

**ORDINANCE NO. 2022-03**  
**AN ORDINANCE AMENDMENT REGARDING HOUSING IN COMMERCIAL ZONING DISTRICTS**

THE CITY COUNCIL OF EDINA ORDAINS:

**Section 1. Sec. 36-612. - Conditional uses. (*PCD Zoning Districts*) is amended as follows:**

The following are the conditional uses permitted in the PCD-1 subdistrict:

(1) *PCD-1 and PCD-2 subdistricts*. Multi-residential uses subject to following:

- a. New rental multi-family developments containing 20-units or more shall provide a minimum of 10% residential units at 50% area median income (AMI) or 20% residential units at 60% AMI.
- b. New for-sale developments shall provide a minimum of 10% of residential units at AMI.
- c. Rental and for-sale/owner occupied affordable units shall provide the following:
  1. on-site parking (either surface or enclosed) for affordable units and the cost related to parking must be included affordable sales price or affordable rental rate. At least one enclosed parking space shall be included in the purchase price of a for-sale unit in the same manner offered to buyers of market rate units.
  2. Affordable and market rate residents will have equal access to all entries, lobbies, elevators, parking and amenities. Examples of amenities include storage lockers, balconies, roof decks, outdoor patios, pools, fitness facilities, and similar unit and project features.
  3. Exterior appearance of affordable units shall be visually comparable with market rate units in the development.
- d. New rental housing will remain affordable for a minimum of 20 years **if seeking a PUD or Rezoning without City financing or 30-years if City financing is approved.** ~~and this~~ **This** requirement will be memorialized by a Land Use Restrictive Covenant.
- e. New for-sale or owner-occupied developments will remain affordable for a minimum of 30 years and this requirement will be memorialized by a Land Use Restrictive Covenant. The Land Use Restrictive Covenant will contain a provision providing the Housing and Redevelopment Authority or Edina Housing Foundation the right of first refusal to purchase affordable units.
- f. The **developers and/or** owners of multi-family rental housing projects subject to this Policy by receiving financial assistance shall accept tenant-based rental housing assistance including but not limited to Section 8 Housing Choice Vouchers, HOME tenant-based assistance and Housing Support. Tenants with rental assistance may occupy an affordable dwelling unit with the rent charged not exceeding the maximum allowed by Metro HRA or the assistance provider. Furthermore, the rent charged may not exceed the maximum allowed by the most restrictive funding **source**. This requirement will be enforced through a contract between the City of the project owner pursuant to which the owner will be required to adopt business practices that promote fair housing and provide

documentation of compliance with these requirements to the City. This requirement will be further enforced through the City's monitoring policies and procedures.

- g. Owners of City-assisted housing projects shall affirmatively market affordable housing opportunities. All multi-family housing providers subject to this policy must submit an Affirmative Fair Housing Marketing Plan (AFHMP) at least every 5 years and a Survey and Certification regarding AFHMP outcomes annually. Owners must advertise housing opportunities on HousingLink or another medium acceptable to the City concurrent with any other public or private advertising.
- h. Recognizing that affordable housing is created through a partnership between the City and developers, the City and/or Housing and Redevelopment Authority will consider the following incentives for developments that provide affordable housing:
  - ~~1. Density bonuses~~
  - 2. Parking requirement reductions
  - 3. Tax increment financing for projects that exceed the minimum requirement
  - 4. Deferred low interest loans from the Housing and Redevelopment Authority and/or Edina Housing Foundation
  - 5. Property Tax Abatement
- i. In lieu of providing affordable housing in each new qualifying development, the City may consider the following:
  - 1. Dedication of existing units in Edina to 110% of what would have been provided in a proposed new development. These units would need to be of an equivalent quality within the determination of the City.
  - 2. Financial risk and participation in the construction of affordable dwelling units of an equivalent quality by another developer on a different site within the City.
  - 3. An alternative proposed by a developer that directly or indirectly provides or enables provision of an equivalent amount of affordable housing within the city. An alternative could be payment of a Total Buy In (TBI) fee, a cash payment to the City in lieu of providing affordable housing units. The TBI shall be equal to ~~\$100,000~~ **\$175,000** per unit rounding up to the next whole unit. The TBI would be due in cash or certified funds in full to the City at the time of issuance of the building permit. A building permit will not be issued unless the TBI is paid in full. The City Council may allow the housing developer to pre-pay the TBI to satisfy a future Affordable Housing Opportunity on a case-by-case basis. TBI will be deposited into the Affordable Housing Trust Fund to be used for the development and preservation of affordable housing.
- j. **As allowing maximum density was intended to serve as a density bonus for the inclusion of affordable units, for mixed use developments that have densities 50% or greater of the maximum allowed density, affordable units must be included in the development. For residential developments with densities 75% of the maximum allowed density, affordable units must be included in the development. For example:**

- i. If zoning allows between 50-100 units per acre, and the residential development is 50-87 units per acre, the developer/owner may elect to include the affordable units into the development, pay the TBI fee, or an approved alternative.
- ii. If the proposed development is 88-100 units per acre, the development must include affordable units within the building.
- k. The owners and their agents of multi-family rental and ownership properties subject to this policy must cooperate with the City's compliance officer during the affordability period. Noncompliance may be grounds for suspension of the rental license.

(2) PCD-3 subdistrict.

c. Multi-residential uses subject to following:

1. New rental multi-family developments containing 20 units or more shall provide a minimum of 10% residential units at 50% area median income (AMI) or 20% residential units at 60% AMI.
2. New for-sale developments shall provide a minimum of 10% of residential units at AMI.
3. Rental and for-sale/owner occupied affordable units shall provide the following:
  - (i) On-site parking (either surface or enclosed) for affordable units and the cost related to parking must be included affordable sales price or affordable rental rate. At least one enclosed parking space shall be included in the purchase price of a for-sale unit in the same manner offered to buyers of market rate units.
  - (ii) Affordable and market rate residents will have equal access to all entries, lobbies, elevators, parking and amenities. Examples of amenities include storage lockers, balconies, roof decks, outdoor patios, pools, fitness facilities, and similar unit and project features.
  - (iii) Exterior appearance of affordable units shall be visually comparable with market rate units in the development.
4. New rental housing will remain affordable for a minimum of 20 years if seeking a PUD or Rezoning without City financing or 30-years if City financing is approved. ~~and this~~ This requirement will be memorialized by a Land Use Restrictive Covenant.
5. New for-sale or owner-occupied developments will remain affordable for a minimum of 30 years and this requirement will be memorialized by a Land Use Restrictive Covenant. The Land Use Restrictive Covenant will contain a provision providing the Housing and Redevelopment Authority or Edina Housing Foundation the right of first refusal to purchase affordable units.
6. The ~~developers and/or~~ owners of multi-family rental housing projects subject to this Policy by receiving financial assistance shall accept tenant-based rental housing assistance including but not limited to Section 8 Housing Choice Vouchers, HOME tenant-based assistance and Housing Support. Tenants with rental assistance may occupy an affordable dwelling unit with the rent charged not exceeding the maximum allowed by Metro HRA or the assistance provider. Furthermore, the rent charged may not exceed the maximum allowed by the most restrictive funding source. This

requirement will be enforced through a contract between the City of the project owner pursuant to which the owner will be required to adopt business practices that promote fair housing and provide documentation of compliance with these requirements to the City. This requirement will be further enforced through the City's monitoring policies and procedures.

7. Owners of City-assisted housing projects shall affirmatively market affordable housing opportunities. All multi-family housing providers subject to this policy must submit an Affirmative Fair Housing Marketing Plan (AFHMP) at least every 5 years and a Survey and Certification regarding AFHMP outcomes annually. Owners must advertise housing opportunities on HousingLink or another medium acceptable to the City concurrent with any other public or private advertising.
8. Recognizing that affordable housing is created through a partnership between the City and developers, the City and/or Housing and Redevelopment Authority will consider the following incentives for developments that provide affordable housing:
  - ~~(i) Density bonuses~~
  - (ii) Parking requirement reductions.
  - (iii) Tax increment financing for projects that exceed the minimum requirement.
  - (iv) Deferred low interest loans from the Housing and Redevelopment Authority and/or Edina Housing Foundation.
  - (v) Property Tax Abatement.
9. In lieu of providing affordable housing in each new qualifying development, the City may consider the following:
  - (i) Dedication of existing units in Edina to 110% of what would have been provided in a proposed new development. These units would need to be of an equivalent quality within the determination of the City.
  - (ii) Financial risk and participation in the construction of affordable dwelling units of an equivalent quality by another developer on a different site within the City.
  - (iii) An alternative proposed by a developer that directly or indirectly provides or enables provision of an equivalent amount of affordable housing within the city. An alternative could be payment of a Total Buy In (TBI) fee, a cash payment to the City in lieu of providing affordable housing units. The TBI shall be equal to ~~\$100,000~~ \$175,000 per unit rounding up to the next whole unit.
  - (iv) The TBI would be due in cash or certified funds in full to the City at the time of issuance of the building permit. A building permit will not be issued unless the TBI is paid in full. The City Council may allow the housing developer to pre-pay the TBI to satisfy a future Affordable Housing Opportunity on a case-by-case basis. TBI will be deposited into the Affordable Housing Trust Fund to be used for the development and preservation of affordable housing.
10. As allowing maximum density was intended to serve as a density bonus for the inclusion of affordable units, for mixed use developments that have densities 50% or greater of the maximum allowed density, affordable units must be included in the development. For residential developments with

densities 75% of the maximum allowed density, affordable units must be included in the development. For example:

- (i) If zoning allows between 50-100 units per acre, and the residential development is 50-87 units per acre, the developer/owner may elect to include the affordable units into the development, pay the TBI fee, or an approved alternative.
- (ii) If the proposed development is 88-100 units per acre, the development must include affordable units within the building.

- 11. The owners and their agents of multi-family rental and ownership properties subject to this policy must cooperate with the City's compliance officer during the affordability period. Noncompliance may be grounds for suspension of the rental license.

**Section 2.** This ordinance is effective immediately upon its passage.

First Reading:  
Second Reading:  
Published:

Attest

\_\_\_\_\_  
Sharon Allison, City Clerk

\_\_\_\_\_  
James B. Hovland, Mayor