

**AGENDA**  
**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY**

Tuesday, November 13, 2007  
6:00 p.m.

Boards and Commissions Room  
Minnetonka City Hall, Lower Level

1. Call to Order.
2. Roll Call:

Dan Duffy	Al Thomas
Ethan Lang	Tony Wagner
Bunny Robinson	Bob Walker
Peter St. Peter	Bill Yaeger
3. Approve Minutes from the September 18, 2007 EDA Meeting.

**BUSINESS ITEMS**

4. CommonBond funding request for Crown Ridge Advantage Center; contribution of \$6,000 to CommonBond for rent payments of expanded Advantage Center; and Memorandum of Understanding between CommonBond, the Hopkins School District, and the City of Minnetonka.

Action recommended is to recommend City Council approval.

5. Homes Within Reach request for funding.

Action recommended is to recommend City Council approval.

6. Staff Report.
7. Other Business.

•The next regular EDA meeting will be Tuesday, October 18 at 6:00 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**

**September 18, 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 6:07 p.m.

**2. ROLL CALL.**

EDA Commissioners present: Dan Duffy, Peter St. Peter, Al Thomas, Bunny Robinson, Bob Walker, and Ethan Lang.

EDA Commissioners absent: Bill Yaeger and Tony Wagner.

Staff present: Ron Rankin, Elise Durbin and Stephanie Scott-Sims.

Others: Mark Nelson, Ben Erickson

**3. APPROVE MINUTES OF June 12, 2007 EDA MEETING.**

Walker moved, Thomas seconded a motion to approve the June 12, 2007 EDA meeting minutes. St. Peter, Duffy, and Robinson voted yes. Lang abstained. Motion passed.

**BUSINESS ITEMS**

**4. APPLEWOOD POINTE SENIOR CO-OP AFFORDABLE HOUSING REVIEW.**

Rankin presented United Properties' proposal to build the Applewood Pointe Senior Cooperative, a four-story, 61-unit senior cooperative building at 5709 Rowland Road. Rankin highlighted that if approved, this project would be the first senior co-op building built in Minnetonka. This project requires a guide plan amendment, rezoning, and site and building plan approvals in order to proceed. The planning commission has recommended approval of the physical development, and the city council has asked the EDA to make a recommendation about its affordable housing aspect.

Rankin stated that senior co-ops and cooperative housing in general have been in existence for some time, and are very common in the twin cities metro area. Cooperative housing is similar to a condominium, except with a different type of ownership. With cooperative ownership, a corporation composed of residents owns the land and buildings and the residents are stakeholders in the corporation and elect a board of directors from their members to make decisions and arrange for the management of the cooperative. The purchased share entitles the individual to occupy a specific unit in the building and pay a monthly association fee.

There are two types of cooperatives: "market rate" and "limited equity". Applewood Pointe would be a "limited equity" cooperative, meaning that at resale, the member would expect to sell the cooperative share at the original cost, plus as much equity as the cooperative's bylaws permit. In the case of Applewood Pointe, the "limited equity" cap would be 2.5%. The Applewood Pointe proposal includes 6 affordable units, 28 mid-range units, 23 upper end units, and 4 expensive units.

Staff feels that this development will provide seniors with another choice for housing types and that it will make a substantial contribution to housing affordability. Rankin stated staff recommends the EDA recommend council approval of the affordable housing aspects of the Applewood Pointe Project as presented.

Rankin introduced Mark Nelson of United Properties and Nelson reviewed the Applewood Pointe site plan. Nelson stated that United Properties has developed several other senior cooperatives throughout the metro area, all under the name Applewood Pointe. This building would provide more common space than a condominium or an apartment building and would provide a trail loop on Lone Lake Park. Nelson stated that he was given two questions prior to the meeting, which he will address. There was a question about the 2.5% equity cap. Nelson explained that Applewood Pointe would be a "limited equity" building with a cap of 2.5%, which would not change. The building will not be indexed. The key is to allow residents to gain some equity. With the 2.5% equity cap, the person selling would gain 2.5% and the buyer would buy into the unit with a 2.5% increase from the original price.

Duffy asked whether there was any formula used to generate the 2.5% figure. Nelson said, no, the first co-op building that United Properties built had a cap of 2% and that it is somewhat of an arbitrary number.

Duffy asked what would happen if due to market trends, the seller had to sell for less and could not get the 2.5%. Nelson stated that the seller could sell for less, just not more. He added that construction is about 2 years out, so hopefully the market will improve by that time.

Duffy asked what would happen if the owner makes extensive improvements/upgrades to the unit. Nelson stated that they can re-coop their investment costs, but cannot increase the equity.

Nelson stated that the second question was about the association fees. He stated that the co-op pays for gas, taxes, and reserves at about \$.45/foot, per month. Residents' costs will also depend on how much they owe on the mortgage.

Thomas asked how management will select people for the affordable units. Nelson stated that those interested will have to put down a \$500.00 reservation fee to get their name on the list, then, management will go down the list, calling people on a first-come, first-serve basis. Nelson added that management has not targeted those units in the past to specific people. There's a minimum 15% down payment with a 40-year mortgage.

Thomas noted that it is important to keep the affordable unit fees down. He stated that on paper the costs may be affordable, but with high association fees, the unit may not really be affordable.

Nelson reminded the commissioners that there are no subsidy funds being put into these units.

Walker asked whether any variances are needed for this project. Nelson explained that a few are needed for setbacks, specifically from the wetlands/park.

Duffy asked what a typical buyer would be. Nelson stated that typical buyers are usually independent seniors, ages 60 – 70, more couples than singles, single car households, a few are still working and most are from the immediate area. Rankin noted that experience has been that these buyers buy as much as they can afford.

Robinson asked for clarification on the association fees and whether they will change over time. Nelson stated there are two pieces to that – management, and utility fees will change, but there are some reserve items. He noted that a change in association fees would happen through forecasting and that they will not stay the same forever because as time goes on, costs change.

Duffy asked at what point the developer would get out of the project. Nelson responded that they will have to have 90 – 95% of the units sold in order to close on the HUD loan. The residents will have to have their board together 60 days after the loan closes to take over operation. He stated that the developer currently manages some of their other buildings, but it is ultimately up the board to decide if they want to allow that.

Robinson asked if there is flexibility on the 40-year mortgage requirement. Nelson stated no.

Discussion continued about on-going affordability.

St. Peter asked whether the 2.5% equity cap is in the bylaws, and pointed out that the bylaws can be changed by a majority of the owners. Nelson stated that the equity cap is in the bylaws and technically, the owners could change it; however, he has never encountered that situation.

Rankin asked whether a real estate agent is generally involved with the sales. Nelson stated that they are typically not.

St. Peter stated that he would like to impose a Cloud 9 stipulation to maintain affordability so that the 2.5% equity would be locked-in as the appreciation cap for 30 years. In addition, since there are only 6 affordable units (below the EDA's standard requirement that 20% of the units be affordable), the mid-range units should also be locked-in at the 2.5% equity cap for 30 years. He suggested this should be a restrictive covenant that runs with the title stating these stipulations. Nelson said this could be done, and that it's just a matter of disclosure.

Thomas stated that he does not have a problem with locking in the equity cap in order to ensure that these units are affordable over time.

Duffy agreed with both Thomas and St. Peter and stated that more of these projects are needed in Minnetonka because there's a huge demand, and for this project they should compromise on the 20% affordability requirement.

Rankin clarified that the Cloud 9 stipulation should be added to the report and recommendation #3 should add a 30-year restrictive covenant on affordability for the affordable units and mid-range units.

Walker moved, Thomas seconded a motion to recommend to city council that: 1) Ten percent of the co-op units will have prices below the Met Council threshold of \$206,800, 2) Another 46% will be priced under \$300,000, and 38% will be priced between \$300 – 350,000, 3) The limited-equity aspect of Applewood Pointe imposes an appreciation cap of 2.5%, and a restrictive covenant for 30 years locking in the 2.5% equity will be placed on the 6 affordable units and the 28 mid-range units. All voted yes. Motion passed.

## **5. DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-3.**

Rankin said that in 1998, the city approved the creation of Tax Increment Financing District No. 1-3 for property located on the northeast corner of County Road 73 and I-394. At that time, the site was occupied by substandard housing.

In 1998, when the TIF district was established, the redevelopment for the Crescent Ridge office buildings had already begun. The TIF funding from the Crescent Ridge office buildings allowed Ron Clark to redevelop the rest of the remaining site with townhouses, of which 56 were sold at an affordable rate and indexed to maintain affordability. The TIF district was established April 1988 with a maximum allowable term of 25 years. With decertification expected by the city council on September 24, the district will have run nine years, and beginning January 1, 2008 an amount equivalent to the tax increment will go to the county, schools, and city.

Staff requested the EDA to adopt the resolution and recommend that the city council adopt a resolution decertifying the district.

Duffy asked how many more units are to be added. Rankin stated all building permits have been issued. Durbin stated that while all of the permits have been issued, construction continues.

Thomas moved, Duffy seconded a motion to approve the resolution and recommend that the city council adopt a resolution decertifying the district. All voted yes. Motion passed.

## **6. GLEN LAKE STREETSCAPING PLAN UPDATE**

Durbin introduced the item. In general, much of the streetscaping in Glen Lake is from the 1970s and 1980s. While most of the infrastructure has held up, sidewalks and streetlights have become increasingly difficult to repair. With the redevelopment of the east side of Glen Lake by the city and developer Tom Wartman, the city wants to ensure that all improvements are cohesive. In order to do this, the city has hired Close Landscape Architecture to create a streetscaping plan for the Glen Lake area, which will include a design to renovate the Glen Lake Plaza and the fountain. Over the summer, city staff and Close Architecture staff met with key Glen Lake business representatives and owners to get feedback on what they would like to see in the plan. In November, meetings with the broader business community and the general public will be held to generate comment and discussion.

Durbin introduced Ben Erickson of Close Landscape Architecture. Erickson reviewed issues and opportunities and presented approach #1.

In regard to approach #1, Walker asked how sidewalks adjacent to private businesses would be maintained. Erickson stated that there would have to be a partnership between the businesses and the city.

Erickson presented approach #2.

St. Peter stated that to be careful when putting sidewalks and landscaping near the road because of the salt in the winter.

Erickson stated that some had deemed this approach as "cookie cutter". Walker stated that this is "perceived" value to the public and that he can see the value.

Duffy stated that he likes this approach because it slows traffic down and the landscaping gives some sense of security.

Walker stated that Glen Lake will need to create its own identity.

St. Peter suggested that this approach will have to budget in for long-term maintenance.

Erickson stated that some felt that this is too formal of a design and that landscaping should be clustered.

Lang commented that any design should include pedestrian paths because they are important to teens.

Thomas stated that the intersection at Excelsior Blvd. and Eden Prairie Rd. is not a safe intersection and that mid-block crossing on Woodhill Road is dangerous.

Walker stated that driveway entrances into the grocery store site should be re-evaluated.

Discussion ensued about the idea of a roundabout on Woodhill Road and the intersection at Excelsior Blvd. and Eden Prairie Road.

Walker stated that the curb cuts are complex at the gas stations.

Thomas noted that the challenge is to make the area pedestrian friendly.

Erickson presented approach #3.

Walker asked whether there are any sets of goals to help evaluate opinions, and that if not, some should be established.

St. Peter stated that visibility from the street is important for businesses and trees can obscure business signs.

Thomas stated that landscaping needs to be balanced.

Erickson presented the idea of a water feature at the edge of the district. Thomas suggested that Erickson take a picture of the water feature at Target at 7-Hi to get an idea of a natural-looking water feature that would fit in at Glen Lake.

Discussion ensued about the fountain at the Glen Lake Station Park and visibility of Glen Lake.

Lang stated that there needs to be family-friendly areas where kids can get wet.

Rankin mentioned that the walkways through the Kinsel Point development and Kinsel Park will add more pedestrian connections to the lake.

Duffy suggested that there should be a gathering space for concerts and other public gatherings. St. Peter stated that maybe something like this could be built in Kinsel Park.

Thomas suggested that the architects look at bike traffic in the area and the needs of bicyclists for such things as bike lanes.

Walker noted that the bank should be incorporated into the plaza area.

Lang noted that there is not a lot of parking near the plaza area. Walker stated that it would probably be more of a pedestrian destination.

Erickson presented the hybrid scheme, street segment details, and other details (crosswalk options, lighting).

Duffy stated that they have to keep the seniors in mind.

## **7. TRANSIT UPDATE**

Durbin reviewed the transit report items which included the annual Memorandum of Understanding with Metro Transit, expanded Dial-a-Ride service, regular route service including the possible restoration of route 612 service (Minnetonka Heights, 7-Hi, Glen Lake, Hopkins), the finishing of the I-394/County Road 73 Park and Ride, the city's opt-out status for transit and the Southwest Rail Study.

## **8. STAFF REPORT**

Scott-Sims reviewed the staff report items including a welcome to Ethan Lang, foreclosures, Homes Within Reach/WHAHLT, Meadowwoods, Comprehensive Plan Steering Committee, Minnetonka Blvd./Hwy 101, the Former Cattle Company site – 10600 Wayzata Blvd., Citywide and Fire Open House, and upcoming events.

## **9. SETTLEMENT AGREEMENT WITH GL DEVELOPMENT FOR PROPERTY ACQUISITION IN GLEN LAKE**

Rankin reviewed the report entailing the settlement agreement between the former owner of the property at 14301 Stewart Lane and the developer. The property had been condemned by the city for use in the Glen Lake redevelopment project. The property owner and the developer have now reached an agreement to settle the matter for \$415,000, covering all costs including interest and the appraisal.

Staff believed that this is a reasonable settlement to avoid the cost of the appeal and recommended that the EDA approve this settlement.

Duffy moved, Walker seconded the motion to approve the settlement. All voted yes. Motion passed.

## **10. OTHER BUSINESS**

Other upcoming meetings for Commissioners to note were announced as:

Tuesday, October 9	Citywide and Fire Open House 5:00 – 8:00 p.m.
Tuesday, October 16	Regular EDA meeting 6:00 p.m.
Wednesday, November 28	Joint City Council and Boards & Commissions Work Session on the Comprehensive Plan 6:30 p.m.

## **11. ADJOURN**

Thomas moved, Walker seconded a motion to adjourn. All voted yes. Motion passed. The meeting adjourned at 9:05 p.m.



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TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Stephanie Scott-Sims, Community Development Coordinator

DATE: November 13, 2007

SUBJECT: CommonBond funding request of \$10,000 for Crown Ridge Advantage Center; contribution of \$6,000 to CommonBond for rent payments of expanded Advantage Center; and Memorandum of Understanding between CommonBond, the Hopkins School District, and the City of Minnetonka.

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## Background

Crown Ridge is a 64-unit apartment building located in northeast Minnetonka, just west of County Road 73/Hopkins Crossroad and north of I-394. Of the 64 units, 46 are affordable and Section 8 vouchers are accepted. Crown Ridge has one, two, and three bedroom units with rents ranging from \$595 to \$1248 depending on the subsidy program and the size of the unit. As of October 23<sup>rd</sup>, 59 of the 64 units at Crown Ridge were occupied, including all Hollman, Home, and Tax Credit units, and they continue to advertise locally in order to fill the remaining vacant units.

In order to help provide social service programs to those families who may not normally be able to access such services, in 2002 the city approved \$10,000 each to help provide such programs at both Crown Ridge and Minnetonka Heights. The Ridgedale YMCA has been sponsoring the program at Minnetonka Heights and CommonBond has set up their Advantage Center program at Crown Ridge. Beginning in 2004, CommonBond, the City, and the Hopkins School District entered into a Memorandum of Understanding to provide expanded Advantage Center space and school district programming in that additional space. The following chart shows the city's contributions to CommonBond for the Advantage Center at Crown Ridge. For the past several years, this has amounted to \$16,000 each year.

Year	Amount	Purpose
2002	\$10,000	Advantage Center services for 2002

2004	\$6,000	Expanded Advantage Center 2004
2004	\$10,000	Advantage Center services for 2004
2005	\$6,000	Expanded Advantage Center 2005
2005	\$10,000	Advantage Center services for 2005
2006	\$6,000	Expanded Advantage Center 2006
2006	\$10,000	Advantage Center services 2006
2007	\$7,500	Advantage Center services for 2007
2007	\$6,000	Expanded Advantage Center 2007
2007	\$2,500	Advantage Center services for 2007

The structure of the Advantage Center at Crown Ridge is similar to other Advantage Center programs that CommonBond offers at its other properties throughout the metropolitan area. The majority of programming is offered on-site in the two Advantage Center rooms available; however, off-site locations such as Oak Knoll Church are also utilized for certain programs. The Advantage Center consists of office space for the Advantage Center staff, a kitchen, couches, tables, and office space for Early Childhood Family Education (school district), program materials and 3 computers with internet access.

CommonBond's goals for the Advantage Center program are to:

- Work in partnership with residents to create a safe, peaceful community.
- Improve academic achievement for youth.
- Increase economic self-sufficiency.

*Work in partnership with residents to create a safe, peaceful community*

Crown Ridge and Advantage Center staff coordinates such events as the annual National Night Out celebration.

Residents of Crown Ridge continue to have an informal crime watch program where a small group of residents watch for problems and report anything to management and advantage center staff.

*Improve academic achievement for youth*

The Study Buddies program is an academic mentoring program held at Oak Knoll Church for students in first grade and up. The program meets once per week for two hours and provides one-on-one mentoring between students and adult volunteers from Oak Knoll Church and Boulevard Gardens. Currently there are 10 pairs of students and mentors.

Additional programs available for youth during the school year include the homework center and the Campfire program. The homework center meets once per week for an hour and a half. It is open to youth in first grade and up and students have access to computers and staff. The Campfire program, led by

outside staff, also meets once per week and helps youth learn about themselves, their families, and their community.

The Hopkins School District is also involved at Crown Ridge by putting on an Early Childhood Family Education class for children age 0-5 and their parents. The program meets once per week. Additionally, preschool aged students have an opportunity to attend the Oak Knoll preschool program which offers scholarships.

There are usually a variety of other programs that are open to Crown Ridge youth. During the summer, youth had the opportunity to participate in a water safety class at the Ridgedale YMCA, a bike safety class sponsored by the City of Minnetonka Police Department, summer enrichment programs through the Hopkins School District, the Hennepin County Readmobile, and the Advantage Center Youth Recreation program.

#### *Increase economic self-sufficiency for adults*

In addition to youth programming, the Advantage Center staff also works with adults. New residents are given a resident orientation and welcome packet explaining services available through the Advantage Center and also services available in the area. The Career Advantage program helps residents look for jobs. Though this program is no longer located on-site, the program is offered at two locations, one in Minneapolis and one in Saint Paul. Crown Ridge residents that participate in the program receive bus fare to travel to the Minneapolis location. Individual services are also available to adults. These services include, but are not limited to: information referral, housing advocacy, short-term counseling, and employment assistance.

#### **Funding requests and Memorandum of Understanding**

Commissioners are being asked to review and make recommendations on three separate items:

1. Memorandum of Understanding for 2008 and 2009 between the City, CommonBond, and the Hopkins School District for expanded Advantage Center
2. Contribution of \$6,000 for rent payments in 2008 for the expanded Advantage Center at Crown Ridge.
3. Funding request by CommonBond for \$10,000 in funding for the Crown Ridge Advantage Center programming and services.

CommonBond's funding request and the Memorandum of Understanding are attached.

**Memorandum of Understanding and Rent Payment Request**

A Memorandum of Understanding was entered into by the city, school district, and CommonBond for the years 2006-2007 to provide additional Advantage Center space at Crown Ridge. The Memorandum of Understanding for 2008-2009 is nearly the same document as the one for 2006-2007, but with minor modifications. The role of the city continues to be the same by providing \$500 in rent per month (\$6,000 per year) toward the additional Advantage Center space and participating in the semi-annual meetings that are held to discuss Crown Ridge.

Over the past few years, there have been many positive changes at Crown Ridge. The vacancy rates continue to decrease, despite the fact that management has been terminating the leases of problem tenants. Advantage Center staff and management staff have stabilized with little turnover as compared to the past. A group of elected city officials, city staff, CommonBond staff, and Hopkins School District staff meet semi-annually to discuss what is happening at Crown Ridge. Additionally, city staff is regularly in contact with Crown Ridge Advantage Center and Hopkins School District staff for updates.

**Recommendation**

Staff recommends the EDA recommend approval of the Memorandum of Understanding and the \$6,000 in rent contributions for the expanded Advantage Center for the year 2008.

**Funding request by CommonBond for \$10,000 in funding for the Crown Ridge Advantage Center programming and services**

CommonBond has submitted a request for \$10,000 for Crown Ridge Advantage Center funding for 2008. They 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.

In the past, there have been discussions regarding the financial support for Crown Ridge, as the city's assistance was originally never meant to be an on-going means of financial support. While the positive changes that have occurred at Crown Ridge were slow to come about, staff believes that while it is important that the positive changes be reinforced, yet, it is also important for CommonBond to continue to aggressively seek out alternative funding sources.

In 2006, CommonBond submitted a similar grant request for \$10,000 to the EDA for Advantage Center programming. At that time, the EDA approved a partial grant for \$7,500 with the opportunity for CommonBond to request the remaining \$2,500 if they could not find a source to provide the funding gap. In June 2007, the EDA approved CommonBond's request for the remaining \$2,500.

### **Reccomendation**

Staff recommends the EDA recommend approval of a partial \$6,000 grant for Crown Ridge Advantage Center in order to provide funding at Crown Ridge and giving CommonBond the opportunity to come back before the EDA to request the remaining \$4,000 with more evidence of their attempts to seek out alternative funding sources.

The source of the funds will be from the Livable Communities Account.

November 1, 2007

CommonBond  
COMMUNITIES



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

**RE:** Request for \$10,000 to fund enhanced service provision through the Crown Ridge Advantage Center, Crown Ridge Apartments; and  
Request for rental funds of \$6,000 for use of Room 107

Dear Mr. Rankin,

### **SUMMARY OF REQUEST**

CommonBond requests approval of two separate items:

1. Approval of \$10,000 in funding for the Crown Ridge Advantage Center Programming and Services
2. Contribution of \$6,000 for rent payments of Room 107 for expanded Advantage Center programming space as part of a three-way collaborative *Memorandum of Understanding* with the Hopkins School District and CommonBond Communities.

### **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 123 current residents. Among these residents, 52 are youth of which 50% are under the age of 5.

### **Management/Occupancy**

We have made considerable progress in stabilizing the occupancy over the past year. As of October 23, we reached 92% occupancy and we anticipate the occupancy to increase in the next several months. Because of the housing slowdown, there are less rental units available which benefits Crown Ridge. Attachment A (Management Occupancy Report) identifies the sources of rent payment that points out that we are meeting the objective of providing access to a mixed income community for Minnetonka residents. Success at the property is due to Bobbie Kay, the onsite property manager/regional manager. Bobbie is an experienced housing manager with considerable experience working with low-income tax credit properties. She has been overseeing the property for over several years.

The table below displays the breakout of the ages of the children. There continues to be a significant population of young children, particularly those under the age of 5.

The average annual income for Crown Ridge residents is \$21,792 currently, compared to \$13,072 average income for all family sites.

*An Equal Opportunity/  
Affirmative Action Organization*

	November 2005	October, 2006	October 2007
Total Residents	141	141	123
Total Children under 18	66	72	52
Total Children under 5	32	37	26

### Services

CommonBond offers a full array of services at Crown Ridge. In collaboration with volunteers and partner service providers, we provide individual services to stabilize housing, employment /referral services and youth academic programming. Current staffing consists of an Advantage Program Manager with a master's degree in social work and AmeriCorps members. This staff provides a total of 40 hours of onsite coverage, working closely with volunteers and partner service providers, to offer these services. The Advantage Services team works with residents to find and maintain employment. We have maintained stable service staffing throughout this past year.

In the past year, over 76% of the adult residents accessed some level of services through the Advantage Centers. More importantly, of the 10 families that were at risk of losing housing due to nonpayment of rent or other issues, all of these families (100%) received services that stabilized their housing. We had a similar high percentage of participation with the youth programs, particularly through our summer programs.

The total operating budget for the Advantage Center is \$67,566, of which \$14,100 is provided by the property's operating budget and \$8,842 is provided by CommonBond inter-company fees. We anticipate continuation of the General Mills grant of \$15,000, as well as receipt of smaller grants from the Donaldson and Phillips Foundations, to support the employment programs. We respectfully request the remaining \$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 budget is provided at the conclusion of this memorandum.

We have utilized the above funding to almost double the amount of **In Kind** donations to Crown Ridge during the past year. **In Kind** contributions through volunteer hours and supplies amounted to \$32,725. Our partnership with GE Capital has reaped significant benefits. Employees volunteered an entire workday to paint the halls, complete landscaping and lawn maintenance, and conduct a children's carnival, totaling \$13,530 of volunteer time and supplies. The children also benefited from the school backpack drive when GE donated almost \$18,000 worth of backpacks and school supplies in September of this school year.

Our resource development department continues to expand our funding sources. General Mills should be a repeat source of funding again this year. We have talked with faith community leaders over the past year and have encouraged their participation. We will continue to research our foundation possibilities along with reaching out to other organizations, faith communities and individuals

The second request for funding is to support the extension of the *Memorandum of Understanding* entered into by the City of Minnetonka, Hopkins School district and CommonBond Communities in 2004 and continued through Cy2007. Through this Memorandum, the City provides \$500 monthly towards the rent of Room 107 that is used for Early Childhood and Family Education programming provided by the Hopkins School district, as well as other programming offered by Advantage Services. The total monthly market rent for Room 107 is \$1,034 of which the City contributes \$500 and CommonBond contributes the remainder. This room has been critical to provide the space sufficient to meet the programming needs at this site.

Attachment B (Advantage Center Update) outlines major accomplishments from this past summer and plans for the academic year programming. Furthermore, it identifies the many partners that are involved in making these programs operate successfully.

### Service Goals and Objectives for CY2008

The service goals of CY 2008 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 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. Continue 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. Offer on-site early childhood/literacy programs operated in collaboration with Hopkins schools.
  - d. Expand summer recreational/youth activities in collaboration with the schools.
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 Occupancy

As of Oct.23, 2007

<b>Total Units</b>	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
<b>Occupied Units</b>	Hollman	Home	Tax Credit	Market	
1 Bedroom	N/A	3	4	4	
2 Bedroom	3	7	15	8	
3 Bedroom	3	4	6	2	
	6	14	25	14	59
<b>Units Occupied with Vouchers</b>	Hollman	Home	Tax Credit	Market	
1 Bedroom	N/A	2	2	1	
2 Bedroom	0	1	1	2	
3 Bedroom	0	1	3	0	
	0	4	6	3	13

<b>Hollman Units:</b>	Pay 30% of their income for rent		
<b>Home Units:</b>	Income is 50 or 60% of median income and rent is considerably lower than market		
<b>Tax Credit Units:</b>	Income is 50 or 60% of median income and rent is lower than market, but generally slightly higher than Home Units		
<b>Market Units:</b>	Pay a market rent comparable to other complexes in the area.		

Occupancy is at 92%; up 4.5% since last report. The Hollman units remain 100% occupied.  
 We will be at 95% on November 1. Our newest residents include 12 children.  
 We anticipate being 98% by Dec. 1.  
 We are still staffed with a full-time Site Manager and Caretaker. We are using CommonBond Roving Maintenance for our repairs.

Bobbie Kay, Regional Manager

## CROWN RIDGE ADVANTAGE CENTER

October, 2007

### **CURRENT Youth Programs**

- **Study Buddies** at Oak Knoll Church on Monday afternoons and is staffed by Karen Libra. The program is just starting for the academic year with the kick off event on September 24th. Six kids are registered, with four more youth registering to start on October 15th. Ten 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 Karen and Marcie(Camp Fire staff).
- **Homework Center** is on Thursday afternoons from 4:00-6:00. This program started for the academic year in mid-September. Currently, ten kids are registered and three volunteers are supporting the program. Youth, kindergarten and up, come to the Advantage Center for help on homework, to use the computer lab, and work on academic goals.
- **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.

### **Adult Programs**

- **Career Advantage/Assisted Placement** – CommonBond’s employment program, has changed to offering the program at two main locations, one in Minneapolis and one in Saint Paul. Crown Ridge residents are encouraged to join the program and receive bus fair to travel to the Minneapolis location. On site support is available on work readiness tasks and job search between trips to the main Mpls location as well as to those residents who do not wish to participate in Career Advantage.
- **New Resident Orientation and Welcome Packet**- Several new residents moved in to Crown Ridge in [s1]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, Thursday, and Fridays to be available to residents for one-on-one assistance.
- **Computer Training** – A community volunteer comes in to help residents learn or improve their computer skills.
- **Monthly Newsletter and Calendar**

### **SUMMER Accomplishments**

The summer youth program was a great success. Advantage Center staff arranged several key partnerships with community resources providing a well-rounded program for the 17 youth participants. This represents 74% of eligible youth.

- **Story hour** – ECFE was on break during the summer. Advantage Center staff offered a weekly story hour for children ages 3-5 in place of ECFE. About six children participated.

- **Water Safety Class-** eleven youth participated in a week-long water safety class at the Ridgedale YMCA. Advantage Center staff accompanied the group to and from the YMCA on a school bus provided by the Y.
- **Bike Safety-**youth also had the opportunity to participate in a bike safety class sponsored by City of Minnetonka Police Department.
- **Hennepin County Readmobile-**twenty-five youth and children participated in checking out books during the summer when the Readmobile visited every other week for 8 weeks.
- **Afternoon Relay-**Advantage Center staff were please to partner with the Hopkins School District to engage Crown Ridge youth to participate in the Summer Enrichment Programs offered through the school. A bus stop was added at Crown Ridge to facilitate this participation and Advantage Center staff actively recruited and assisted kids with registering for this month long opportunity. Fourteen kids took advantage of this opportunity.
- **Summer Youth Recreation-**After the program with the Hopkins School district ended the Advantage Center Youth Recreation program began. The program was offered three days a week for four hours. The program included literacy activities, crafts, camp fire club, cooking projects, recreational fieldtrips, computer time, fishing, crochet club and outdoor active games. The program was staffed by Karen Libra, an AmeriCorps staff member, one Teen assistant and a Senior Assistant/resident at Boulevard Gardens.
- **Back to School-** All youth living at Crown Ridge were provided school supplies via a drive with a corporate partner. This was a great way to help the youth get a positive start to their school year.
- **National Night Out-** Advantage Services and Property management staff partnered to host a community National Night Out event. This was an opportunity for neighbors to get to know each other.

**Residents**

	<u>March 2007</u>	<u>October 2007</u>
# of families	41	
# of total residents	131	123
# of youth	57	52
Ages 0-5	29	26
Ages 6-12	20	20
Ages 13-18	8	6

\$21,792 average income

**Current Partners:**

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

MEMORANDUM OF UNDERSTANDING AMONGST THE CITY OF MINNETONKA, HOPKINS SCHOOL  
DISTRICT AND COMMONBOND COMMUNITIES.

FOR CALENDAR YEARS 2008-2009  
AGREEMENT FOR COORDINATION OF RESIDENT SERVICES

This agreement is made this 1st day of January, 2008 among the City of Minnetonka, (City) Hopkins School District (School) and CommonBond Communities (CommonBond).

**WHEREAS**, it is the goal of the City, the School and CommonBond to actively promote a positive and affordable housing with services in an environment for families and children

**WHEREAS**, it is the belief of all parties that the onsite availability of parental and educational resources will enhance the ability of residents to become more effective parents, improve the academic performance of school age children and improve the school readiness skills of the preschool children.

**WHEREAS**, CommonBond operates Crown Ridge, a 64 unit affordable housing community located in Minnetonka that has a high concentration of children and youth;

**WHEREAS** the School District desires and has the professional expertise to provide high quality, onsite educational and supportive services for the residents of Crown Ridge Apartments.

**Now therefore**, be it mutually agreed that the City, School and CommonBond shall fulfill the following obligations.

**I. COMMONBOND PROPERTY MANAGEMENT AND ADVANTAGE SERVICES OBLIGATIONS**

- A. Obtain approval from the regulatory and financial investors to use a two-bedroom unit as a parent/educational resource center.
- B. Assist in marketing and outreach for the programs offered in this center.
- C. Jointly plan and implement programs that benefit the residents of Crown Ridge.
- D. Coordinate other Advantage Services programs per current service plan
- E. Provide general housekeeping (garbage pickup, weekly vacuuming) of the center.
- F. Oversee the collection of the rent due for the use of the two-bedroom unit from the respective parties. The rent for the two bedroom, estimated at \$1034 for Fy 2008 will be offset from a variety of sources with the agreement of the regulatory agencies and the owners. Five Hundred Dollars (\$500) per month will be paid by the City of Minnetonka.
- G. Participate in the interagency task force on implementation of the expanded parental/educational programs delivered by the Hopkins School District via the Crown Ridge Advantage Center.

## II. CITY OF MINNETONKA OBLIGATIONS

- A. Participate in the interagency task force on implementation of the expanded parental/educational programs delivered by the Hopkins School District via the Crown Ridge Advantage Center.
- B. Reimburse CommonBond \$500 a month for the use of the two bedroom unit as a parental/educational resource center.

## III. HOPKINS SCHOOL DISTRICT OBLIGATIONS

- A. Provide parent/educational programming at Crown Ridge. Programming will be targeted to improving parenting skills, increasing academic performance of the school age children, addressing early childhood education needs of the preschool children and other innovative activities that strengthen families.
- B. Provide staff person(s) to conduct programs and provide a list of all staff working in the program. Exact hours of operation will be based on the availability of the residents and school staff.
- C. Provide the furniture in the expanded space.
- D. Pay for the telephone and utilities.
- E. Produce promotional materials and make an effort to recruit residents in collaboration with services staff.
- F. Provide updated schedules throughout the year and notify Advantage Services staff in a timely manner of any changes.
- G. Provide Advantage Services with attendance records and Inkind Services Worksheet during last week of every month to track participation and estimate inkind contributions.
- H. When space is not being used by School staff, allow Advantage Services usage of the space to facilitate program planning for the residents.
- I. Work with Advantage Center staff to provide appropriate programming for residents based on CommonBond's needs assessment/residents' opinions.
- J. Participate in the interagency task force on implementation of the expanded parental/educational programs delivered by the Hopkins School District via the Crown Ridge Advantage Center.

## IV. RESPONSIBILITIES OF ALL PARTIES

- A. This program will be reviewed and evaluated quarterly by the three parties
- B. Liability: The Hopkins School District and CommonBond shall be solely responsible for its actions and those of its employees and shall defend, indemnify, and save harmless any other party from and against all claims, demands, expenses, liability or other causes of action..

V. Terms and Termination

- A. This agreement shall be in effect for 24 months beginning January 1, 2008 and ending December 31, 2009 unless terminated sooner as provided in paragraph B,
- B. Any party may terminate this agreement provided that the party terminating the agreement gives at least 60 days advance written notice. Notice to CommonBond under this paragraph, shall be address to:

CommonBond  
Attention: Nellie Johnson  
328 Kellogg Boulevard West  
St. Paul, MN 55102-1900

Notice to the Hopkins School District shall be addressed to:

c/o Hopkins School Districts  
Katie Lee, Director  
Community Education  
1001 Highway 7  
Hopkins, Minnesota 55305

Notice to the City of Minnetonka shall be addressed to:

Ron Rankin  
Community Development Director  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345

VI. OTHER PROVISIONS AND AMENDMENTS

- A. Any amendment to the provisions of this Agreement must be approved in writing by all parties and attached to this Agreement.

It is understood and agreed that the entire Agreement among the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement.

IN WITNESS WHEREOF the parties have hereunto set their hands the day and year above written.

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**Hopkins School District**

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_

**City of Minnetonka**

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_

**CommonBond Communities/Advantage Services**

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_

**Crown Ridge LP**

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_

**CommonBond Housing as Managing Agent**

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_



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TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Durbin, Community Development Supervisor

DATE: November 5, 2007

SUBJECT: Homes Within Reach request for funding

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Since 2002, Homes Within Reach (WHAHLT) has acquired 47 properties in western Hennepin County that provide permanently affordable, owner-occupied housing for those at 80% of Area Median Income (AMI) or less, which is \$59,600 for a family of four. The average median income of Homes Within Reach property owners in Minnetonka is 56 percent. Of the 47 properties, 30 are located in Minnetonka, with other properties located in Deephaven, Edina, Eden Prairie, Golden Valley, New Hope, Richfield, St. Louis Park and Wayzata. Homes Within Reach continues to work with these cities and others to acquire more properties.

In order to write down the cost of the homes to make them more affordable, Homes Within Reach has obtained funding from a number of sources including the Metropolitan Council, Minnesota Housing Finance Agency, HOME funds, CDBG funds, and others (See attachment A.). The city has also provided financial assistance to help with homes purchased in Minnetonka, as shown below.

<u>Year</u>	<u>Amount</u>	<u>Purpose</u>	<u>Source</u>
2001	\$139,650	acquisitions/write down	Livable Communities
	\$30,000	operations	Livable Communities
2002	\$200,000	acquisitions/write down	CDBG
2003	\$180,000	acquisitions/write down	Livable Communities
	\$20,000	operations	Livable Communities
2004	\$180,000	acquisitions/write down	Livable Communities
	\$20,000	operations	Livable Communities
2005	\$200,000	acquisitions/write down	Livable Communities
	\$20,000	operations	Livable Communities

2006	\$200,000 \$30,000	acquisitions/write down operations	Livable Communities Livable Communities
2007	\$230,000	acquisitions/write down/ operations	Livable Communities

### **2008 Grant Request**

Homes Within Reach is now requesting \$230,000 in grant funds for 2008. Like last year, the grant request does not distinguish between acquisition/write down funds and operations funds—instead a per-project administrative fee of \$5,000 is charged. The \$230,000 will be used to acquire between five and six properties in Minnetonka in 2008 (See Attachment B for production inventory). If there are remaining funds after the purchase of six units, more units will be purchased until the funds are exhausted. A per-project administrative fee is the system Homes Within Reach uses for all other cities.

A single property proforma is included (Attachment C) and outlines how these grant funds will be used by Homes Within Reach for the purchase of an average home in Minnetonka. On average, the city's grant funds leverage nearly two times the amount in other grants. An administrative fee of \$5,000 is charged to the city for each property; however, the administrative fee will be waived if \$30,000 has already been charged in administrative fees. Therefore, if less than six units are completed, then only \$5,000 will be charged as a per-project administrative fee, and if seven units are completed, then no per-project administrative fee will be charged for the seventh and subsequent units.

### **Recommendation**

The \$230,000 in funds requested will help to purchase five to six properties, or possibly more, in Minnetonka. Importantly, it will also be used to help leverage funds from other sources. The city grant serves as the local match required for grant funds Homes Within Reach is applying for from the Metropolitan Council, Hennepin County HOME funds, Minnesota Housing Finance Agency, and the Family Housing Fund.

In addition to the city grant request, operations funds also come from administration fees collected from CDBG and HOME grants (approximately 10 percent of total award), Bremer Bank, and a small fee from homeowners. The fee from homeowners and the administration fees from other grant programs are not enough to cover the entire operations funds. Homes Within Reach obtains similar operations funding on a per project basis (ranging from \$3,500 to \$5,000) from other communities that they work in, as well as from Minnetonka. For 2008 Homes Within Reach is not looking to change the amount charged to homeowners for their land lease as it meets Fannie Mae requirements, and was never meant to cover the operations costs of the entire organization. In the past

year Homes Within Reach only spent 6.7% of their total budget on administrative costs.

As the city works with developers to include affordable units in their developments, one of the conditions of approval has been that the affordable housing units must be sold to the city or an organization of the city's choice. In the past Homes Within Reach has been the organization of the city's choice and the city has asked them to acquire the affordable units. Homes Within Reach has already acquired the one unit at Lakeside Estates, three of the Sanctuary units, two Minnetonka Drive units and five units at Deephaven Cove. They have agreed to acquire the one remaining unit at The Sanctuary and the two units at Meadowwoods. The amounts of capital and operations funding are limiting factors as to how many properties Homes Within Reach can purchase each year.

At the November 5 City Council meeting, Homes Within Reach gave the City Council a brief update, with similar materials and information that they have submitted to the EDA.

Staff recommends the EDA recommend approval of the request by Homes Within Reach for \$230,000. The source of the funds will be from the Livable Communities Account.



November 7, 2007

Ron Rankin  
Elise Durbin  
City of Minnetonka  
14600 Minnetonka Blvd.

Dear Ron and Elise;

In preparation for the November 2007 EDA meeting, I have enclosed the Minnetonka Grant Application requesting grant monies for Homes Within Reach. The Grant Application includes a summary page, a narrative and attachments outlining the grant request for 2008. Please feel free to contact me if you have any questions with respect to the application.

I would like to thank you for the opportunity to submit this information on behalf of West Hennepin Affordable Housing Land Trust, dba as Homes Within Reach, its Board of Directors and staff. The City of Minnetonka has been an outstanding founding member, sponsor and partner of HWR. Without your support, we would not be able to realize the vision of transforming people's lives through homeownership. I appreciate the opportunities, leadership and support you both have provided HWR this past year, in meeting the City's affordable homeownership goals.

Sincerely,

A handwritten signature in cursive script that reads "Janet A. Lindbo".

Janet A. Lindbo  
Executive Director

Enclosures

cc Ann Perry

# Grant Application Cover Sheet

<b>Date of application:</b>	November 7, 2007	<b>Application submitted to:</b>	City of Minnetonka
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## Organization Information

<i>Name of organization:</i>		<i>Legal name, if different</i>	
West Hennepin Affordable Housing Land Trust (WHAHLT), Program known as Homes Within Reach		SAME	
<i>Address</i>	<i>City, State, Zip</i>	<i>Employer Identification Number (EIN)</i>	
5101 Thimsen Ave, Ste 202	Minnetonka, MN 55345	41-2019107	
<i>Phone</i>	<i>Fax</i>	<i>Web site</i>	
952.401.7071	952.224.2857	www.HomesWithinReach.org	
<i>Name of top paid staff</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
Janet A. Lindbo	Executive Director	952.401.7071	jindbo@homeswithinreach.org
<i>Name of contact person regarding this application</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
Janet A. Lindbo	Executive Director	952.401.7071	jindbo@homesiwthinreach.org
Is your organization an IRS 501(c)(3) not-for-profit?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Summary of request:** West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) is seeking a grant of \$230,000 from the City of Minnetonka to achieve HWR affordable housing goal of creating and preserving affordable homeownership for the City’s work-force households. Our proposal is to use the grant monies to acquire 5-6 properties in Minnetonka. In turn, we will sell those properties to households earning 80% or less of area median income (“AMI”), ensuring permanent affordability through the community land trust practice.

<p><b>Population served:</b> HWR’s target is households with incomes at 80% or less of Area Median Income (AMI). In practice, it has served households between 50% and 80% AMI. HWR has experienced an average AMI of 56.1% in the City of Minnetonka since 2002.</p>	<p><b>Geographic area served:</b> City of Minnetonka</p>
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Funds are being requested for (check one).			
<input type="checkbox"/>	General operating support	<input type="checkbox"/>	Working Capital
<input checked="" type="checkbox"/>	Project/program support	<input type="checkbox"/>	Technical assistance
<input type="checkbox"/>		<input type="checkbox"/>	Capital
<input type="checkbox"/>		<input type="checkbox"/>	Other (list)

## Authorization

<b>Name and title</b>	Janet A. Lindbo, Executive Director
<b>Signature</b>	<i>Janet A. Lindbo</i>

## PURPOSE OF GRANT

For-sale housing in the City of Minnetonka has been characterized by high median sales prices. In addition, housing prices have and continue to outpace wage increases. Hence, the widening gap between incomes and house prices moves homeownership out of reach for many low-and-moderate income workforce households.

Therefore, West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) is seeking a grant of \$230,000 in 2008 from the City of Minnetonka to continue its efforts in creating and preserving affordable homeownership in the City of Minnetonka where land values greatly influence the cost of housing. HWR is a community land trust that allows homeownership to be affordable for low and moderate income (work-force families) because it removes the market value of the land from the mortgage equation.

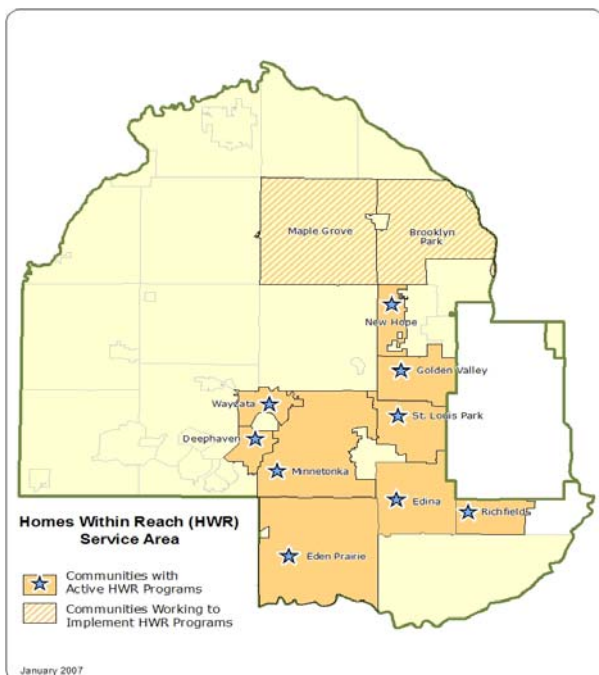
HWR proposes to use the grant monies to acquire properties in Minnetonka. The grant of \$230,000 matched with other grants would cover costs of land acquisition, rehab, homebuyer search and selection, project administrative, holding and closing costs that may be necessary to reach households with incomes below 80% AMI. In turn, HWR will sell those properties to households earning 80% or less of area median income (“AMI”), ensuring permanent affordability through the Community Land Trust practice, which removes the market value of the land from the mortgage equation for low and moderate (work-force) households. All of the homes within the resale-restricted domain of a Community Land Trust are designed to remain affordable for low and moderate income homebuyers (term of lease - 99 years) regardless the number of times the home sells. Therefore, HWR safeguard the community’s investment being made in affordable housing through the community land trust practice.

HWR was created to increase the number of homeownership opportunities that exist for working households in suburban Hennepin County including the City of Minnetonka. Our work provides homeownership opportunities in suburban communities where such opportunities are becoming increasingly rare. HWR fulfills a special need in the community that no other agency in the western suburbs of Hennepin County is providing at this time.

### *Geographic area served:*

HWR’s service area is suburban Hennepin County, including the City of Minnetonka and exclusive of Minneapolis. This area was chosen in recognition of the interconnection of suburban Hennepin County communities; the challenges of providing affordable housing within the suburbs; and the need for additional suburban workforce housing.

Currently, HWR owns 47 parcels of land and has assisted 44 families in owning a home in the western suburbs of Hennepin County (over 142 persons served) in the communities of; Deephaven, Edina, Eden Prairie, Golden Valley, Minnetonka, New Hope, Richfield, St. Louis Park and Wayzata. Today, in the City of Minnetonka, HWR owns 30 parcels of land and assisted 28 families (90 persons served) in becoming homeowners.



**Population served:**

HWR target market is households with incomes at 80% or less of Area Median Income (AMI). In practice, it has served households between 50% and 80% AMI. Commencing 2002 through November 5, 2007 HWR has experienced an average AMI of 57.3% for all nine communities and in the City of Minnetonka experienced a 56.1% AMI.

Please review the following chart highlighting HWR statistics in the nine communities where the program is in place and the City of Minnetonka.

<b>Categories</b>	<b>2002- 2007 (as of 11/5/07) HWR Totals</b>	<b><u>Minnetonka</u></b>	<b>Comments</b>
Total HWR Parcels	47	30	Total parcels of land held in Trust. Three homes in the process of selling to qualified applicants.
HWR Average Median Income Served	\$41,192	\$39,128	Per Household
HWR Area Median Income Served (%)	58.5%	56.1%	
HWR Average Final Mortgage Amount	\$130,124	\$117,669	Difference with total average mortgage between Minnetonka and the total HWR amount is due to 2002 & 2003 reflecting lower mortgages of which the majority of properties were in Minnetonka, skewing the total to be lower then the HWR average. The increase in housing production in non-Minnetonka communities was in 2006 & 2007 and in addition, HWR experienced higher home prices in all communities.
HWR Resales	1	1	
Household Size	3.27	3.33	Income and family size drives AMI calculation
HWR Number Persons Served	142	90	Approximately 44% of those homes purchased in Minnetonka were by Minnetonka residents and many more that work or have family living in the community.
HWR Households	44	28	HWR created 4 in 2006 and 6 in 2007 affordable homes, yet with increase production it represents a 50% (2006) & 39% (2007) of our over all housing production.
Number of Communities Served	9	1	
Total Subsidy Preserved for Future Recycling upon Resales	\$4,280,519	\$2,617,669	Total affordability gap (majority land and rehab) invested/preserved via HWR for future families when purchasing a land trust home.

# ORGANIZATION INFORMATION

## **A. Organization history**

### Overview

The concept of using the Community Land Trust (CLT) model was initiated by the City of Minnetonka to provide affordable homeownership in Minnetonka and the western suburbs in Hennepin County. At the City's request, a task force convened in the fall of 2000 to create a community land trust. The task force was comprised of local citizens, elected officials, and representatives of area community groups, businesses and religious organizations.

The task force developed new local methods and tools that would help increase the number of affordable homes available, and make efficient use of financial resources available for affordable housing using the Community Land Trust model. The Task Force completed its work in the spring of 2001, having drafted and approved WHAHLT's Articles of Incorporation, Bylaws and Ground Lease. WHAHLT's first Annual Meeting was held on May 16, 2001.

West Hennepin Affordable Housing Land Trust (WHAHLT), a Community Land Trust, implemented the land trust program in Minnetonka in 2002. In 2004, the name Homes Within Reach was introduced to the public to better describe the organization's purpose.

## **B. Organization mission and goals**

West Hennepin Affordable Housing Land Trust *vision* is to transform people's lives through homeownership.

The *mission* is to use the Community Land Trust Model to provide housing for working families that would be otherwise unable to buy in the West Hennepin suburban communities, offering both communities and homebuyers the ability to sustain permanently affordable homeownership.

Its *strategic focus* is to create and sustain affordable homeownership in the western suburbs of Hennepin County through the implementation of Homes Within Reach, a Community Land Trust, while building a strong organization through education, collaboration, marketing and development.

Homes Within Reach has been actively pursuing their mission since 2002. The organization has concentrated its energy on establishing its organizational structure, thereby creating and preserving affordable homeownership in the west suburbs of Hennepin County.

As the organization continues to apply its resources in operating a young non-profit, it is also commencing activities to ensure its longevity through the strategic planning process, in 2007. Consultant Roger Meyer has been hired to assist the board and staff in this endeavor. In addition, with the number of homeowners reaching 44 families, the objective is to increase participation by homeowners with HWR activities and lead by homeowner board members.

## Board Members

<u>Name</u>	<u>Affiliation</u>
Mark Daigle	WHAHLT homeowner
Terry Egge	Pohlad Family Foundation
Ameena Elshershaby	WHAHLT homeowner
Robert Hamilton	Self-employed
Chuck Nowicki	WHAHLT homeowner
Jerry Nystuen	Retired teacher
Joel Papa	Self-employed
Ann Perry	Self-employed
Terry Schneider	Developer and Minnetonka Councilmember
Winnie White-Scherber	Affordable housing advocate
Margaret Willie	WHAHLT homeowner

## **C. Organization's current programs**

Based on the Community Land Trust model, WHAHLT acquires new and existing single-family properties, retains ownership of the land, and sells the homes on the land to qualifying families. The land is leased to homeowners through a 99-year renewable ground lease that affords the owner most of the same rights as any other property owner. The removal of the market value of the land from the mortgage equation provides initial affordability.

Permanent affordability is obtained through:

- A pricing formula that provides the owner with a pre-determined (per the Ground Lease) amount of equity (35%) while ensuring that the resale price of the home is affordable and
- A resale restriction that requires the homeowner to sell their home either to another low and moderate income household or to WHAHLT.

## **E. Community Need**

HWR experience to date indicates that its program is of particular interest to families who typically work or reside in the community and cannot afford to buy a home, such as, health care workers, retail workers, those that work for non-profit organizations and others.

The City of Minnetonka continues to experience strong demand for affordable housing driven by a number of factors, including but not limited to the area's population growth, new job and replacement openings, reduction of available land for new development and the cost of housing outpacing individual incomes.

In examining housing trends for the City of Minnetonka, the following findings by the Maxfield Research Inc., support the need and application of the Community Land Trust model in creating affordable homeownership in Minnetonka. They are:

- Home values have risen to the point that most single-family homes, despite their age, are not affordable to moderate-income families.
- Appreciation of existing properties has driven the overall increase in values along with other similar communities.

- Land values greatly influence the cost of housing and land values make up a large proportion of the home value in Minnetonka.
- Roughly 5,000 single-family homes with a value under \$300,000 in 2007, roughly 90% had a land value above \$100,000.
- The median value of Minnetonka's single-family homes in 2007 is \$326,850. A home at this value would be affordable to a household earning about \$90,000 to \$95,000 annually, not taking into account debt or savings that household may have.

In addition, The Minnesota Job Outlook to 2014 a supplement to Minnesota Employment Review stated that 370,000 job openings are projected to be created through employment growth over the next 10 years; in addition, 679,000 net replacement openings (entrants minus separations) are projected to be available. The paper stressed that 70 percent of the occupations are projected to have more net replacement openings than openings from employment growth.

When reviewing the list of these occupations (see the following chart) many of these position's incomes are not able to purchase properties in the suburban communities because the prices have out paced their purchase power. Many of these occupations are reflective of HWR applicants and current homeowners in Minnetonka and elsewhere.

The Community Land Trust practice offers a long-term solution to low to moderate-income workforce families to realize the opportunity to own their home.

<b>Occupations Openings, 2004 – 2014</b> Resource: Minnesota Job Outlook to 2014		
<i>Occupation</i>	<i>Net Replacement Openings</i>	<i>Job Openings from Employment Growth</i>
Retail Salespersons	31,613	14,952
Cashiers	30,639	956
Waiters and Waitresses	24,647	6,526
Combined Food Preparation and Serving Workers	22,538	13,217
Office Clerks, General	16,489	5,051
Stock Clerks and Order Fillers	12,913	-2,424
Laborers and Freight, Stock, and Material Movers	11,608	2,130
Sales Representatives, Wholesale and Manufacturing	8,194	3,505
Team Assemblers	7,790	2,406
Child Care Workers	7,739	1,676
Business Operations Specialists, All Other	7,361	12,084
Bookkeeping, Accounting, and Auditing Clerks	7,213	2,110
Secondary School Teachers, Except Special and Vocational Education	6,803	1,325
General and Operations Managers	6,405	5,576
Bartenders	6,280	757
Receptionists and Information Clerks	5,997	4,416
First-Line Supervisors/Managers of Office and Adm. Support Workers	5,830	2,032
Customer Service Representatives	5,814	8,302

## F. Program Benefits

Three principal features of the program that appeal to the targeted workforce population are the cost of the homes, the quality of the homes and their location. Over the years, future work-force families will benefit because of the home's re-purchase price will be permanently affordable through the Land Trust.

Providing a long-term process for families to become homeowners stabilizes families, which in turn adds value to the community where they work and or live, and concurrently and permanently protects the investment of the subsidy made possible by the City of Minnetonka and the Land Trust.

The program makes maximum use of existing buildings and community's infrastructure. The community's infrastructure is a major selling point to the buyer, and in return, the new family provides value and benefits to the community's growth, delivery of services, increasing the labor pool available to local businesses, reducing freeway congestion as workers are given the opportunity to live near their work, adding younger households to suburban communities where the population is aging and investing into affordable housing.

Homes Within Reach program supports the Hennepin County Consolidated Plan Housing Goals for 2005-2009 prepared by Hennepin County Office of Planning and Development. To increase access to "safe, appropriate and affordable housing" for the first time homebuyers earning 80% or less of area median income.

In summary, when WHAHLT/ HWR owns the land, it ensures the home's permanent affordability and the community enjoys two principal benefits;

- It provides housing for a working family that would be otherwise unable to buy in the City of Minnetonka, and
- The home remains permanently affordable for 99 + plus years, preserving the investment through the Community Land Trust.

## G. City of Minnetonka Project Activity

As of November 5, 2007, WHAHLT purchased six Minnetonka properties. Currently, HWR has sold four homes and one resale to qualified homebuyers using the Community Land Trust model and working with several applicants for the fifth and sixth home.

In 2008, WHAHLT estimates it will acquire 14-16 properties in the western suburbs of Hennepin County and sell the homes to qualified applicants. WHAHLT projects that 5-6 will be in the City of Minnetonka applying Minnetonka grant funds, in addition, to matching funds raised by WHAHLT/ HWR from other funding sources, including but not limited to, Hennepin County, HOME Investment Partnership, Affordable Housing Incentive Fund, Family Housing Fund, Metropolitan Council and Minnesota Housing and others.

Currently, our Outreach Program has created a pool of 22 interested homebuyers (in the approval process) and pre-approved homebuyer applicants. They include the following:

- 7 - Initial HWR process
- 4 - Interview, final application process
- 8 -Working with Lender
- 3 – Approved by Lenders

Please refer to **Attachment D & E** providing general qualifications and selection criteria for HWR applicants.

In 2007 HWR created marketing materials and began quantify and qualifying our key contacts. In 2007 HWR worked with the city of Minnetonka staff to offer the HWR program to City employees through orientation, job fairs, open houses and one to one meetings and will continue to do so along with contact with the public school system, employers, vendors, civic an religious and non-profit organizations. HWR goals for 2008 include increasing our applicant pool by 50% through referral and grassroots marketing initiatives.

HWR 2007 Profile of Homeowners and Applicants as of October 25, 2007

	Income	% AMI	Mo. Mortgage Amt.	Family Size	Race /Ethnicity	Immigrant	Disability	Moved From
Eden Prairie	\$ 41,653.00	75.7%	\$ 769.48	1	Black	no	no	Brooklyn Park
Golden Valley	\$ 38,600.10	54.6%	\$ 1,186.42	3	white	no	no	Eden Prairie
Deephaven	\$ 43,523.32	69.3%	\$ 755.14	2	white	no	yes(child)	Plymouth
<b>Minnetonka</b>	<b>\$ 43,360.81</b>	<b>55.2%</b>	<b>\$ 660.82</b>	<b>4</b>	<b>white</b>	<b>no</b>	<b>no</b>	<b>Minnetonka</b>
Eden Prairie	\$ 45,733.72	58.3%	\$ 928.76	4	white	no	no	Eden Prairie
St. Louis Park	\$ 49,802.52	70.4%	\$ 1,142.82	3	Black	no	no	St. Louis Park
<b>Minnetonka</b>	<b>\$ 39,452.31</b>	<b>71.7%</b>	<b>\$ 656.29</b>	<b>1</b>	<b>Middle Eastern</b>	<b>yes</b>	<b>no</b>	<b>St. Louis Park</b>
<b>Minnetonka</b>	<b>\$ 44,728.97</b>	<b>71.2%</b>	<b>\$ 1,075.89</b>	<b>2</b>	<b>white</b>	<b>no</b>	<b>no</b>	<b>Plymouth</b>
<b>Minnetonka</b>	<b>\$ 28,882.61</b>	<b>40.9%</b>	<b>\$ 836.17</b>	<b>3</b>	<b>Hispanic</b>	<b>no</b>	<b>no</b>	<b>Minnetonka</b>
<b>Minnetonka</b>	<b>\$ 36,540.50</b>	<b>58.2%</b>	<b>\$ 801.53</b>	<b>2</b>	<b>white</b>	<b>no</b>	<b>no</b>	<b>Chaska</b>
Deephaven	\$ 41,185.27	74.9%	\$ 844.84	1	white	no	no	Eden Prairie
Edina	\$ 46,404.08	65.6%	\$ 1,254.46	3	Black	no	no	Minnetonka
Deephaven	\$ 40,493.53	73.6%	\$ 825.64	1	white	no	no	Bloomington

## H. Funding Resources

The majority of funding for the program comes from public sources, local, state and federal grants. Please refer to **Attachment A**, the Allocation Chart outlining grants awarded and either expended and or allocated to specific housing production projects for the communities HWR serves. This chart provides you a sense of fund development activity HWR participates in, through direct and indirect means, in order to accomplish its goals of creating affordable homeownership.

During the next funding cycle (2008) HWR has a goal to create 14-16 additional affordable housing units. HWR is requesting assistance from the City of Minnetonka to create additional 5-6 affordable homes. Please refer to **Attachment B** delineating the status of the current and projected housing production goals for Minnetonka.

The major portion of funding is allocated to bridge the affordability gap that covers the cost of acquisition (land and associated costs, \$100,000-125,000 per unit for a period of 99 years). Please refer to **Attachment C**, a proforma that projects a statement of activities for a “Typical” single family property in Minnetonka.

The following highlights the monies raised by HWR and available to match with local community funding, including the requested 2008 Minnetonka Grant; therefore enabling HWR to achieve the goal of creating 5-6 new affordable homes in Minnetonka are as follows.

Source	Funds Committed	Proposed	Total
AHIF	\$140,000		\$140,000
HOME	\$320,000		\$320,000
Hennepin County HRA		\$75,000	\$75,000
Met council	\$150,000		\$150,000
MHFA	\$70,000		\$70,000
<b>Monies available to match with 2008 Minnetonka grant</b>	<b>\$680,000</b>	<b>\$75,000</b>	<b>\$755,000</b>

In closing, **Attachment F** illustrates photos of homes purchased in 2006 and 2007 in Minnetonka using the Community Land Trust practice, by the means of Homes Within Reach.

On behalf of the HWR Board of Directors and staff, we would like to thank you for your support and partnership in making these and other homes available to families who would not have been able to be homeowners in Minnetonka without your generous assistance to Homes Within Reach.

## 2007 Funding Allocation Chart November 1, 2007

Attachment A

The following allocation chart outlines grants awarded and either expended and or allocated to specific housing production projects for the communities HWR currently serves.

Name of Grants Provided	Total	Total	Grant
	Grant	Grant - Properties	
	Amount	Used	Available
Grants directly funded to WHAHLT			
AHIF 2007	\$140,000	\$25,000	\$ 115,000
City of Minnetonka 2007	\$230,000	\$211,880	\$ 18,120
City of Minnetonka 2006	\$230,000	\$230,000	
HOME 2005	\$515,000	\$515,000	
HOME 2006	\$325,000	\$325,000	
HOME 2007	\$320,000	\$45,000	\$ 275,000
Met Council 2007	\$150,000	Notified but not awarded	\$ 150,000
MHFA 2006	\$60,000	\$60,000	
MHFA 2007	\$70,000	Notified but not awarded	\$ 70,000
2006 FHF	\$80,000	\$79,530	\$ 470
HCHRA	\$325,000	\$325,000	
Indirect Grants (1)			
Wazyata HRA <b>HOLD 2007</b>	\$100,000		\$ 100,000
Edina CDBG 2006	\$245,481	\$245,481	
St. Louis Park CDBG 2007	\$18,000	\$18,000	
Maple Grove - St Joseph Church	\$14,200	\$14,200	
St. Lukes' Church	\$10,000		\$ 10,000
Eden Prairie CDBG	\$359,996	\$359,996	
<b>Total</b>	<b>\$3,192,677</b>	<b>\$2,454,087</b>	<b>\$738,590</b>

(1) The Indirect Grants are monies to be funded for the HWR program yet not directly awarded to WHAHLT.

In addition, HWR has received several small grants for upgrading technology (computerization) and assistance with capacity building projects from Bremer Bank and Wells Fargo Foundation.

**City of Minnetonka  
Production Inventory  
November 2007  
HWR Program**

Attachment B

<b>Chart Definitions</b>				
Proposed	Properties that we are in the pre-development stage			
Committed	Properties we have committed to fund			
PA-Purchase	WHAHLT executed PA to purchase property			
WHAHLT Properties	WHAHLT owns property			
Home - Sold to Applicant	WHAHLT sold home to qualified HWR applicant			
<b>Production for 2007 Funding</b>				
<b>Status</b>	<b>Location</b>	<b>#</b>	<b>Community</b>	<b>Comments</b>
2007	Sanctuary	1	Minnetonka	Home Purchased
2007	17745 Valley Cove Court	1	Minnetonka	Home Purchased
2007	14711 Minnetonka Drive	1	Minnetonka	Home Purchased
2007	14717 Minnetonka Drive	1	Minnetonka	Home Purchased
2007	Resale	1	Minnetonka	Home Purchased
2007	5713 Holiday Road	1	Minnetonka	Working with an applicant to purchase the home
2007	5248 Kimberly Lane	1	Minnetonka	Acquire property 11/5/07 rehab in November, able to sell in December, currently working with applicants to purchase home
2007/2008	Chestnut Lane	1	Minnetonka	Evaluating acquisition opportunity, Funding available
<b>Production in 2008</b>				
<b>Status</b>	<b>Location</b>	<b>#</b>	<b>Community</b>	<b>Comments</b>
2008	M'woods 1	1	Minnetonka	Funding Committed
2008	M'woods 2	1	Minnetonka	Funding Committed
2008	Undetermined Site	1	Minnetonka	
2008	Undetermined Site	1	Minnetonka	
2008	Undetermined Site	1	Minnetonka	
2008	Undetermined Site	1	Minnetonka	

**City of Minnetonka  
Proforma  
Single Property  
November 2007**

West Hennepin Affordable Housing Land Trust,										
Homes Within Reach										
Projected Statement of Activities for Single Property in Minnetonka										
<p><b>The HWR program acquires entry-level homes/properties and new construction as part of Minnetonka's inclusionary housing program. The following is a proforma for a single property in Minnetonka using the Community Land Trust model, which illustrates the sources and uses of the requested grant. This is an example of converting a market rate property to an affordable home (long-term), typically an existing detached home. This example uses estimated average revenues and expenses for a "typical" transaction. This is an average based on experience and current market conditions, therefore, there are variations in each property's proforma based on the product type and location.</b></p>										
								<b>2008</b>		
								<b>Proforma</b>	<b>Comments</b>	
								<b>Single</b>		
								<b>Property</b>		
Support and Revenue:										
Revenue:										
		Sale price of home				\$ 142,500		Estimated Average sale price for qualified low to moderate income household.		
		Total Revenue				\$ 142,500				
Support:										
		City of Minnetonka				\$ 46,500		Estimated Average subsidy from grant, can range from \$25,000 - 55,000.		
		Multiple other grants				\$ 75,000		Estimated Average of grants raised by WHAHLT to match with Mtka grants		
		Total funding sources				\$ 121,500		Can range from \$65,000 - \$125,000 depending on new or existing construction, multiple other grants etc.		
		Total support and revenue				\$ 264,000				
Acquisition expenses:										
Purchase Price:										
		Cost of land				\$ 85,000		Land can vary from \$45,000 to \$100,000 depending on size, product type and location		
		Cost of home				\$ 155,000		Home Improvements Only - this can vary as well		
		Total purchase price				\$ 240,000		Estimated Average, can vary from \$225,000-250,000 for an existing property. New Construction based on Met Council - price for affordable homes of \$206,800		
		Closing costs				\$ 1,200		Acquisition closing costs		
		Total acquisition expenses				\$ 241,200				
Rehabilitation expenses:										
						\$ 10,000		Rehab expenses can range from \$4,000 to \$15,000 and in some situations HWR will purchase a home at a lower purchase price and incur greater rehab expenses then \$15,000. Overall costs similar yet opens availability of properties and reinvests in the community.		
Project expenses:										
		Holding costs				\$ 2,800		Taxes, insurance, utilities, ground maintenance		
		Selling/search costs, buyer assistance				\$ 5,000		Acquisition, selling, applicant process costs		
		Administrative fee				\$ 5,000		Not to exceed \$30,000 in totality, even if we exceed 6 projects.		
		Total projects expenses				\$ 12,800				
		Total expenses				\$ 264,000				
		Increase (decrease) in net assets				\$ -				

West Hennepin Affordable Housing Land Trust  
Homes Within Reach

Qualification Criteria

The following are minimum requirements for qualifying for the WHAHLT program. WHAHLT may waive these requirements where doing so is consistent with WHAHLT's goals:

- Applicant must be 21 years of age or older
- Applicant (and co-applicant) must be a citizen of the United States or a legal resident
- Household income cannot exceed 80% of the Area Median Income (AMI) for the household size established by the U.S. Department of Housing and Urban Development (HUD)
- Applicant (and co-applicant) must qualify for an approved mortgage and must have sufficient income to support housing costs
- Applicant should be a first-time homebuyer (first-time homebuyers are preferred)
- Applicant must have some personal funds available for all or a portion of the down payment
- Applicant (and co-applicant) may not have other liquid assets, excluding retirement accounts, that total in excess of \$25,000 net of liabilities or the amount consistent with Section 8 guidelines, whichever is greater
- Applicant (and co-applicant) must complete an approved home buyer training program and present completion certificate(s)

West Hennepin Affordable Housing Land Trust  
Homes Within Reach

Selection Guidelines

In instances where a household has qualified for the WHAHLT/HWR program or in instances where more than one household is being considered for a WHAHLT/HWR home and property lease, the following factors will be considered by WHAHLT/HWR in selecting residents for a home. WHAHLT/HWR staff will implement the process, using the selection guidelines with assistance from the Resident Qualification Committee when necessary.

1. Completion of the application process

In order to be considered for purchase of a WHAHLT/HWR home, the applicant must attend an informational meeting, submit a complete WHAHLT/HWR application, meet WHAHLT/HWR guidelines (financial and administrative such as participation in a pre-application interview, attended homebuyer training classes and meet with Resident Qualifications Committee) and been pre-approved by a WHAHLT/HWR lender.

In matching a home and a buyer, WHAHLT/HWR may also take into account the extent to which other steps in the process have been completed, or the time that it will take to complete them.

2. Pre-approval amount

The amount of the mortgage for which pre-approval has been given must correspond to the anticipated sale price of the property, or the purchaser must demonstrate an ability to finance the difference. WHAHLT/HWR may also take into account the ability to pay associated expenses, such as closing costs and town home association fees. Applicant cannot be above a 45% debt ratio (inclusive of impending mortgage and all other debt) and total gross income is at 80% of area median income or below.

3. Homeownership status

WHAHLT/HWR prefers first-time homebuyers. Households that previously owned a residence three years and more prior to submitting an application may qualify if their income and assets meet WHAHLT/HWR's guidelines.

4. Size of household

WHAHLT/HWR will match household size and house size and type of home (existing detached home vs. a town home in addition to the number of bedrooms). For example, a single person is unlikely to be given the opportunity to purchase a house with three bedrooms.

5. Length of time to complete move

WHAHLT/HWR may consider how quickly a family can move, in order to reduce WHAHLT/HWR's holding costs.

6. Income

In cases where WHAHLT/HWR is able, to sell homes for less than its target price of \$125,000 - \$160,000 WHAHLT/HWR may take household income into account, so that it makes lower-priced homes available to households with lower incomes. Applicant cannot earn more than 80% area median income set by HUD and have non-retirement assets more than \$25,000.

7. Funding program requirements

WHAHLT/HWR will apply any relevant requirements imposed by funding programs.

8. Community connections

WHAHLT/HWR may take a household's connection to the community into account, such as residence in the area, presence of family in the area, work location, school or school district attendance, and so on.

9. Need

WHAHLT/HWR may consider circumstances indicating that a household has an immediate need for housing.

10. Likelihood of homeownership success

WHAHLT/HWR may consider factors that indicate a household is likely to be successful under the WHAHLT/HWR program, such as understanding and support for the Community Land Trust concept, background in or experience with the responsibilities of homeownership, local presence of family or other means of support, motivation in working through the application process and so on.

**Selection Point System**  
**More than One Household**

The following selection point system will be considered in the selection process, in those instances when there are two or more households expressing an interest in a particular home, and meet the eligibility thresholds. Points will be awarded for the listed Selection Guidelines. The highest points for any project will be selected. In the event of a point tie, a lottery will be held.

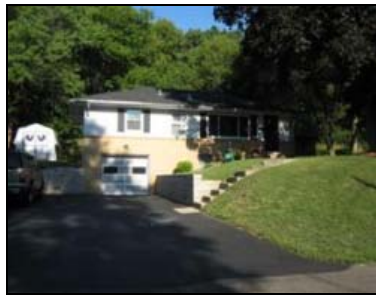
1. Appropriate Size - Five (5) points will be awarded if Unit Size (# of bedrooms) matches current Household Size (number of people currently in household):

<b>Unit Size</b>	<b>Household Size</b>
<b>1</b>	1-2 persons
<b>2</b>	2-3 persons
<b>3</b>	3-5 persons
<b>4</b>	4-7 persons
<b>5</b>	5-8 persons

2. Income - Five (5) points will be awarded if household income is less than 60% of area median income (AMI).
3. First Time Homebuyers - Five (5) point will be awarded if homebuyer is a first time homebuyer. A first time homebuyer is defined as someone who has not owned a home in the last three years.
4. Missed CLT Selection Process Opportunities - Five (5) points will be awarded for each selection process that they were not chosen (through selection process or lottery). For example, if a potential homebuyer was included in three previous selection criteria processes, and not selected, they would receive fifteen (15) points.
5. Partnership Requirements - In the event of a partnership CLT home (partnership organization may also have selection criteria that does not impair fair housing laws); points will be awarded per the Partnership Agreement.
  - Appropriate Size \_\_\_\_\_ points (0 or 5)
  - Income \_\_\_\_\_ points (0 or 5)
  - First Time Homebuyer \_\_\_\_\_ points (0 or 5)
  - Previous Selection Processes \_\_\_\_\_ points (5 points per instance)
  - Partnership \_\_\_\_\_ points (if applicable)

\_\_\_\_\_ **Total Points**

**Highlight of Properties acquired in 2006 & 2007 in Minnetonka**





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TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director  
Elise Durbin, Community Development Supervisor  
Stephanie Scott-Sims, Community Development Coordinator

DATE: November 13, 2007

SUBJECT: Staff Report for November 13, 2007 Meeting

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### **1. Foreclosures**

The 2007 Hennepin County Taxable Property Foreclosure Summary, January 1, 2007 – September 30, 2007 is attached. As indicated, Minnetonka has a slightly lower proportion of foreclosures than several neighboring cities.

### **2. Cedar Hills Townhomes Grand Reopening**

On October 25, 2007, Dominion celebrated the rehabilitation of its newly acquired Cedar Hills Townhomes. Rehab work was done on the interior and exterior, as well as the addition of new play areas and a new office/community room space. Before and after pictures are attached. The City of Minnetonka was recognized as a major funding source for the CDBG funds contributed to the project. Other funding sources included Hennepin County HOME funds and Minnesota Housing Finance Agency funds.

### **3. Minnetonka Blvd/Hwy 101**

Road construction for the most part is complete. On November 7<sup>th</sup>, city staff met with business and property owners to discuss the proposed establishment of a Special Service District (SSD). John Altepeter, Facilities Manager, St. Louis Park, and Dave Payne, business owner on Excelsior Blvd. in St. Louis Park spoke about the benefits of and their experience with SSDs. Those present seemed to be very interested in establishing a SSD and city staff plans to follow up with property owners

on a one-on-one basis to get their input on the establishing the district and developing the petition to begin the process.

#### **4. Glen Lake**

The Glen Lake streetscape planning is continuing. The developer is continuing to gain sales for the Kinsel Pointe condominiums project and still hopes to commence construction in 2007. On December 10, the city council will have the opportunity to view the plans to date—similar to what the EDA saw in September and provide comments. Additionally, public meetings will be held to get comments on the plans in early 2008.

#### **5. Comprehensive Plan Focus Groups**

During the weeks of November 5 and November 12 the comprehensive plan steering committee will be conducting four focus groups to gather information for the comprehensive plan. The focus groups discussions will be on: senior services, senior housing, housing, and families/schools/social services. A focus group discussion on doing business in Minnetonka will be held at a later time. The first of these meetings, on senior services, was held November 8 and produced many excellent suggestions. The information gathered will be presented to the comprehensive plan steering committee for its use in formulating policies for the comprehensive plan.

#### **6. Nestle/Novartis**

Nestle/Novartis has acquired the building at 10801 Red Circle Drive in Opus as the site of their new headquarters for the Medical Nutrition Group division. As a part of this they will bring 200 current employees into the city, with the plan to add an additional 50 employees. The city is working with Nestle/Novartis and the Department of Employment and Economic Development (DEED) to apply for a \$500,000 Minnesota Investment Fund forgivable loan to help pay for the investment of the Red Circle Drive location. Also, during the past year, Nestle/Novartis moved their research and development facility to the Minnetonka Corporate Center.

#### **Upcoming Events**

Friday, November 16

CURA forum: "Why we build where we build and does it make a difference?"

**Speakers:** Paul Fate, Director, CommonBond  
Elizabeth Flannery, Associate Vice President  
for Housing Development, CommonBond  
Communities, Ellen Higgins, Vice President for  
Business Development, CommonBond

Communities, Dick Brustad, President,  
Community Housing Development Corporation  
12:00 – 1:30 p.m.  
Carlson School of Management Room 2-213  
University of Minnesota – West Bank

*Please let Stephanie know by November 14<sup>th</sup> if you wish to attend*

December 5, 2007      Sensible Land Use Coalition program  
“Twin Cities’ Housing Outlook...Perception vs.  
Reality?”  
**Speaker:** Ryan Jones, Director, Metrostudy,  
Twin Cities Division  
11:30 a.m.  
Doubletree Park Place Hotel, St. Louis Park

*Please let Stephanie know by November 28<sup>th</sup> if you wish to attend*

December (Date TBD)      Regular EDA meeting

January 16, 2007      Joint City Council, Boards & Commissions  
Comprehensive Plan Update meeting  
Place and Time TBA  
(Rescheduled from 11/28/07)

**Attachments:**

- EDA project update
- 2007 Hennepin County Taxable Property Foreclosure Summary
- Cedar Hills Grand Opening Pictures
- 10/19/2007 Star Tribune article, “Low income homes must be built, but where?”
- CURA program information
- SLUC program information

## 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	City conducted a walk-thru of the affordable units in September. The units are close to completion with only landscaping left.
34 <sup>th</sup> Circle West (Minnetonka Drive)	6	1	1 unit in the twinhome was sold in July.
Deephaven Cove	28	5	City closed on its 2 <sup>nd</sup> unit (HWR's fourth) on September 18 <sup>th</sup> and transferred ownership to HWR on October 16 <sup>th</sup> .
Glen Lake	197	33	All of the framing on The Exchange building has been completed on and the roof is in place.
HWR (WHAHLT)			30 Minnetonka units, 47 units total; 44 have been leased to homebuyers. New unit in Minnetonka at 5248 Kimberly Lane is currently being rehabbed.
Cedar Hills Townhouses (Rehab)	30	30	Dominium celebrated the completion of the Cedar Hills rehabilitation with a grand opening ceremony on October 25 <sup>th</sup> .

### Transit

#### *Dial-a-Ride*

- Ridership (updated counts will be coming soon)

Month	Average Daily Ridership
March 2007	35.8 Rides
April 2007	34.5 Rides
September 2007	68.2 Rides
October 2007	83.0 Rides

- Extended Dial-a-Ride service began September 1 with evening and Saturday service. The new Lake Minnetonka Dial-a-Ride now provides curb-to-curb service to Minnetonka, Deephaven, Greenwood, Excelsior, Navarre, Shorewood, and Tonka Bay. The new service provider is Midwest Paratransit.

### Economic Development/Business

#### *Minnetonka • 101 Business Association*

- A general business association meeting was held on November 7 to discuss the proposed establishment of a special service district and. John Altepeter, Facilities Manager, City of St. Louis Park, and Dave Payne, business owner on Excelsior Blvd. spoke about their experiences in establishing and operating a SSD.

Updated 11/09//2007

**2007 Hennepin County Taxable Property Foreclosure Summary**

Period: 01/01/07 through 09/30/07

City/Town	Homesteaded Property		Non-homesteaded Property		Total	
	#	Est. Value (based on First Bid Amnt)	#	Est. Value (based on First Bid Amnt)	#	Est. Value (based on First Bid Amnt)
20 Bloomington	103	\$19,520,682.37	48	\$14,359,731.50	151	\$33,880,413.87
22 Brooklyn Center	151	\$25,643,066.78	47	\$8,281,871.61	198	\$33,924,938.39
48 Brooklyn Park	290	\$56,525,548.75	119	\$53,162,544.68	409	\$109,688,093.43
50 Champlin	40	\$7,569,595.39	17	\$3,376,571.90	57	\$10,946,167.29
52 Corcoran	5	\$1,675,431.71	-	\$0.00	5	\$1,675,431.71
54 Crystal	59	\$10,425,740.93	14	\$4,272,572.51	73	\$14,698,313.44
56 Dayton	6	\$1,219,021.09	1	\$228,957.68	7	\$1,447,978.77
59 Deephaven	3	\$1,197,766.38	1	\$861,520.97	4	\$2,059,287.35
61 Eden Prairie	75	\$18,885,315.66	32	\$10,979,571.07	107	\$29,864,886.73
24 Edina	36	\$9,229,961.99	15	\$10,349,567.13	51	\$19,579,529.12
63 Excelsior			1	\$476,737.97	1	\$476,737.97
28 Golden Valley	21	\$4,264,409.36	13	\$3,911,518.21	34	\$8,175,927.57
65 Greenfield	7	\$1,660,911.40	8	\$5,346,811.49	15	\$7,007,722.89
19 Greenwood	1	\$3,822,793.24	1	\$474,574.08	2	\$4,297,367.32
67 Hanover	1	\$327,449.48	1	\$171,500.00	2	\$498,949.48
68 Hassan	2	\$481,342.26	1	\$189,831.30	3	\$671,173.56
30 Hopkins	39	\$5,105,618.25	8	\$977,846.91	47	\$6,083,465.16
70 Independence	5	\$1,815,450.71	1	\$552,500.00	6	\$2,367,950.71
72 Long Lake	2	\$307,069.10	-	\$0.00	2	\$307,069.10
74 Loretto	1	\$198,000.00	-	\$0.00	1	\$198,000.00
76 Maple Grove	92	\$19,413,808.05	36	\$16,528,654.98	128	\$35,942,463.03
77 Maple Plain	3	\$589,244.72	-	\$0.00	3	\$589,244.72
80 Medina	2	\$1,211,801.46	2	\$652,167.20	4	\$1,863,968.66
34 Minnetonka	48	\$12,951,527.41	15	\$8,306,730.39	63	\$21,258,257.80
82 Minnetonka Beach	2	\$3,013,218.42	-	\$0.00	2	\$3,013,218.42
36 Minnetrista	14	\$5,060,732.26	10	\$5,511,322.10	24	\$10,572,054.36
85 Mound	27	7,987,014.09	21	\$6,468,661.08	48	\$14,455,675.17
86 New Hope	29	\$5,009,626.95	5	\$846,829.22	34	\$5,856,456.17
38 Orono	8	\$2,312,919.04	10	\$7,893,056.89	18	\$10,205,975.93
88 Osseo	5	\$948,651.12	1	\$194,742.49	6	\$1,143,393.61
40 Plymouth	64	\$13,465,893.88	28	\$7,416,756.61	92	\$20,882,650.49
42 Richfield	69	\$12,738,788.73	21	\$4,266,083.41	90	\$17,004,872.14
44 Robbinsdale	44	\$7,957,136.59	15	\$3,952,042.73	59	\$11,909,179.32
90 Rockford	1	\$152,768.12	-	\$0.00	1	\$152,768.12
92 Rogers	13	\$3,059,130.05	5	\$790,266.17	18	\$3,849,396.22
94 Saint Anthony	3	\$506,714.93	-	\$0.00	3	\$506,714.93
95 Saint Bonifacius	7	\$1,383,314.99	-	\$0.00	7	\$1,383,314.99
46 Saint Louis Park	54	\$9,564,379.39	6	\$1,074,123.91	60	\$10,638,503.30
26 Shorewood	9	\$3,188,074.11	13	\$5,069,880.33	22	\$8,257,954.44
17 Spring Park	1	\$155,965.38	4	\$1,180,090.45	5	\$1,336,055.83
99 Wayzata	5	\$1,759,243.54	1	\$270,000.00	6	\$2,029,243.54
15 Woodland			1	\$299,167.38	1	\$299,167.38
<b>01 Minneapolis</b>	<b>941</b>	<b>\$159,498,930.47</b>	<b>1,200</b>	<b>\$238,262,768.93</b>	<b>2,141</b>	<b>\$397,761,699.40</b>
<b>Suburban Total</b>	<b>1,347</b>	<b>\$282,305,128.08</b>	<b>522</b>	<b>\$188,694,804.35</b>	<b>1,869</b>	<b>\$470,999,932.43</b>
<b>County Total</b>	<b>2,288</b>	<b>\$441,804,058.54</b>	<b>1,722</b>	<b>\$426,957,573.28</b>	<b>4,010</b>	<b>\$868,761,631.82</b>
<b>Undetermined</b>					<b>72</b>	<b>\$34,781,540.35</b>
<b>Sheriff's Foreclosure Sales Database Total</b>					<b>4,082</b>	<b>\$903,543,172.17</b>

# Cedar Hills Townhomes Before and After Renovations Pictures

## BEFORE





AFTER



**New Office Addition**



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## Low-income homes must be built, but where?

**The Met Council is requiring cities to build thousands of units while residents worry about crime, property values.**

By [Lora Pabst](#), Star Tribune

Last update: October 19, 2007 – 12:13 AM

When Brooklyn Park city officials began considering a luxury apartment complex that would include 20 percent affordable housing units, residents quickly responded with outrage and concern for what might happen to their neighborhood.

After about 200 residents attended a community meeting this month and raised questions about what might happen to schools, traffic and crime after the apartments were built, city officials decided to slow down the process and the developer struck affordable housing from the plan. Even so, city officials began Monday to consider a yearlong halt to any high-density residential complexes, especially rental, so they can study how it might affect their city.

But even with the slowdown on this particular development, Brooklyn Park is in the same situation as several cities across the metro that have been told by the Metropolitan Council that they need to add thousands of new affordable housing units by 2020. While they try to incorporate these numbers into their comprehensive plans by the end of next year, some cities are having a difficult time convincing residents that people who move into affordable housing units aren't going to create problems for the community.

Isaac Bindert of Brooklyn Park immediately became concerned when he heard about the proposed apartments just blocks from the house he moved into a year ago.

About 52 of the 261 units in the development were originally proposed as affordable.

"I am still trying to decide how I feel," he said Thursday. "People need a place to live, but my biggest concerns are the effect on my property value and that crime will increase."

City Council Member Jeff Lunde said he thinks the city, which has been told to add 1,494 units by 2020, already has a lot of affordable housing, so officials need a plan to show where it will go in the future. He also wants to make sure that other communities are stepping up to meet their assigned number of new units from the Met Council so one city isn't overburdened.

"It's a shared burden or opportunity, however you look at it," he said.

Guy Peterson, the Met Council's community development division director, said the numbers were assigned to cities based on their overall growth capacity, their current

number of affordable housing units, and access to low-wage jobs and public transportation. In Brooklyn Park, 27 percent of housing was affordable in 2000, according to the Met Council.

One of the cities that seems to come up often in the debate about where affordable housing should go is Maple Grove. In 2000, 7 percent of its housing was affordable, the most recent data available.

Maple Grove's Community Development Director Bob Waibel said the city has been doing its part to create zoning that allows high-density developments where affordable housing might be located. They also place affordability high on a checklist that developers must meet to get approval for their projects.

"Some have raised the issue of why doesn't Maple Grove have as much rental, but developers and investors want to place their projects where there is a market for rental units," Waibel said. "It's not there because the market didn't see it as the best area to develop rental."

Housing advocates emphasize to cities that there is an affordable housing shortage across the country.

Barb Jacobs, a spokeswoman for the nonprofit Minnesota Housing Partnership, said affordable housing needs to be addressed at the local level because cities know what their needs are. They also need to educate residents about who lives in affordable housing, she said.

"A lot of people don't realize that people who live in affordable housing are people you work with, people taking care of your kids and helping you in the hospital," she said. "On the East and West coasts, there are communities that can't afford to house their essential workers so we need to learn from that and acknowledge that these folks are important to the fabric of our communities."

But many cities say they question if they should have to follow guidelines laid out by the Met Council. Blaine needs the most number of new affordable units in Anoka County, according to the Met Council.

Blaine's Community Development Director Bryan Schafer said the city was assigned such a high number of needed units because it is one of the few areas where there is a lot of land available for development.

"I think it's a very aggressive goal," he said. "We just don't know how we're going to get there."

Another city that landed on the list of communities in Hennepin County that need to add affordable housing is Dayton, the city of 5,000 that is just getting municipal sewer and water service.

Dayton Mayor Doug Anderson said he thinks it might surprise a lot of residents that the city needs to plan for affordable housing when much of its land isn't even developed.

"I don't know that we've started looking close at this," he said.

Brooklyn Park officials know that affordable housing built in the '60s and '70s was concentrated too much in one area, which required them to demolish some buildings, and they want to ensure that any future development is well-planned.

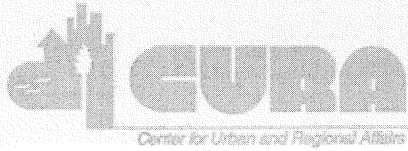
"It's hard for us to continue absorbing lower valued units and have it impact our tax base," said Jason Aarsvold, the city's economic and redevelopment director.

"Our city is more than housing. It's quality of life and providing jobs and building tax base."

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## CURA Housing Forum



*Join us for the next CURA Housing Forum*

### Why We Build Where We Build and Does It Make a Difference?

- Paul Fate**, Executive Director, CommonBond Communities
- Elizabeth Flannery**, Associate Vice President for Housing Development, CommonBond Communities
- Ellen Higgins**, Vice President for Business Development, CommonBond Communities
- Dick Brustad**, President, Community Housing Development Corporation

Search

**Friday, November 16, 2007**  
**12:00 to 1:30 pm**

**Rm. 2-213, Carlson School of Management**  
**University of Minnesota, West Bank**

This Housing Forum is a follow-up to the September forum public debate featuring Myron Orfield and Ed Goetz discussing the topic, "Public funds to subsidize additional affordable housing should not be allocated to areas of impacted poverty within Minneapolis and St. Paul."

**RSVP is required no later than November 14 to [curahf@umn.edu](mailto:curahf@umn.edu) or 612-625-2086**

For more information, contact Adrienne Hannert at 612-625-2086 or [curahf@umn.edu](mailto:curahf@umn.edu)

*The CURA Housing Forum is a monthly brown-bag discussion of Twin Cities housing issues and research, sponsored by the Center for Urban and Regional Affairs (CURA)*

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A community of land use planning, development and regulatory professionals from the public and private sectors.

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Job Board

## Twin Cities' Housing Outlook ... Perception vs. Reality?

**Program Date:** December 5, 2007  
**Registration begins:** 11:15 am  
**Luncheon:** 11:30 am

**Location:** DoubleTree Park Place



Understanding the housing market is vital to making short- and long-term real estate decisions. **Ryan Jones**, Director of Metrostudy's Twin Cities' Division, will reference the country's largest database of primary housing real market information. His facts and analysis will provide building industry leaders with the information needed to compete in today's market.

Mr. Jones' Twin Cities Region Presentation will focus on:

- Economy
- Resale market
- Home price statistics
- New Home Analysis and price distribution
- Current Twin Cities' housing Inventory and developed lot inventory

Then...

- Compare the Twin Cities with national economy and housing market
- Provide an analysis of what's anticipated for 2008
- Conclude with questions and answers

### Another program you can't afford to miss!

Click here to register online for  
 "Twin Cities' Housing Outlook ... Perception vs. Reality?"  
 December 5, 2007

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**CEU Policies:** The Minnesota Department of Commerce approves Sensible Land Use Coalition programs for CEU for Realtors. Due to significant changes in the Minnesota Department of Commerce's approval guidelines, our programs may not always qualify for continuing education approval. The number of credits allowed is based on the length of the actual program--excluding lunch. Credits will not be issued until the end of the question session at the end of each program. *Please do not ask for exceptions. Thank you.*

The **Sensible Land Use Coalition** is a community of land use planning, development and regulatory professionals from the public and private sectors

Our mission is to promote communication, enhance education and provide information that

will encourage the development of public policy and foster a balanced approach toward issues affecting land use, development and the environment in Minnesota, with special focus on the Twin Cities Metropolitan Area.

[Administrative log in.](#)

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