do we get there. St. Peter asked if there are other areas that have achieved this mix.

St. Peter suggested it will be helpful to have GIS data on the age of the housing stock.

Walker asked if there are any milestones that have driven the city to become what it is today, for example: recessions, Ridgedale development, and freeways.

Wagner asked what will keep corporations in the city. Rankin said staff has been talking with Eden Prairie staff about bio-businesses. He said Minnetonka is fortunate to have good businesses with good paying jobs.

Duffy said he anticipates transit will have a huge impact in the future. He asked what impact the transit/transportation network will have on housing. Rankin said the city's network of highways is currently an advantage.

Duffy said the Metropolitan Council focuses on affordable housing, but the city may also want to look at senior housing. He asked where senior housing can be built. Rankin said developers are saying the condominium market is soft, but there is a need for senior housing in Minnetonka, so there's more interest now in senior co-ops. He also said there are several larger and national developers that are looking for campus settings.

Rankin said the EDA is asked to attend the July 19 steering committee meeting where housing will be discussed further.

6. Staff Report.

Durbin reviewed the staff report items including Glen Lake, Homes Within Reach, Shady Oak Road, 2007 affordable housing price limits, and upcoming events.

St. Peter recapped the April CURA Housing forum he attended that focused on Brooklyn Park's rental housing policies.

7. Other Business.

The next meeting was announced as Tuesday, June 12. Wagner suggested if Crown Ridge is the only item on the agenda for the June 12 meeting, then the meeting should be held at Crown Ridge or the West Ridge Pavilion.

8. Adjourn.

Thomas moved, Wagner seconded a motion to adjourn. All voted yes. Motion passed. The meeting adjourned at 8:01 p.m.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Durbin, Community Development Supervisor

DATE: June 7, 2007

SUBJECT: CommonBond request for additional funding for Crown Ridge Advantage Center

Background

In November 2006, CommonBond requested \$10,000 in funding for the Crown Ridge Advantage Center. At that time the EDA approved \$7,500 of the funding request, encouraged CommonBond to explore additional funding sources, and gave them the option of returning to the EDA to request the remaining \$2,500 if additional funding sources could not be obtained. Minutes from the November 14, 2006 EDA meeting are attached, as well as the request letter and updated occupancy and Advantage Center programming information.

Current Occupancy and Programming

As of June 1, 57 of the 64 units at Crown Ridge are occupied, including all Hollman and Tax Credit units, and they continue to advertise locally in order to fill the remaining vacant units. In June, General Electric volunteers will be out to help paint hallways and laundry rooms and a spruce up of the property is also planned this summer.

School year programming at the Advantage Center is wrapping up and summer programming will begin shortly. Study Buddies continued throughout the year with 11 pairs of students and mentors. Additionally, the homework center was open two days per week this year for homework help and use of the computers. A computer training class was available one night per week, and on Friday afternoons the Campfire club was held. ECFE was again held one day per week with parents and children, and a toy library was established where toys could be checked out to play with. Summer programming will include: a weekly story hour in place of ECFE, summer youth recreation three days per week, camp scholarships, and National Night Out.

In addition to the youth activities, programs are also geared towards adults. The Career Advantage program helps residents look for jobs, and currently three residents are taking advantage of this program. Individual services are also available for residents to help with referrals and other one-on-one assistance. A weekly coffee hour is also held as well as a computer training class.

Funding Request

CommonBond has submitted a request for the remaining \$2,500 for Crown Ridge Advantage Center funding. Since November they have and still continue to explore other funding sources as well as recruit additional volunteers.

Currently, CommonBond has submitted funding requests with two family foundations: The Janice Gardner foundation (\$5,000) and the Jack & Clara Dolan foundation (\$2,500). Both of these requests are pending due to major health issues with key people in both foundations. Additional opportunities for funding are being reviewed on a quarterly basis.

As expected, the Local Collaborative Time Study (LCTS) funds from the Hopkins School District are no longer available due to the reduction in federal funding. For many years, CommonBond received LCTS funding up to \$10,000 per year for Crown Ridge. The Hopkins School District has opted to use the remaining LCTS dollars to fund consortiums rather than individual projects. The General Mills funding request was approved for \$15,000.

CommonBond continues to form partnerships with other businesses and organizations, in order to inform them about Crown Ridge and recruit volunteers. CommonBond and United Health Group met to discuss the possibility of a partnership and CommonBond has also met with faith leaders from around the area. Partnerships with United Health Group and other faith communities are pending; however, Oak Knoll Church has indicated their willingness to become more involved with Crown Ridge beyond providing volunteers for the Study Buddies program.

Recommendation

Semi-annually a group of elected city officials, city staff, CommonBond staff, Hopkins School District staff, and Hopkins-Minnetonka Family Resource Center staff meet to discuss what is happening at Crown Ridge.

CommonBond staff continues to work at Crown Ridge to make improvements for on-site management and the Advantage Center. Although there is a new site manager, the previous site manager is now a regional manager who has stayed involved and directly oversees Crown Ridge. In February, HUD did an inspection

which focused on the safety, health and working status of the building. Crown Ridge scored a 90 out of 100 points on the inspection.

Additionally, at the direction of the EDA in November, CommonBond staff has continued to search for additional funding sources and other partnerships to gain volunteers. While the other funding and volunteer requests are pending contact has been made with these organizations and the process is underway.

Because CommonBond has made substantial effort to gain additional funding and volunteers, staff recommends the EDA approve the additional \$2,500 in Crown Ridge Advantage Center funding.

May 29, 2007

Mr. Ronald S. Rankin
Community Development Director
City of Minnetonka
14600 Minnetonka Blvd.
Minnetonka, MN 55345

RE: Request for \$2,500 to fund remainder of requested \$10,000 for enhanced service provision through the Crown Ridge Advantage Center, Crown Ridge Apartments;

Dear Mr. Rankin,

SUMMARY OF REQUEST

At the November, 2006, the Minnetonka Economic Development Commission approved \$7500 of CommonBond's request of \$10,000 for funding of the Advantage Center at Crown Ridge. They requested that CommonBond explore other ways of funding the \$2500 before returning to the Council.

We continue our search for additional funding. At present, there are two outstanding family foundation (Janice Gardner Foundation (\$5,000) and Jack & Clara Dolan (\$2,500) proposals. These proposals were sent in December, 2006 and decisions were to have been made in February, 2007. However, both of the key people involved in each of these foundations have experienced major health issues. Contact has been made with foundation officials and will be continued to be made until they arrive at a decision. Additional funding sources are being reviewed on a quarterly basis. As you can see, the funding process can take several months from start to finish and sometimes even longer.

A meeting was held with UnitedHealth Group to discuss the possibility of their corporation becoming partners with us at Crown Ridge and other CommonBond communities in the western suburbs. A group of communities of faith leaders gathered on March 12 to discuss their role with Crown Ridge and affordable housing in Minnetonka in general. The goal of that gathering was to educate these leaders about Crown Ridge and to connect them in multiple ways with CommonBond.

We have also been in contact with St. Mary's on the Lake requesting their assistance in recruiting volunteers to work with the youth. They declined.

Lastly, funding from the School Communities in Partnership(SCIP) is no available. SCIP has changed their allocation procedures due to limited federal funding. They will only be allotting funds to consortiums versus individual projects.

Background

Crown Ridge Apartments is a 64-unit subsidized housing community located at 11367 Fairfield Road in Minnetonka. Since assuming control of the property in CY 2001, CommonBond Communities (CBC) has worked in partnership with the city, the schools and other community agencies to strengthen the services provided to Crown Ridge residents. In the past year, occupancy at Crown Ridge has averaged 90% with 141 current residents. Of these residents, 56 are youth of which 60% are under the age of 5.

Management/Occupancy

Considerable effort has been made in stabilizing the occupancy at Crown Ridge over the past two years. It is truly a community that provides quality affordable housing for low-income families. Attachment A (Management Occupancy Report) identifies the sources of rent payment, which points out that we are meeting the objective of providing access to a mixed income community for Minnetonka residents. In June, we reached 90% occupancy. Crown Ridge is home to a total of 141 residents – an increase of 60% over that number two years ago. The average annual income for Crown Ridge residents is \$19,859.

| | October, 2006 | January 07 | June 2007 |
|-------------------------|---------------|------------|-----------|
| Total Residents | 141 | 140 | 134 |
| Total Children under 18 | 72 | 68 | 56 |
| Total Children under 5 | 37 | 39 | 34 |

Services

The need for services at Crown Ridge has remained constant since November. Current staffing consisting of an Advantage Program Manager and AmeriCorps members, provide a total of 40 hours of onsite coverage. This staffing arrangement has enabled us to increase hours for homework center. We have 30 children and youth participating in these programs. Enrollment in the onsite Early Childhood Program continues strong as well. The Hopkins staff noted that value of having access to room 107 so that this program can be offered on site. The social worker continues to provide a higher level of supportive individual services to Crown Ridge residents.

The total operating budget for the Advantage Center is \$64,641, of which \$13,236 is provided by the property's operating budget and \$6,500 is provided by CommonBond inter-company fees. We also have the Hennepin County Supportive Services funding for career assistance through September. We have secured the General Mills grant of \$15,000 as well as the City of Minnetonka's initial allocation of \$7,500. This leaves a budgetary gap of \$ 14,935. Of this amount, CommonBond is requesting the remaining \$2500 of its original \$10,000 from the City of Minnetonka to maintain staff hours and continue to strengthen the programs provided through the Advantage Center. A detailed description of this project is provided at the conclusion of this memorandum.

The above funding sources enable us to leverage other community resources as well as have the staff to oversee the volunteers. In the past year, we had \$ 16,047 in -kind contributions through volunteer hours and free tickets. Attachment B (Advantage Center Update) outlines major accomplishments from this fall as well as programming for the summer. Further, it identifies the many partners that are involved in making these programs operate successfully.

Service Goals and Objectives for CY2007

The service goals of CY 2007 represent a continuation of CommonBond's core programs offered through its Advantage Centers. These needs were verified through a needs assessment completed in CY 2005

1. Work in partnership with residents to make Crown Ridge a safe, peaceful community.

- a. Conduct monthly Resident Association meetings to discuss community issues.
 - b. Continue a Crime Watch program and meetings.
 - c. Obtain reports and data from Minnetonka Police and strengthen a working relationship with the community liaison officer.
2. Improve academic achievement for youth.
- a. Strengthen Study Buddies program through partnerships with Oak Knoll Church and Hopkins schools.
 - b. Expand and strengthen the academic content of the Homework Centers, particularly for youth over 12.
 - c. Expand on-site early childhood/literacy programs operated in collaboration with Hopkins schools.
 - d. Expand summer recreational/youth activities.
3. Increase economic self-sufficiency for adults.
- a. Provide individual services to connect adults with appropriate community resources.
 - b. Assist individuals with their job search through Career Advantage Program or assisted placements.

Thank you for your thoughtful consideration of this request. If you have any questions or need further information, please call me at 651-290-6243.

Sincerely,

Nellie Johnson
Vice President of Advantage Services

Enclosure

CROWN RIDGE AVANTAGE CENTER

| <u>Item</u> | <u>Funds</u> |
|---|------------------|
| <u>Projected Revenues</u> | |
| HUD Fees | \$ 13,236 |
| CommonBond /Funds | 6,500 |
| Hennepin County Supportive Employment | \$7,470 |
| General Mills | 15,000 |
| City of Minnetonka | 7,500 |
| Total Projected Revenues | \$ 49,706 |
| <u>Projected Expenses</u> | |
| Salaries/Benefits | \$-55,230 |
| Office Supplies, telephone, computer, misc | 2,220 |
| Mileage | 573 |
| Program Expenses | 1,225 |
| Indirect (accounting, MIS, HR, Supervision) | 5,384 |
| | \$ 64,641 |
| Funding Gap | \$ 14,935 |

We are working to close this gap through he following funding sources.

| | | |
|-----------------|---|--------------------|
| Pending: | Other Donors/ City of Minnetonka | 12,435 \$ 2,500 |
|-----------------|---|--------------------|

Leveraged InKind: Fy 06

| | |
|------------------------|----------|
| Volunteer Hours | |
| -Computer instructor | \$ 878 |
| Study Buddy Volunteer | \$ 4,124 |
| Homework Tutor | \$ 667 |
| CampFire Group | \$ 1,283 |
| NCCC Summer Volunteer | \$ 3,168 |
| \$YMCA Metro Intern | \$ 1585 |
| GE Employee Volunteer | \$ 4,352 |

| | |
|--------------|------------------|
| Total | \$ 16.047 |
|--------------|------------------|

Crown Ridge Occupancy

As of June 1, 2007

| Total Units | Hollman | Home | Tax Credit | Market | |
|--------------------|---------|------|------------|--------|----|
| 1 Bedroom | N/A | 3 | 4 | 5 | |
| 2 Bedroom | 3 | 7 | 15 | 11 | |
| 3 Bedroom | 3 | 4 | 6 | 3 | |
| | 6 | 14 | 25 | 19 | 64 |

| Occupied Units | Hollman | Home | Tax Credit | Market | |
|-----------------------|---------|------|------------|--------|----|
| 1 Bedroom | N/A | 3 | 5 | 3 | |
| 2 Bedroom | 3 | 7 | 13 | 9 | |
| 3 Bedroom | 3 | 4 | 5 | 2 | |
| | 6 | 14 | 23 | 14 | 57 |

| Units Occupied with Vouchers | Hollman | Home | Tax Credit | Market | |
|-------------------------------------|---------|------|------------|--------|----|
| 1 Bedroom | N/A | 0 | 2 | 1 | |
| 2 Bedroom | 0 | 0 | 2 | 2 | |
| 3 Bedroom | 0 | 2 | 4 | 0 | |
| | 0 | 2 | 8 | 3 | 13 |

Hollman Units: Pay 30% of their income for rent

Home Units: Income is 50 or 60% of median income and rent is considerably lower than market

Tax Credit Units: Income is 50 or 60% of median income and rent is lower than market, but generally

Market Units: Pay a market rent comparable to other complexes in the area.

Occupancy is up 11% since April 07 report. The Hollman units remain 100% occupied. We are continuing our "\$599 moves you in" rent special. We listed Crown Ridge in the 2007-2008 Hopkins Community Resource Guide with an emphasis on our location in the Hopkins School District. Crown Ridge is now staffed with full time Site Manager, Caretaker and Maintenance. We scored a 90b on our HUD REAC inspection in February. General Electric Volunteers will be back in June to paint the laundry rooms and roll out a couple accent walls to compliment the new tile floors. They will also re-paint the hallway walls on all three floors.

Bobbie Kay, Regional Manager

CROWN RIDGE ADVANTAGE CENTER

April, 2007

CURRENT Youth Programs

- **Study Buddies** at Oak Knoll Church on Monday afternoons and is staffed by Karen Libra. Eleven youth are currently matched with adult mentors through this program.
- **Campfire Youth Club** is held in Apt 107 on Friday afternoons and is staffed by Jeanette McCall or and Marie (Camp Fire staff).
- **Homework Center** is on Tuesday and Wednesday afternoons from 4:00-6:00. Youth, kindergarten and up, come to the Advantage Center for help on homework, to use the computer lab, and work on academic goals. Jeanette and one volunteer staff the program.
- **Reading is Fundamental Book distribution** was held, and each child that attended was able to choose a book to take home.
- **ECFE** for parents and kids continued through the Winter. A focused outreach effort was taken on in February to get new families involved. Apt 107 is set up with several stations for kids 0-5 to play with age appropriate toys. Kathryn Moore leads a parent discussion in the Advantage Center. Apt 107 also has a new toy library where families may checkout special toys to bring home.
- **Computer Training** – is available to youth from 4th to 12th grade on Thursday evening and is provided by a community volunteer.
- Snacks are served at each youth program through Second Harvest Foodbank.
- **Youth Field Trip** – 15 youth attended a joint field trip on a Spring break field trip to a local bowling alley.

Adult Programs

- **Career Advantage** – CommonBond's employment program has 3 residents who are currently looking for jobs or are working and looking for better jobs. Career Advantage also offers computer training on Wednesday afternoons for adults.
- **New Resident Orientation and Welcome Packet-** Several new residents moved in to Crown Ridge in February and March. Karen has done new resident orientation to services with these families.
- **Individual Services** — Karen assists residents with housing advocacy, short term counseling to address personal and neighbor issues, community resource referrals to other agencies (food, emergency assistance). Karen is on-site Monday, Wednesday and Fridays to be available to residents for one-on-one assistance.
- **Coffee Time** – Jeanette staffs a Tuesday morning coffee hour for residents to chat and do activities.
- **Computer Training** – A community volunteer comes in to help residents learn or improve their computer skills.
- **Monthly Newsletter and Calendar**

SUMMER Plans

- **Story hour** – ECFE programs will go on break during the summer months. Advantage Center staff will offer a weekly story hour for children ages 3-5 in place of ECFE.
- **Summer Youth Recreation**-Karen and Jeannette will offer a summer youth recreation program three days a week for 4 hours during the afternoon for 10 weeks. The program will include literacy activities, crafts, camp fire club, cooking projects, recreational fieldtrips, computer time and outdoor active games.
- **Summer Camp Scholarships/Engagement in positive activities**- Crown Ridge youth aged 8-15 will be invited to register for weeklong overnight camp programs for the summer funded through a grant from the Pohlada Family Foundation. In addition, Advantage Center staff will work with parents of kids enrolled in current youth programs to encourage them to involve their children in summer school and provide information on other youth enrichment opportunities in the area.
- **Summer Kick off/Back to School**- In June there will be a large summer kick off celebration at Crown Ridge. The morning event will be a property clean up and the afternoon will be a youth carnival to kick off the start of a summer literacy program. In the Fall, a similar event will be held to provide school supplies to youth and wish them a great school year.
- **National Night Out**- Advantage Services and Property management staff hope to partner with residents to host a community National Night Out event. This will offer a great opportunity for neighbors to get to know each other.

Residents

| | <u>January 2007</u> | <u>April, 2007</u> |
|----------------------|---------------------|--------------------|
| # of families | 50 | 56 |
| # of total residents | 140 | 134 |
| # of youth | 68 | 68 |
| Ages 0-5 | 39 | 34 |
| Ages 6-12 | 21 | 22 |
| Ages 13-18 | 8 | 10 |

\$19,859 average income

Current Partners:

| | |
|--------------------------------|--|
| Camp Fire USA | Minnetonka Parks and Rec |
| CAPSH | Minnetonka Police and Fire Departments |
| City of Minnetonka | Oak Knoll Lutheran Church |
| First Book | Pohlada Scholarships |
| Hopkins ECFE | Reading is Fundamental |
| Hopkins Family Resource Center | Ridgedale Library |
| Hopkins School District | Second Harvest Food Bank |
| ICA Food Shelf | Tanglen Elementary |

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**November 14, 2006
6:00 p.m.**

**Boards & Commissions Room
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER.

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

2. ROLL CALL.

EDA Commissioners present: Liz Bayer, Dan Duffy, Bunny Robinson, Peter St. Peter, Al Thomas, Tony Wagner, and Bob Walker.

EDA Commissioners absent: Dave Larson

Staff present: Ron Rankin and Vanessa Haight

3. APPROVE MINUTES OF SEPTEMBER 19, 2006 EDA MEETING.

Robinson moved, Duffy seconded a motion to approve the September 19, 2006 EDA meeting minutes. All voted yes. Motion passed.

BUSINESS ITEMS

4. 2007 FUNDING REQUESTS

**A. COMMONBOND FUNDING REQUEST FOR CROWN RIDGE
ADVANTAGE CENTER (this item taken up out of sequence).**

Community Development Director Rankin introduced the item, explaining that the funding request is similar to those submitted in the past. The 2007 request for funding includes \$6,000 in rent subsidy for the expanded Advantage Center and \$10,000 toward general funding for the Crown Ridge Advantage Center.

Rankin briefly summarized the programs offered at Crown Ridge, including Study Buddies, Homework Center, and Early Childhood Family Education classes. The Advantage Center staff also works with adults by providing information referral, housing advocacy, short-term counseling, and employment assistance.

Rankin reminded the EDA that when the Advantage Center was originally funded in 2002, the funding was not intended to be continuous. For 2007, staff

recommended EDA approval of funding in the amount of \$7500 instead of the full \$10,000.

Nellie Johnson of CommonBond stated that the partnerships with the School District and the City of Minnetonka have been very important in meeting the needs of the residents through the Advantage Center. The funding provided by these partners has been used to leverage funds from GE and General Mills. Ms. Johnson urged the EDA to fund the full \$10,000 request.

St. Peter asked about the availability of SCIP funds. Rankin explained that the School Districts are receiving less funding while at the same time experiencing more funding requests.

Thomas asked Ms. Johnson to elaborate on the staff turnover mentioned in the staff report. Ms. Johnson explained that some of the turnover was due to internal promotions. The former site manager moved to the regional manager position, resulting in the hiring of a new Crown Ridge site manager.

Walker asked about the chances of receiving the General Mills grant. Ms. Johnson stated that General Mills has been very responsive to their requests, explaining that General Mills provided schools supplies and backpacks for their program.

St. Peter asked staff where the City stands given the financial situation of the Hopkins School District. Rankin responded that he was unsure. St. Peter requested staff follow-up with the Hopkins School District to understand their situation in the next 18 to 24 months.

St. Peter suggested CommonBond solicit other major employers in the west metro for grants and congratulated CommonBond staff on the increased occupancy rates at Crown Ridge.

Duffy asked if the \$6,000 rent subsidy would need to be raised to reflect increased rental costs. Ms. Johnson responded that the city contributes \$6,000 toward the unit and CommonBond covers the difference. Rankin explained that the \$6,000 was part of an agreement that will need to be revisited in 2007.

Robinson asked what will happen if CommonBond cannot secure the pending grants. Ms. Johnson stated that priorities will be determined and cuts to staff and programs are possible.

St. Peter asked about the progress made through the youth programming. Ms. Johnson stated that eight children originally signed up for Study Buddies but that number has now grown to 11 children. An additional AmeriCorp position may be available to help with the homework center.

St. Peter asked about partnerships with other organizations such as the YMCA. Staff from the YMCA stated that there is a very high demand for youth programs and that the YMCA will continue to network with organizations and programs such as the Crown Ridge Advantage Center.

Wagner stated he was okay with funding the full \$10,000 request given the increased occupancy at Crown Ridge.

Thomas suggested funding at the \$7500 level now but also giving CommonBond the option of returning if additional funds cannot be secured.

Thomas moved, Walker seconded a motion that the EDA recommend approval of the \$6,000 in rent contributions toward the expanded Advantage Center and a \$7,500 grant for Crown Ridge Advantage Center programming. St. Peter, Duffy, Thomas and Walker voted yes. Robinson and Wagner voted no. Motion passed.

B. YMCA FUNDING REQUEST FOR MINNETONKA HEIGHTS COMMUNITY ENHANCEMENT PROGRAM

Rankin introduced the item, explaining that the Minnetonka Heights program is similar to the Crown Ridge program. In the case of the Minnetonka Heights program, the YMCA partnered with Minnetonka Heights to create the Community Enhancement Program. Since its original inception in 2001, YMCA has not requested additional funding from the city for the Minnetonka Heights program. Due to the reduction in LCTS dollars, YMCA is now requesting \$20,000 from the city to continue the current level of programming at Minnetonka Heights. The YMCA intends the \$20,000 request to be a one-time request and will aggressively pursue other funding sources to sustain the program in the future. Staff recommended approval of funding in the amount of \$20,000.

St. Peter mentioned that one major contrast between the Crown Ridge program and the Minnetonka Heights program is the amount of city staff time spent on each program.

Wagner asked if the LCTS funds had been eliminated. Rankin clarified saying the funds had been reduced by 60%.

Amanda Larson of the Ridgedale YMCA introduced her colleague, Kim Erickson-Heiar, who has been involved in the Minnetonka Heights program since its inception. Ms. Erickson-Heiar told the EDA that the Minnetonka Heights program is one of the best things the YMCA has done. The program addresses the needs of a very diverse population and has been very successful in connecting residents with available community resources. JoAnne Robinson, Program Director at Minnetonka Heights, has been with the program since its inception. The YMCA tracks progress and success and has seen measurable



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director
Elise Durbin, Community Development Supervisor

DATE: June 7, 2007

SUBJECT: Staff Report for June 12, 2007 EDA Meeting

1. Glen Lake

Construction on the Glen Lake redevelopment project is underway. In late May the building permit for The Exchange building was issued, and construction began immediately. The footings were poured for The Exchange building on June 7.

Attached you will find the most recent Glen Lake Update newsletter that was sent out to businesses and residents with more updates.

2. Homes Within Reach

At the end of May, Homes Within Reach acquired the twinhome on Minnetonka Drive. One of the units was an affordable housing unit requirement for Curt Fretham's 34th Circle West development. The second unit was offered to Homes Within Reach at a market rate price. HWR has a buyer for one of the units and is currently looking for a buyer for the second unit.

The city acquired one of the affordable units at Deephaven Cove on June 6. Like the units at The Sanctuary, the city must acquire the unit first and transfer it to HWR in order to receive the TOD grant funds from Hennepin County. The city will be selling the unit to HWR the week of June 18, and HWR will be transferring the unit to their buyer on June 22. There are three remaining affordable units at Deephaven Cove to be completed.

Included in the attachments is a copy of the HWR annual report as well as a copy of their new brochure.

Upcoming Events

Saturday, June 23

Burwell Ice Cream Social and Summerfest
7:30 a.m. to 10:30 p.m.
Burwell House and Minnetonka Civic Center
See city website for more information

Wednesday, June 27

Sensible Land Use Coalition: Sub-prime
Meltdown...minor issue or long-term problem?
Double Tree Park Place Hotel (St. Louis Park)
11:30 a.m. to 1:30 p.m.

Please let Elise know by June 19 if you wish to attend

Attachments

- EDA Project Update
- June 27 Sensible Land Use Coalition program information
- May 2007 Glen Lake Update newsletter
- Homes Within Reach 2006 annual report
- Homes Within Reach brochure
- "House like any other-but green" *Star Tribune* May 15, 2007
- "Rentals back on the rise" *Star Tribune* May 12, 2007

2007 EDA Meetings

Updated June 7, 2007

| Meeting Date Meetings at 6:00pm unless otherwise noted | Item Description | Room/Special Notes |
|---|---|---|
| Tuesday, June 12 | Regular EDA Meeting | Crown Ridge Apartments <ul style="list-style-type: none">• Crown Ridge |
| Thursday, July 19 6:30 p.m. | Joint EDA/Comp Plan Steering Committee/Planning Commission meeting | To Be Determined |
| Tuesday, August 14 | Regular EDA Meeting | Boards and Commissions |
| Tuesday, September 18 | Regular EDA Meeting | Boards and Commissions |
| Tuesday, October 16 | Regular EDA Meeting | Boards and Commissions |
| Tuesday, November 13 | Regular EDA Meeting | Boards and Commissions |
| Tuesday, December 11 | Regular EDA Meeting | Boards and Commissions |

Items to be scheduled

EDA PROJECT UPDATE

Affordable Housing

Livable Communities Act Goals

(The results to date include all affordable units approved by the City Council; however, they may not necessarily be built yet).

| | Goals (1995-2010) | Results to Date | Percent of Goals |
|---------------------------------|-------------------|-----------------|------------------|
| Owner-Occupied New Construction | 180 units | 223 units | 124% |
| Rental New Construction | 324 units | 213 units | 65% |
| TOTAL | 504 units | 436 units | 86% |

Project Updates

| Project | Total Units | Affordable Units | Update |
|---|-------------|------------------|--|
| Sanctuary | 23 | 4 | Third affordable unit sold to WHAHLT on 4/19—WHAHLT sold to homebuyer on 4/23 |
| Meadowwoods | 17 | 2 | New contractor working on the unit. Construction resumed in early March. |
| 34 th Circle West (Minnetonka Drive) | 6 | 1 | HWR acquired the twinhome on 5/31. |
| Cargill (PORTICO) | 25 | Up to 19 ADUs | |
| Cloud 9 | 164 | 34 | |
| Deephaven Cove | 28 | 5 | City has purchased second affordable unit—to be sold to HWR week of 6/18 |
| Glen Lake | 197 | 33 | Foundation on The Exchange building poured June 7 |
| HWR (WHAHLT) | | | 26 Minnetonka units, 38 units total New units in Eden Prairie and Golden Valley |
| Cedar Hills Townhouses (Rehab) | 30 | 30 | Rehabilitation continues. |

Transit

Dial-a-Ride

- Ridership

| Month | Average Daily Ridership |
|---------------|-------------------------|
| February 2007 | 36.5 Rides |
| March 2007 | 35.8 Rides |
| April 2007 | 34.5 Rides |

- Extended Dial-a-Ride service begins July 2 with evening and Saturday service.

Other Transit

- Southwest Rail Study Alternatives Analysis is complete—website: www.southwesttransitway.org
- County Road 73/I-394 Park and Ride Ramp
 - Grand opening on June 4.
 - Additional façade work to be completed later this summer.

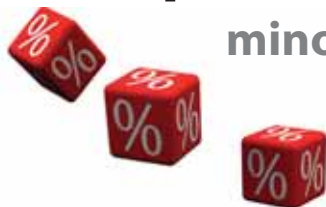
Economic Development/Business

- Minnetonka • 101 Business Association
 - Business Association meeting held on June 7



Sub-prime Meltdown...

minor issue or long term problem?



The Sensible Land Use Coalition has convened a panel of experts to discuss the meaning of significant foreclosures and potential fraud in the sub-prime lending market locally and nationally.

Participants will learn about the history, definition, variations and implications of the recent aggressive sub-prime lending activities and what implications it may have on future housing and development activities.

SPEAKERS

Prentiss Cox

Associate Clinical Professor of Law,
University of MN Law School

Tim Marx

Commissioner, MN Housing Finance Agency

Elizabeth Ryan

Director of Housing Policy & Development,
City of Minneapolis

The panelists will :

- describe the forms that sub-prime lending has taken and explain how they evolved;
- draw a distinction between legitimate sub-prime lending and those that may involve fraud and illegal activities;
- address what impacts the increase in foreclosure rates is having on current lending practices and home values and what adjustments are being made in the lending industry to eliminate the potential for fraudulent activities;
- speculate on the long term implications for those who are being forced into foreclosure and possible legitimate "work-out" options;
- review potential legislative actions (State and Federal) to restrict the use of sub-prime lending techniques;
- tackle the central question: what if any long term implications are there from the sub-prime meltdown?

**The topic is timely. The impact on the land use community will be significant.
The panel is knowledgeable. This is a program you will not want to miss.**

This session will be videotaped.

REGISTRATION OPTIONS

PLEASE RETAIN A COPY FOR YOUR RECORDS.

Sub-prime Meltdown

June 27, 2007, 11:30 - 1:30 PM

Online

www.sensibleland.org

By Mail

Sensible Land Use Coalition
PO Box 284
Excelsior, MN 55331-9998

Sorry, no POs

Mail form with check

Mail form, pay at the door

| | Members | Non-members |
|-----------------|---------|-------------|
| Online | \$32 | \$42 |
| By Mail (Check) | \$32 | \$42 |
| By Mail (Door) | \$42 | \$52 |

Sign up at meeting for
Real Estate, Builders, AICP,
& AELSLAGID Continuing Education Credit.

CRE approval pending (1.0 hour)

Next Program: July 18
Second Annual
Project Showcase



Sub-prime Meltdown • June 27, 2007

Register: 11:15 AM • Program: 11:30 AM - 1:30 PM

REGISTRATION FORM

Attendees: _____

Company/Agency: _____

Phone: _____

E-mail: _____

DoubleTree Park Place
St. Louis Park, MN

Map and directions at
www.sensibleland.org

Sorry, no POs

Vegetarian meal preferred

**Important: See reverse side
for cancellation policy.**

GLEN LAKE UPDATE

May 2007 Edition

*Published by the city of Minnetonka
for Glen Lake residents and businesses.*

Dear Glen Lake Neighbor,

WELCOME TO THE THIRD ISSUE OF THE GLEN LAKE Update, providing you with information on the many public and private projects underway in your neighborhood. If you would like more frequent updates or more detail than in this summary, visit the Glen Lake project page at www.eminnetonka.com. Please also feel free to contact me at (952) 939-8282 or via email at rrankin@eminnetonka.com. I am responsible for overseeing the various Glen Lake projects, and would be glad to answer any questions.

Ron Rankin
Community Development Director

Private Development

Due to slower-than-expected condominiums sales earlier this year, developer Tom Wartman submitted revised plans to the city for **The Exchange** building. The original plans approved in 2006 called for 32 condominium units over retail space. The revised plans, approved by the city council on February 26, 2007, change the 32 condominium units to 52 apartment units and added a full fourth level instead of the originally approved partial fourth level. The retail space and other phases of the project will remain the same. Of the 52 apartment units, 13 will be rented at an affordable rate. A ceremonial groundbreaking on The Exchange building was held April 18. A building permit has been issued for The Exchange building, and construction is expected to begin very soon.

Pre-sales for the **Kinsel Pointe** condominium building continue. Construction of the new building is anticipated to start later this year.

Pedestrian and Streetscaping Improvements

Much of the streetscaping (sidewalks and streetlights) in Glen Lake was installed in the late 1970s and early 1980s. While the sidewalks have held up well, repairs to the streetlights are difficult since the parts are obsolete.

Since both the city and Mr. Wartman will be making streetscaping improvements, a consultant will be hired to take a look at streetscaping throughout Glen Lake. The consultant's task will be to come up with a master

streetscaping plan in an effort to update the area and to make sure the city's improvements and the private improvements are integrated. The recommendations made by the Pedestrian Plan Committee in 2006 for future pedestrian improvements will also be incorporated into the master plan.

Parks and Open Space

The consultant hired to conduct the streetscape and pedestrian improvement planning will also work on a design for renovating the **Glen Lake Plaza**, including the inoperable fountain.

Kinsel Park renewal planning continues. Following February and March neighborhood planning meetings, a master plan has been developed and will be reviewed by the Park Board on June 6.

At **Glen Lake Park** safety fencing upgrades were completed on the little league fields in time for the season opener. The retaining wall was modified according to the approved plan, and the batting cages are currently under construction. Once the batting cages are complete, the older cages will be dismantled and grading will then commence on the hillside for the stadium seating. Scheduling of this work was revised in order to have batting cages available for the Glen Lake Mighty Mites program and season.

If you have any questions about the parks and open space improvements in Glen Lake, please contact Perry Vetter, parks and trails manager, at (952) 988-8412 or pvetter@eminnetonka.com.

Xcel Substation

In an effort to make the Xcel Substation more aesthetically pleasing, the fencing on the east side and part of the south side will be replaced with an eight-foot-high cedar fence.

More Information

As a reminder, if you would like more frequent updates or more detail than in these quarterly newsletters, please visit the Glen Lake link on the city's Web site at www.eminnetonka.com, or sign up for Hot Topics e-newsletter and have all the latest city news delivered direct to your email inbox each Friday. You may also contact Community Development Director Ron Rankin at (952) 939-8282 or rrankin@eminnetonka.com.



Homes within Reach™

2006 Annual Report

President's Message

Ann Perry, President
West Hennepin Affordable Housing Land Trust

This year's theme centers on our quilt, raffled at our annual meeting, and handmade with love and care by board member Winnie White-Scherber. Her repetitive-home design symbolizes the mission of our organization – to multiply the number of permanent and affordable homeownership opportunities for work-force families in western suburban Hennepin County.



Thank You, Winnie!

I am happy to report that this past year has been one of continued organizational growth and new opportunities through our Homes Within Reach (HWR) program. In fact, there are signs that we may be realizing the beginning of a consistent growth phase: in 2006, we were able to provide homeownership opportunities for 32 families – eight more than in 2005. All signs point to continued expansion in 2007.

Based upon a proven working model that was initiated by the City of Minnetonka and HWR, we were able to expand into Golden Valley and St. Louis Park, and also established the framework for new homes in Deephaven. 2006 also marked our first resale opportunity.

Our success would be impossible without the participation and support of many partners.

In 2005, the HWR board identified a need to diversify our housing options. We responded last year with offerings for carriage homes in Eden Prairie's Hennepin Village development, and town homes in the Sanctuary and Glen Lake developments in Minnetonka. In 2007, additional carriage- and town-home units will be available in Deephaven, Eden Prairie and Minnetonka.

Later this year, the HWR Board will begin a new strategic planning effort in order to help us frame the direction of future growth and identify tools to maintain success while remaining dedicated to our mission.

As always, we are extremely grateful to the City of Minnetonka; the Greater Metropolitan Housing Corporation; Hennepin County; the Metropolitan Council; Bremer Bank; the Minnesota Housing Finance Agency; and the many other cities, organizations and individuals that have and continue to fund our activities.

In 2006 we provided homes for 32 families – eight more than in 2005. All signs point to continued expansion in 2007.

We are especially appreciative of the support provided to our organization and families by St. Luke's Presbyterian Church in Minnetonka, St. Joseph the Worker Church in Maple Grove, and the Community Action Partnership of Suburban Hennepin.

Executive Director Janet Lindbo and our dedicated staff continue to be our foundation. Janet's strong management, outreach and organizational skills help us grow and meet our strategic goals. She initiated several new opportunities for partnerships in 2006, and continues to implement performance indicators that gauge our success at meeting priorities. Doris Gruis provides HWR with outstanding financial and accounting expertise, and she's also an effective and popular liaison to our existing and potential families.



Our success would not be possible without the participation and support of our many partners. On behalf of the board, I would like to thank all our members, government agencies, organizations and homeowners for their assistance, sponsorship and resources.



Our Vision

To transform people's lives through homeownership.

Our Mission

To use the Community Land Trust model to create and preserve affordable homeownership for families in suburban Hennepin County.

Transforming lives through home ownership

Blending innovation and teamwork to create a place called home.

We are pleased to report that in 2006, the West Hennepin Affordable Housing Land Trust (WHAHLT), through its Homes Within Reach (HWR) program, worked in concert with many partners to increase the number of affordable homeownership opportunities for working households in suburban Hennepin County.

We continue to maximize the public and private investment being made in workforce housing.

This allowed more people to live close to their work and also played a central role in creating stable communities and families. Because WHAHLT/HWR programs help preserve and recycle both housing dollars and home availability, these combined efforts continue to maximize the public and private investment being made in workforce housing.

The core of our mission is to create a true home for our families. Every day we see the heart and soul of the WHAHLT/HWR team at work through the dedication, guidance and financial support of many individuals and organizations.

Here is a “short list” of what these professionals achieved by year’s end:

- Acquired nine affordable homes.
- Sold eight new affordable homes.
- Secured ownership of 32 parcels of land.
- Helped 32 families become homeowners through the Community Land Trust model.

In 2006, WHAHLT also collaborated with several western Hennepin suburban communities and funding partners on the following:

- Extending the HWR service area to the communities of Golden Valley and St. Louis Park.
- Continuing to explore expanding into two or three new communities in the near future.
- Increasing our ability to create affordable homeownership by 100% for 2007.



“Owning my own home has inspired me to pursue more education and other life goals.”

It’s a story of consistent achievement, but it all comes down to the impact our work has on individual families, and we’re pleased to report steady progress on that front as well.

Consider what Jamie Comers told us after moving into her first-ever new home: “I’m excited to teach my daughter about the pride that results from working hard to make a dream a reality instead of just a wish.”

Quite often the benefits of homeownership extend far beyond what our buyers initially expect. Kristin Urbina, another first time homeowner, discovered that: “My sense of accomplishment has inspired me to pursue more education and other life goals.”

The opportunity to assist people like Jamie and Kristin is what fuels our team’s passion and commitment to continue creating homes that transform families and communities.



Jamie Comers and her daughter, Elizabeth

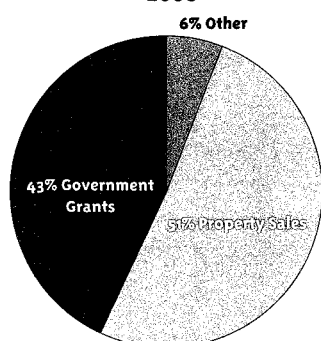


Kristin Urbina and her daughters Alexis and Isabel

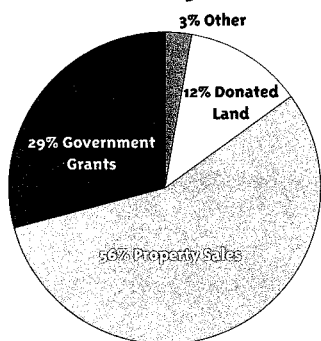
Transforming lives through home ownership

Statement of Revenue & Expense

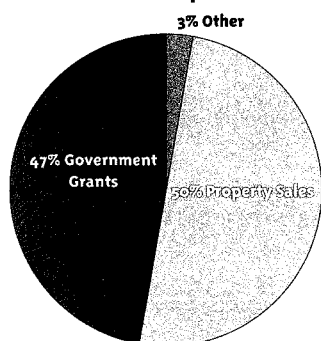
Public Support & Revenues 2006



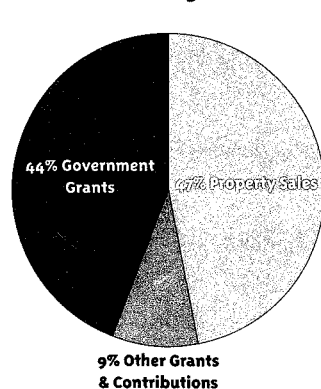
Public Support & Revenues 2005



Public Support & Revenues 2004



Public Support & Revenues 2003



Revenue

| | <u>2006</u> | <u>2005</u> |
|---|------------------|------------------|
| Grants, Contributions, & Other Revenue | \$ 896,849 | \$ 694,634 |
| Ground Lease Fees | 9,282 | 7,080 |
| Property Sales | 936,500 | 880,000 |
| Interest | 4,100 | 2,721 |
| Total Public Support and Revenue | 1,846,731 | 1,584,435 |

Expenses

| | | |
|--|-------------------|-------------------|
| Property Costs | 1,222,110 | 1,027,649 |
| Operations | 146,299 | 137,676 |
| Total Expenses | 1,368,409 | 1,165,325 |
| Increase (decrease) in Net Assets | \$ 478,322 | \$ 419,110 |

Balance Sheet as of December 31, 2006

Assets

| | <u>2006</u> | <u>2005</u> |
|--------------------------------|-------------|-------------|
| Cash on Hand /Other | \$ 120,645 | \$ 173,363 |
| Prepaid expense | 3,306 | - |
| Properties to be Sold | 342,835 | 226,000 |
| Equipment, net of depreciation | 1,170 | - |
| Unconditional Promises to Give | 402,708 | 328,008 |
| Land in Trust | 2,274,850 | 1,693,000 |

Total Assets

| | |
|---------------------|---------------------|
| \$ 3,145,514 | \$ 2,420,371 |
|---------------------|---------------------|

Liabilities & Net Assets

| | | |
|-----------------------------|----------------|----------------|
| Earnest money | \$ - | \$ - |
| Accrued expenses | 21,321 | 20,624 |
| Loans | 562,162 | 316,038 |
| Total Liabilities | 583,483 | 336,662 |
| Net assets | 2,083,709 | 1,664,599 |
| Change in net assets | 478,322 | 419,110 |

Total Liabilities and Net Assets

| | |
|---------------------|---------------------|
| \$ 3,145,514 | \$ 2,420,371 |
|---------------------|---------------------|

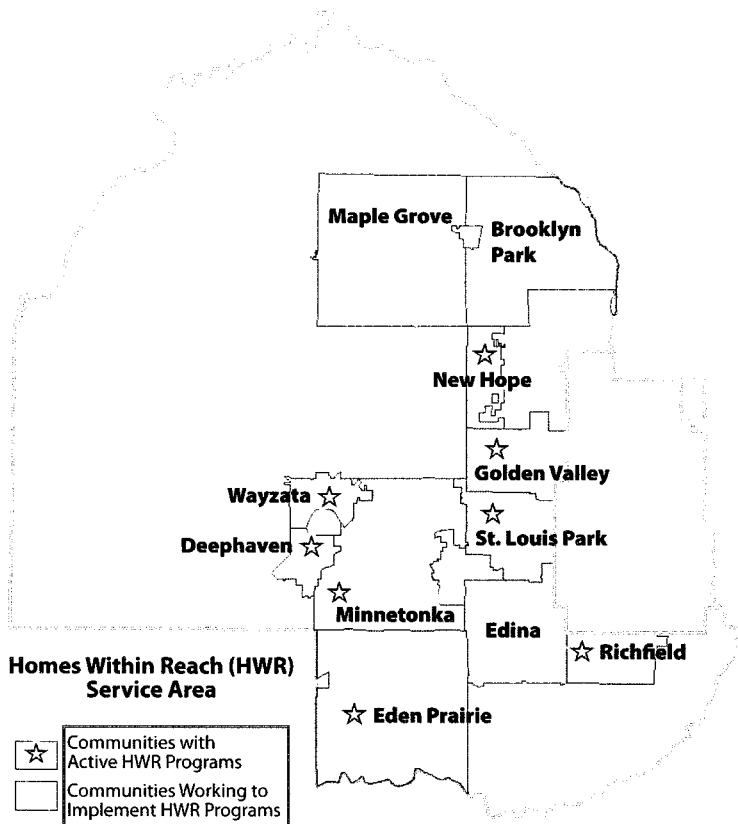


Board member Jerry Nystuen, his wife Arlene, and our littlest "homeowner" celebrating at our annual picnic.

Past and Current Funders

The following have provided capital and/or operating support to the West Hennepin Affordable Housing Land Trust program known as Homes Within Reach:

- B.C. Gamble and P.W. Skogmo Fund of the Minneapolis Foundation
- Bremer Bank
- City of Richfield
- Deephaven Cove LLC/Steven Scott Development
- Family Housing Fund
- Halley's Custom Homes
- Interfaith Outreach and Community Partners
- McKnight Foundation
- Metropolitan Council
- Otto Bremer Foundation
- St. Luke Presbyterian Church
- Thrivent Financial for Lutherans
- ZB Companies
- City of Minnetonka
- City of Eden Prairie
- Fannie Mae MN Partnership Office
- Greater Twin Cities United Way
- Hennepin County
- Local Initiatives Support Corporation
- Minnetonka United Methodist Church
- Minnesota Housing Finance Agency
- Ryland Homes
- St. Joseph the Worker Church
- Wells Fargo Bank
- Various individuals



West Hennepin Affordable Housing Land Trust 2006 Board of Directors

- Terry Egge
- Ameena Elshershaby
- Robert Hamilton (Treasurer)
- Sandal Hart
- Chuck Nowicki (Vice-President)
- Jerry Nystuen
- Joel Papa
- Ann Perry (President)
- Juan Ruiz
- Winnie White-Scherber (Secretary)
- Terry Schneider
- Margaret Willie
- Doug Winter

Staff: Doris Gruis, Janet Lindbo and Doug McNamara

952-401-7071 • 952-224-2857 (fax)



www.homeswithinreach.org • info@homeswithinreach.org

5101 Thimsen Avenue, Suite 200 • Minnetonka, MN 55345

Q: Think you don't earn enough to buy a home?
A: Think again.

At Homes Within Reach, we help working families purchase their own homes at affordable prices.

How? Through a unique and proven program that removes the market value of the land from your mortgage equation, which reduces the cost of your home by about 40 percent.

We help make the dream of homeownership your dream.

Homes Within Reach, a program of the West Hennepin Affordable Housing Land Trust, is a community-based program that provides affordable homeownership in western suburban Hennepin County.

The program is primarily funded by local, state and federal government; private foundations; religious organizations; and other donors in order to purchase single-family properties and sell the home to qualified buyers.

Your own home is just a few steps away.

1. Attend one of our information meetings.

Our staff will explain the community land trust model, the homeownership program, and the application process. For more information and scheduling, call or visit our website.

2. Submit a Homes

Within Reach application.

Applications are available at the information meeting, and our staff will guide you in completing all forms.

3. Interview at Homes Within Reach.

You'll meet with our staff and resident qualification committee. Approved applicants are offered homeownership opportunities as they become available.

4. Have an attorney review your ground lease.

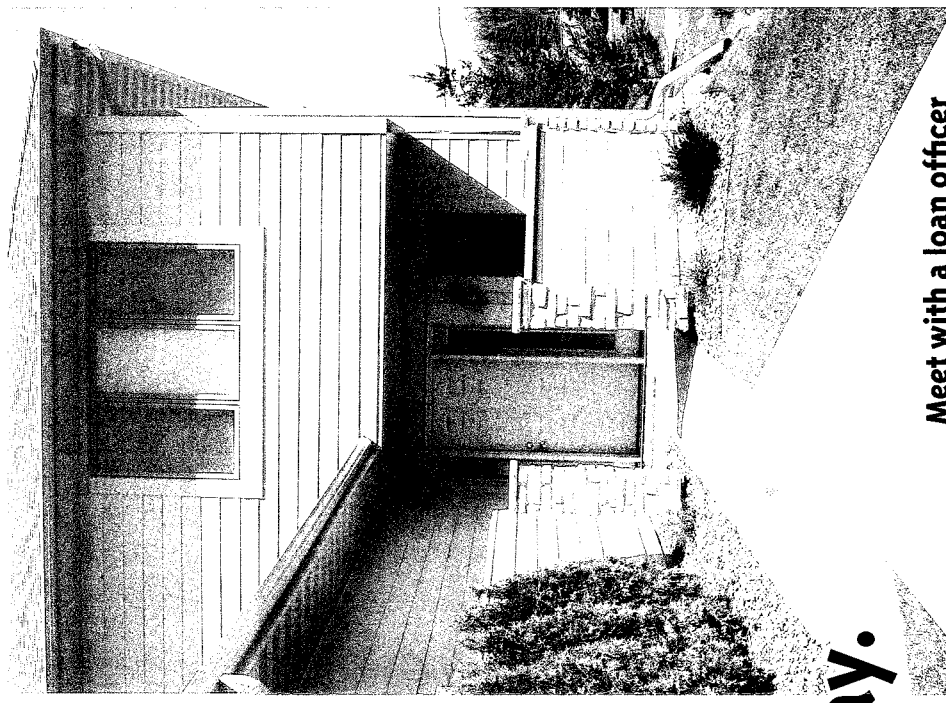
When all the above steps have been completed and a home is selected, you'll meet with an independent attorney to ensure that all your questions regarding the ground lease are answered.

5. Meet with a loan officer to apply for a mortgage.

We will direct you to specific banks and loan officers that currently provide mortgage financing for our homeownership program.

6. Complete the closing... and move in.

Welcome home!



Why buy from Homes Within Reach?

- You purchase the house but not the land, reducing the cost of the home by approximately 35-42 percent.
- You lease the land from the West Hennepin Affordable Housing Land Trust for 99 years at a nominal fee. The lease interest is inheritable and renewable for an additional 99 years.
- You can sell the home to another household earning at or below 80% of the area median income, or to Homes Within Reach for a price determined by the ground lease.
- You build equity and can deduct the mortgage interest and property tax on your federal income tax.
- You receive 35% of the appreciation of the home when you sell, which can help you purchase another home.

Program Guidelines

You're a candidate if you meet these overall criteria.

- You plan to purchase a home in western suburban Hennepin County.
- You have a stable source or sources of income.
- Your annual household income is less than the program income limits.

For the latest guidelines, visit us on the web at www.homeswithinreach.org or call us at **952-401-7071**.

About Us

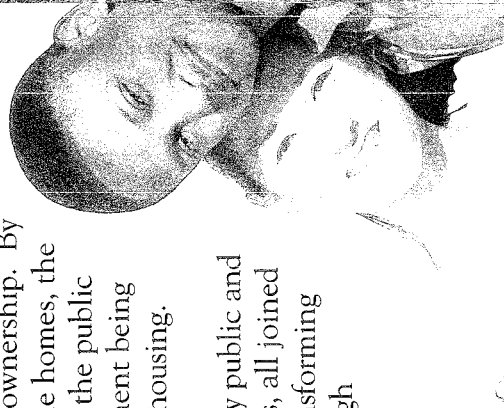
Homes Within Reach is a program of the West Hennepin Affordable Housing Land Trust. Our mission is to create and preserve affordable

homeownership opportunities for working households in western suburban Hennepin County.



We give families the opportunity to live in the cities where they work, which helps expand the local workforce and establish additional and enduring homeownership. By preserving affordable homes, the program maximizes the public and private investment being made in workforce housing.

We are supported by public and private partnerships, all joined by the belief in transforming people's lives through homeownership.



Affordable Homes for Working Families



Homes Within Reach

West Hennepin Affordable Housing Land Trust

952-401-7071
952-224-2857 (fax)

www.homeswithinreach.org
info@homeswithinreach.org



5101 Thimsen Avenue, Suite 200
Minnetonka, MN 55345

Transforming lives through home ownership

House like any other, but green

An eco-friendly remodeling of a Minnetonka Rambler could be a prototype for houses of the future.

By [Jenna Ross](#), Star Tribune

Last update: May 15, 2007 – 11:49 AM

When people look at the house at 3502 The Mall in Minnetonka, they won't see a hyper-efficient experiment that reuses rainwater and runs on solar power.

They'll see a Rambler.

Or at least that's the goal. The Wayzata-based Live Green, Live Smart -- with the help of a fleet of architects, contractors and subcontractors -- is remodeling a 1940s house into what they hope will be "the most eco-friendly residence in the world."

That update will include adding almost 600 square feet to the original 960 and creating a more dynamic roof line. But the group wants the house of the future to "really live in the neighborhood now," said Peter Lytle, Live Green, Live Smart's executive director.

Environmentally responsible building is big these days. In the commercial world, more than 800 projects have earned certification from the nonprofit U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED). But of those, only 17 have earned the LEED's highest ranking -- platinum -- all commercial structures.

Now, LEED is extending its reach to residences on a pilot basis. The group working on the Minnetonka house hope theirs is the first remodel in the nation to earn the 90 points needed for that platinum rating.

A variety of things will earn a building points. Right now, workers are replacing roofing and removing and then reusing wood to redo the Rambler's exterior. In these steps, the group is focusing on the "environmentally preferable products" category of the certification.

Exterior walls framed with FSC -- or Forest Stewardship Council -- certified lumber? Check. The foundation's cement content replaced with fly ash or slag? Check.

Once the place has all its walls and flooring, things will get more interesting. Plans call for a toilet that uses less water (.9 gallons for fluids and 1.6 gallons for solids), battery-powered automatic faucets that recharge themselves while running, and systems that save and reuse water from the shower.

Once completed -- which could be in July -- the house will serve as an example. Almost 20 computers will monitor the house's vitals for years. Lytle will live there with his family, so whenever people want to see the place, he'll give a tour.

"It's about educating a population," Lytle said.

Live Green, Live Smart also will work to create resources to help others build green. It is filming a documentary on the project that it will use to promote and explain building green. The group also advocates for greener codes, sponsors contests, awards micro-grants and educates builders.

Once the documentary and other promotions are added in, the project will "far exceed \$1 million," Lytle said. But the average person doing the remodel would spend \$300,000 to \$400,000.

Showing that a green remodeling can be done and done without great expense will be effective in itself, said Steven Kleineman, president of SKD Architects and the house's head architect.

Kleineman has "done the McMansions," he said. And there's something about working an existing house into a green house without sacrificing its look and the look of the neighborhood, he said.

Which brings us to the yard. While the house might blend in, the mix of mulch, prairie grass and native plants surrounding it might disagree with its Kentucky bluegrass neighbors.

"We're working with the landscaping," Kleineman said. "The trick is to avoid the counter-culture look."

Jenna Ross • 612-673-7168 • jross@startribune.com

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Rentals back on the rise

The apartment market is beginning to pay off again for investors. Last year, homeownership declined slightly while apartment vacancy rates improved again. And the market for apartments is likely to continue to brighten.

Gene Walden

Last update: May 12, 2007 – 1:46 PM

As mortgage foreclosures rise and home sales slump, there's another side to the housing market that is quietly enjoying a recovery. The apartment market, battered and beaten the past few years, is finally rewarding long-suffering investors for their patience.

"They always say, 'location, location, location,' " said Robert Fransen, president of Bloomington-based Timberland Partners, "but I say, 'timing, timing, timing,' and this is a great time to invest in apartments."

The fortunes of the apartment market have moved in direct contrast to the rise and fall of the home market. While lower mortgage rates and rising home prices spurred a surge of homeownership among American families in the past decade -- from 64 percent in 1995 to 69 percent in 2005 -- apartment vacancy rates steadily worsened.

The two markets have experienced a reversal of fortune in the past year or so. While homeownership declined slightly last year -- for the first time since 1993 -- apartment vacancy rates improved for the second year in a row after edging up steadily from about 7.5 percent in 1995 to just over 10 percent in 2004.

The market for apartments should continue to brighten now that housing prices have flattened out. With less incentive to buy a home, young families are more likely to stick it out in a rental unit, which should help improve vacancy rates and rental fees.

"It has been a very difficult market for us since 2001," said Fransen, whose firm owns about 5,000 apartment units in Minnesota, Iowa, South Dakota, Michigan, Kansas, Nebraska and Texas. "Rental rates really haven't moved since 2001, even though our expenses continue to rise. And the problem was compounded by the increase in vacancy rates."

But Fransen has seen a solid recovery in his business recently. A year ago, Timberland had a 10 percent vacancy rate among its apartment holdings even though the firm was offering new tenants a month of free rent as an incentive to sign a new lease. Now the firm's vacancy rate has dropped to 5 percent and it is no longer forced to give tenants a free month.

"That means we're collecting about 11 percent more than we were a year ago," Fransen said.

He predicts that rental rates will increase about 5 percent per year, on average, for the next five years as vacancy rates decline and demand increases. He does not anticipate

wide-scale construction in the apartment market for several years--until rental rates have increased significantly.

Five forces that move the market

When Fransen looks ahead to future values of the apartment market, he focuses on five key factors, which are beginning to favor investment in apartments:

Construction. Because of low rental rates and high vacancies, construction in the apartment market has been minimal recently and is not expected to pick up for a few more years. The lack of new construction should ultimately reduce the supply of available units and give apartment owners the ability to raise rental rates.

Interest rates. Interest rates are expected to remain fairly stable in the near future, so they should not have a significant impact on the apartment market.

Inflation. Inflation has been hovering around 3 percent per year, so if rental rates rise by 5 percent per year in the apartment market -- as Fransen predicts -- real returns should improve considerably.

Flow of capital. The flow of capital into the rental market has been strong and is expected to continue to remain steady, so capital flow is not expected to create any significant changes in apartment values.

Job growth. Job growth is the fuel for population growth because new jobs bring new people into a market. Job growth has been strong in many parts of the country, which should help boost demand for rental properties.

Fransen predicts that the combination of those five forces will help improve profits and values in the apartment market during the next five years.

Investing in apartments

Unless you're prepared to become a landlord, investing directly in the apartment market is probably not for you. The most common way to buy a stake in the market is through a limited partnership. Firms such as Timberland Partners pool money from a group of investors in order to buy apartment properties that the general partner believes to be good investments.

Typically, investors are expected to pony up \$40,000 to \$100,000 or more to participate in a limited partnership, and that money is often tied up for several years. But returns can be outstanding in a good market. It is not unusual for a limited partnership to pay dividends in the range of 8 to 10 percent, and those dividends are often tax-free because of depreciation write-offs.

Real estate investment trusts (REITs) offer another way for investors to buy a stake in the apartment market. REITs, which typically invest in apartments and commercial property, trade like stocks on the major exchanges. As a result, they provide more liquidity and a lower cost-of-entry point, but they generally do not provide the same tax benefits that limited partnerships offer.

Most of the REITs that focus on the apartment market have been concentrating on buying properties on the East and West coasts, where the recovery in the apartment market is already well under way.

Finding REITs with a presence in the Midwest -- where the recovery is just beginning -- is a little more difficult. But there are a few, such as Investors Real Estate Trust, a Minot, N.D.-based REIT that trades as IRET on the Nasdaq exchange, that do specialize in Midwest apartments.

If current economic trends continue, the slump in the homeowner market should be music to the ears of apartment investors.

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