

**Agenda**  
**Edina Housing and Redevelopment Authority**  
**City of Edina, Minnesota**  
**City Hall, Council Chambers**  
**Thursday, September 15, 2022**  
**7:30 AM**

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**Call 888-504-7949**

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**Press \*1 on your telephone keypad when you would like to get in the queue to speak.**

**An operator will introduce you when it is your turn.**

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Approval of Meeting Agenda
- V. Community Comment

During "Community Comment," the Edina Housing and Redevelopment Authority (HRA) will invite residents to share new issues or concerns that haven't been considered in the past 30 days by the HRA or which aren't slated for future consideration. Individuals must limit their comments to three minutes. The Chair may limit the number of speakers on the same issue in the interest of time and topic. Generally speaking, items that are elsewhere on today's agenda may not be addressed during Community Comment. Individuals should not expect the Chair or Commissioners to respond to their comments today. Instead the Commissioners might refer the matter to staff for consideration at a future meeting.

A. Executive Director's Response to Community Comments

- VI. Adoption of Consent Agenda

All agenda items listed on the consent agenda are considered routine and will be enacted by one motion. There will be no separate discussion of such items unless requested to be removed from the Consent Agenda by a Commissioner of the HRA. In such cases the item will be removed from the Consent Agenda and considered immediately following the adoption of the Consent Agenda. (Favorable rollcall vote of majority of Commissioners

present to approve.)

- A. Draft September 7, 2022 Special Meeting Minutes
- B. Adopt the Proposed Budget and Establishing the Proposed Tax Levy Payable in 2023

VII. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)

- A. Discussion: Proposed Update to Tax Increment Financing Policy
- B. 2022 Modifications to New Multifamily Development Affordable Housing Policy

VIII. HRA Commissioners' Comments

IX. Executive Director's Comments

- A. Open to Business mid-year report

The Edina Housing and Redevelopment Authority wants all participants to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.

X. Adjournment



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HOUSING & REDEVELOPMENT  
AUTHORITY  
4801 West 50th Street  
Edina, MN 55424  
[www.edinamn.gov](http://www.edinamn.gov)

**Date:** September 15, 2022

**Agenda Item #:** V.A.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Other

**From:** Liz Olson, Administrative Support Specialist

**Item Activity:**  
Information

**Subject:** Executive Director's Response to Community  
Comments

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**ACTION REQUESTED:**

None.

**INTRODUCTION:**

Executive Director Neal will respond to questions asked at the previous council meeting.



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**Date:** September 15, 2022

**Agenda Item #:** VI.A.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Minutes

**From:** Liz Olson, Administrative Support Specialist

**Item Activity:**  
Action

**Subject:** Draft September 7, 2022 Special Meeting Minutes

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**ACTION REQUESTED:**

Approve the minutes from September 7, 2022.

**INTRODUCTION:**

**ATTACHMENTS:**

Draft Minutes from September 7, 2022

**MINUTES  
OF THE SPECIAL MEETING OF THE  
EDINA HOUSING AND REDEVELOPMENT AUTHORITY  
SEPTEMBER 7, 2022  
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING**

**I. CALL TO ORDER**

Chair Hovland called the meeting to order at 10:17 p.m. then explained the processes created for public comment.

**II. ROLL CALL**

Answering rollcall were Commissioners Anderson, Jackson, Pierce, Staunton, and Chair Hovland.

Absent: None.

**III. MEETING AGENDA APPROVED - AS PRESENTED**

**Motion by Commissioner Staunton, seconded by Commissioner Anderson, approving the meeting agenda as presented.**

Roll call:

Ayes: Anderson, Jackson, Pierce, Staunton, and Hovland

Motion carried.

**IV. COMMUNITY COMMENT**

No one appeared.

**IVA. EXECUTIVE DIRECTOR'S RESPONSE TO COMMUNITY COMMENT**

None.

**V. CONSENT AGENDA ADOPTED - AS PRESENTED**

**Member Jackson made a motion, seconded by Member Pierce, approving the consent agenda as presented:**

**V.A. Approve Minutes of the Regular Meeting July 21, 2022**

**V.B. Approve Loan Agreement with Brainerd Entertainment LLC dba Mann Theaters**

**V.C. Adopt Resolution 2022-09; Authorizing an Interfund Loan for Eden Willson Tax Increment Financing District**

**V.D. Approve Request for Purchase, 5146 Eden Avenue Engineering Services for Rezoning Application, awarding the bid to the recommended low bidder, Loucks, \$38,600**

Rollcall:

Ayes: Anderson, Jackson, Pierce, Staunton, and Hovland

Motion carried.

**VI. EXECUTIVE DIRECTOR'S COMMENTS – Received**

**VII. HRA COMMISSIONERS' COMMENTS – Received**

**VIII. ADJOURNMENT**

**Motion made by Commissioner Jackson, seconded by Commissioner Pierce, to adjourn the meeting at 10:21 p.m.**

Roll call:

Ayes: Anderson, Jackson, Pierce, Staunton, and Hovland

Motion carried.

Respectfully submitted,

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Scott Neal, Executive Director



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**Date:** September 15, 2022

**Agenda Item #:** VI.B.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Other

**From:** Alisha McAndrews, Finance Director

**Item Activity:**  
Action

**Subject:** Adopt the Proposed Budget and Establishing the  
Proposed Tax Levy Payable in 2023

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**ACTION REQUESTED:**

Adopt the Proposed Budget and Establishing the Proposed Tax Levy Payable in 2023.

**INTRODUCTION:**

The HRA is a separate taxing authority formed by the City Council in 1974. The purpose of the levy is to pay a portion of the administrative expenses that are necessary to operate the HRA. The levy proposed for 2023 is \$244,400, which is a \$7,100 increase over the 2022 levy. The preliminary HRA operating budget and tax levy for 2023 remains the same as the 2022-2023 biennial budget that was approved by Council and the HRA on December 7, 2021.

The HRA will be asked to hold a public hearing and adopt the final 2023 HRA Budget and Levy in December 2022.

**ATTACHMENTS:**



EDINA HOUSING AND REDEVELOPMENT AUTHORITY  
RESOLUTION NO. 2022-10  
ADOPTING THE PROPOSED BUDGET AND ESTABLISHING THE PROPOSED TAX LEVY PAYABLE  
IN 2023

WHEREAS, The Edina Housing and Redevelopment Authority (the “HRA”) has authorities and powers according to MN Statutes, Sections 469.001 to 469.047. MN Statutes, Section 469.033, subd. 6 grants the HRA the power to levy and collect taxes subject to a resolution of consent from the Edina City Council for a set period.

WHEREAS, The Edina City Council passed Resolution 2021-72 consenting to an HRA tax levy payable in 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1: That there is proposed to be levied upon all taxable real and personal property in the City of Edina, a tax rate sufficient to produce the amount as follows:

HRA GENERAL FUND	\$244,400
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Section 2: That the preliminary budget is as follows:

HRA GENERAL FUND TAX LEVY REVENUES	\$244,400
HRA GENERAL FUND EXPENDITURES	\$244,400

Passed and adopted by the Housing and Redevelopment Authority on September 15, 2022.

ATTEST: \_\_\_\_\_

James Pierce, Secretary

\_\_\_\_\_  
James B. Hovland, Chair

STATE OF MINNESOTA                    )  
COUNTY OF HENNEPIN                )SS  
CITY OF EDINA                            )

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Edina Housing and Redevelopment Authority do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina Housing and Redevelopment Authority at its Regular Meeting of September 15, 2022, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Executive Director

CITY OF EDINA

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**Date:** September 15, 2022

**Agenda Item #:** VII.A.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Report / Recommendation

**From:** Bill Neuendorf, Economic Development Manager

**Item Activity:**

**Subject:** Discussion: Proposed Update to Tax Increment  
Financing Policy

Discussion

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**ACTION REQUESTED:**

No action required; for discussion purposes only.

**INTRODUCTION:**

This item pertains to the policy regarding the use of Tax Increment Financing. The policy was last updated in 2011.

Staff recommends that the policy be updated to clarify the conditions and outcomes to be pursued with TIF. Proposed changes are attached for discussion purposes. This proposal strives to achieve these four goals:

- 1) Clarify intent/purpose when TIF is used
- 2) Clarify minimum expectations & outcomes when TIF is used
- 3) Clarify process to review and consider TIF in a manner coordinated with the zoning review process
- 4) Increase application fee to offset staff expenses

This proposal is intended to be discussed in September with final changes considered at a future HRA meeting.

**ATTACHMENTS:**

Draft TIF policy update



**DRAFT**  
**For Discussion**  
**Purposes Only**  
**9-15-2022**

- ☒ City Council
- ☐ City-Wide
- ☐ Department

Approved: 2011  
Revised: [Click here to enter a date.](#)

## Tax Increment Financing Policy

This policy is intended to provide guidance to developers, property owners, staff and the community at large regarding Edina's use of Tax Increment Financing as a public finance tool to attract and support high quality development that contributes to a strong property tax base and to the high quality of life in Edina. For the purpose of this policy, the "City" shall also mean the Edina Housing and Redevelopment Authority (HRA), which assists in a variety of housing, redevelopment, and economic development activities for the City of Edina.

### **General TIF Definition:**

- The City of Edina has the authority to use Tax Increment Financing (TIF) pursuant to Minnesota State Statutes. TIF uses the increased property taxes generated by new real estate development within tax increment financing districts to pay for certain costs associated with the development. The complete TIF Act can be found in Minnesota Statutes, Section 469.174-469.1799.
- For the purpose of this policy, "public benefits" shall include some or all of the following: increase in property tax base, retention or attraction of permanent employment opportunities, revitalization of vacant properties, removal of blighting conditions, remediation of environmental contamination, retention or creation of affordable housing, preservation or restoration of historic or cultural assets, public parking, public roadways, public bicycle or pedestrian routes, public utilities, stormwater improvements, public realm improvements (including public art, streetscaping and landscaping elements) that are secured with easements or dedicated to a public body.

### **Policy Purpose:**

- Establish criteria and guidelines for how new Tax Increment Financing (TIF) Districts are established and how Tax Increment Financing (TIF) is utilized in Edina.
- Help insure Ensure that TIF assistance is used in a transparent, consistent and equitable manner to provide benefits and value to the community.
- Ensure that TIF is used to deliver both short-term and long-term improvements to the general public and broad Edina community.

**General TIF Policies:**

- 1) The use of TIF will be considered for projects that qualify and meet the general use of law as defined in Minnesota Statutes, Section 469.174 – 469.1799.
- 2) The use of TIF will only be considered on case by case basis for projects that help accomplish the City's goals for housing, redevelopment, and economic development described in its Comprehensive Plan, Economic Development Strategies, and other related policy documents approved by the City Council.
- 3) TIF may be considered to encourage, stimulate, and attract desirable development and/or redevelopment of a scale and quality that would not occur without the use of TIF.
- 4) TIF should be used only to fill a financial gap that is unable to be satisfied by traditional equity and debt sources.
- 4)5) \_\_\_\_\_ TIF ~~will~~shall only be provided to developers of market-rate projects on a pay-as-you-go basis. In certain cases, up-front or other forms of assistance may be considered by the City but will be at the sole discretion of the City Council.
- 5)6) \_\_\_\_\_ The City reserves the right to approve or reject the use of TIF, the amount of TIF, and the total term, on a case by case basis, taking into consideration established policies, project criteria, and demand on services in relation to the potential benefits from the project. Deviations from this policy shall be allowed if specifically approved by the City Council.
- 6)7) \_\_\_\_\_ Applicant will pay for all legal and consultant costs associated with the preparation, processing, review and actual use of TIF. Applicant will submit to the City a deposit equal to the total estimated costs for legal and consultant fees. The City will draw upon these funds to pay all related expenses.
- 7)8) \_\_\_\_\_ Applicant will also pay to the City a separate non-refundable application fee of \$10,000~~2,000~~ to reimburse staff costs and cover all other City related costs associated with the processing the TIF request.
- 8)9) \_\_\_\_\_ Projects utilizing TIF are responsible for paying their share of Fiscal Disparities contribution from the project.
- 9)10) \_\_\_\_\_ The City's Financial Advisor shall prepare the TIF plan and the applicant will provide to the City and its financial advisor all information necessary to conduct a financial analysis of the proposed project.
- 10)11) \_\_\_\_\_ Tax increment financing assistance will not be provided to projects that have the financial feasibility to proceed without the benefit of tax increment financing. The business or developer shall provide the City with a project financial pro-forma and a development budget at the time of application to confirm the "but for" test. In effect, tax increment financing assistance will not be provided solely to provide an excessive contingency to the project or broaden a developer's profit

margins on a project.

- ~~11)~~ 12) Prior to approval of a tax increment financing plan, the business developer shall provide any required market and financial feasibility studies, appraisals, environmental studies, soil boring information for the project, and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting. Such information may be public information at the time of submission.
- ~~12)~~ 13) The business developer should provide adequate financial guarantees to ensure completion of the project and the repayment of the tax increment financing subsidy. These may include, but are not limited to, assessment agreements, insurance, letters of credit, etc.
- ~~13)~~ 14) Any business or developer requesting tax increment financing assistance should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. The developer shall submit a list of qualifications and references.
- 15) Inflated developer fees not acceptable. The developer fees, soft costs and operating expenses included in the pro forma must be reasonable and typical for the industry. Inflated fees or unreasonable expense categories will not be accepted when TIF is used.
- 16) The TIF agreement will include “look back” provisions to ensure that the TIF was actually needed and shall including early termination and/or “claw back” provisions if it is determined that TIF was not needed, or will be reimbursed unless otherwise determined by the City Council.
- 17) Maximum TIF contribution. The principal amount of TIF shall be justified by the “but for” evaluation and shall not exceed the value of exceptional public benefit delivered by the completed project.
- 18) TIF shall not be used to subsidize inflated real estate transactions. All acquisition costs shall be scrutinized to ensure that the purchase price is fair and reasonable in relation to recent comparable transactions. An independent real estate appraisal shall be provided, if deemed necessary by staff.
- ~~14)~~ 19) The principal amount of TIF pledged to market-rate redevelopment projects shall not exceed the equivalent of the project costs that deliver the extraordinary public benefits.
- ~~15)~~ 1) ~~The provision of TIF is contingent upon receiving all other necessary project approvals for the City.~~
- 20) Park Dedication Fees. When TIF is used to support development of new outdoor public space such as public plaza, public courtyard or similar public space, the value of such spaces shall not be deducted from any Park Dedication Fees due from the market-rate redevelopment project.
- 21) Grant funding. Grand funding from other agencies must be pursued when TIF is used. The amount fo TIF provided may be reduced depending on the amount of grant funding received. The total grant funding received shall be included in the pro formas when the “look back” is calculated.

22) Business Subsidy Laws - The City will require compliance with the State of Minnesota Business Subsidy Laws in Minnesota Statutes, Section 116J.993 through 116.997, unless the project meets one of the business subsidy exceptions.

23) Transparency - Staff shall submit all required reports on the use of TIF to Hennepin County and the Minnesota Office of the State Auditor. Additionally, staff shall provide a report to the Edina HRA at least once per year that summarizes the use of TIF. This report shall be made available to the applicable School District(s) and to the general public upon request.

### **Minimum Expectations for Private Development Utilizing TIF**

- 1) Site Plan - The site plan for any private project supported with TIF shall be designed to substantially follow the applicable design guidelines as adopted in Edina's Comprehensive Plan, including the Southdale Design Experience Guidelines. Essential topics include: subdivision of superblocks, setbacks, street room, street level activation and public realm spaces. The expected quality and nature of site plan improvements may be higher when TIF is contributed to market-rate projects. City Council shall make the final determination of whether the guidelines have been sufficiently addressed.
- 2) Public Realm Experience - A vibrant and welcoming public realm experience is required for any project supported with TIF. Examples of contributing elements include (but are not limited to): sidewalks beyond the minimum required by City Code, public plaza, public seating areas, integrated transit shelters, landscaping, hardscaping, engaging storefronts, and engaging walk-up units.
- 3) Public Art. Projects supported with TIF shall incorporate public art as part of the public realm experience. At a minimum, the artistic elements shall be consistent with those contained in the final approved plans. Additional art elements may be required when TIF is contributed. Members from the Edina community shall be sincerely engaged as part of the artist-selection process and/or the art-selection process. The developer shall make the final selection keeping in mind the recommendation and input from the community members.
- 4) Superior Design and Finish. All market-rate projects supported with TIF shall include a superior level of architecture and design and shall include superior exterior finish materials to make the maximum long-term contribution to the public realm experience.
- 5) Affordable Housing Units. Multi-family redevelopment projects supported with TIF should incorporate any required affordable units into the site, as opposed to providing a donation to Edina's Affordable Housing Trust Fund. This expectation may be modified at the discretion of the City Council.
- 6) Environmental Sustainability – Edina's Sustainability Policy shall apply to all projects supported with TIF. The applicable energy-efficiency standard shall be LEED or better. Certification shall be required and shall be renewed (by the owner) regularly at the frequency required by the certifying agency throughout the term of the TIF District.

- 7) Construction Mitigation - Prior to the site preparation and construction, a Construction Mitigation Plan (CMP) shall be submitted to the City that identifies the strategies to address the inconveniences that occur to the neighbors during the construction period. Topics to be addressed in CMP include advance notice to neighbors, parking for contractors and suppliers, delivery routes, queuing locations for large vehicles serving the site, temporary detours for vehicles, pedestrians, bicycles and transit, security, dust, vibrations and noise. The CMP must also identify the responsible person to be contacted when problems occur.
- 8) Diversity and Equity – Projects supported with TIF shall include best efforts to provide employment opportunities for people that are under-represented in the construction field, including women and people of color. Similar efforts shall be made to structure construction contracts so that disadvantaged businesses (including MBE, WBE and VBE) have an opportunity to participate as part of the construction team. The developer shall establish goals to include these employment and business opportunities and prior to construction shall submit an intentional plan on how these goals will be effectively pursued. Penalties shall apply when the developer fails to implement this plan.

### **Procedural Consideration of TIF**

- 1) Authority rests with City Council. Consideration to establish a new TIF District and use incremental property taxes generated therein shall be at the sole discretion of the City Council. Since each development project is unique, the use of TIF shall be considered on a case-by-case basis only.
- 2) Application Form. Developers that request TIF shall submit a completed application in a form approved by the City Manager. The application shall identify the sources of equity, anticipated source of debt and calculation of the financing gap. A complete development sources and uses pro forma shall be submitted, as well as an operating pro forma based on a stabilized project. The application shall identify the funding gap that TIF could bridge and shall also identify the exceptional public benefits that could be delivered if TIF is provided. After the application is submitted, the developer shall negotiate terms with the City Manager or designee only.
- 3) Application Fee. The application fee shall be \$10,000 to cover the staff time in reviewing and processing the application. Fifty percent (50%) of the fee shall accompany the initial application. The remaining fifty percent (50%) shall be due after the confirmation of a Term Sheet and prior to the preparation of full contractual documents. These fees are in addition to the third-party expenses incurred by the City when evaluating a TIF request and when preparing legal contracts pertaining to the use of TIF on the project. Application fees are non-refundable.

- 4) Initial Staff Response and Notification of HRA Board. City staff shall review and evaluate the Application for compliance with the City's policies. Soon after receipt of a TIF Application, staff should advise the Edina HRA about the TIF request including the potential benefits delivered if TIF would be applied. Staff will then seek approval to engage third party advisors to fully vet the merits of the TIF request.
- 5) Preparation of Term Sheet. Staff shall prepare a Term Sheet that summarizes the key terms by which TIF could be used for the project. The Term Sheet shall be submitted to the Edina HRA for review and consideration. Third-party experts with experience in development financing shall be retained to represent the City's interest when necessary. The Term Sheet should be considered after preliminary zoning approval is obtained. The HRA should provide verbal indication whether they are agreeable to preparation of binding contracts based on the Term Sheet.
- 6) TIF Redevelopment Agreement. Staff shall work with legal and financial advisors to prepare complete and binding legal agreements based on the Term Sheet. The Redevelopment Agreement should be considered after final zoning approval is obtained.
- 7) The provision of TIF is contingent upon receiving all other necessary project approvals ~~for~~from the City.

###





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**Date:** September 15, 2022

**Agenda Item #:** VII.B.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Report / Recommendation

**From:** Stephanie Hawkinson, Affordable Housing  
Development Manager

**Item Activity:**

**Subject:** 2022 Modifications to New Multifamily Development  
Affordable Housing Policy

Action

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**ACTION REQUESTED:**

Approve modifications to New Multifamily Affordable Housing Policy.

**INTRODUCTION:**

Staff is proposing two changes to the current Affordable Housing Policy:

1. Currently the Policy offers density bonuses to developments that include affordable housing units. However, there is no detail spelled out as to how that is achieved. Developers often seek up to the maximum density allowed in the Comprehensive Plan, but cannot have a greater density without a Comprehensive Plan amendment. In order to adhere to the spirit of allowing density bonuses, Staff proposes that developments seeking maximum densities are required to include affordable units rather than using the Buy-In option.
2. Add language that the Owner/Property Manager of properties that include affordable units must cooperate with the City's third party compliance officer.

**ATTACHMENTS:**

New Multifamily Affordable Housing Policy 2022  
Presentation





- ☐ City Council
- ☒ City-Wide
- ☐ Department

Approved: 11/1/2015  
Revised: 3/25/2021

## NEW MULTI-FAMILY AFFORDABLE HOUSING

The City and Housing and Redevelopment Authority recognize the need to provide a range of affordable housing choices for those who live or work in the City. Since the land appropriate for new multi-family residential development is limited, it is essential that a reasonable proportion of such land be developed into affordable housing units. As such, the City of Edina adopts the following New Multi-Family Affordable Housing Policy.

### FOR THE PURPOSES OF THIS POLICY:

1. "Unit" means either a for-sale dwelling or a rental dwelling in which a lease is signed prior to occupancy.
2. "Financial Assistance" provided the City includes but is not limited to tax increment financing, land write downs, pass-through funding for purposes other than environmental remediation and other forms of direct subsidy.
3. Any specific projects requesting exemptions to the affordable housing requirements of this policy must seek recommendation from the Edina HRA and approval from the Edina City Council based on alternative public purpose.
4. All new multi-family developments of 20 units or more must adhere to this policy and must be zoned PUD Planned Unit Development.
5. Affordable Rental Housing Income and Rents are defined as both gross incomes (adjusted for family size) and gross rental rates (adjusted for bedroom count and include utility allowance and any fees that are a requirement of occupancy as per Section 42 of the Internal Revenue Service Code.) that are updated annually by the Minnesota Housing Finance Agency (MHFA) and published at [www.mnhousing.gov](http://www.mnhousing.gov). 2020 income and rental limits can be found at the end of this policy.
6. Affordable Ownership Housing Income and Sales Price are affordable to and initially sold to persons whose income is at or below 80% of Area median Income.

### THIS POLICY APPLIES TO ALL NEW MULTI-FAMILY DEVELOPMENTS THAT:

1. Include 20 units of more.
2. Require rezoning or a Comprehensive Plan Amendment.
3. Receive financial assistance from the City of Edina and/or the Edina Housing and Redevelopment Authority.
4. Are developed on property purchased from the City of Edina even if no financial assistance is being provided by the City unless the waiver is recommended by the Edina HRA and approved by the Edina City Council.

## THE POLICY

1. New rental multi-family developments subject to this policy shall provide a minimum of 10% residential units at 50% affordable rental rates or 20% residential units at 60% affordable rental rates as defined below. The units shall be occupied by households at or below 60% of the Multi-Family Tax Subsidy Income Limits (MTSP).
2. New for-sale developments shall provide a minimum of 10% of residential units at affordable sales prices as defined below.
3. The affordable unit mix must be approximately proportional to the market rate unit mix.
4. Rental and for-sale/owner occupied affordable units shall provide the following:
  - a. 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.
  - b. 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.
  - c. Exterior appearance of affordable units shall be visually comparable with market rate units in the development.
5. New rental housing will remain affordable for a minimum of 20 years and this requirement will be memorialized by a Land Use Restrictive Covenant.
6. 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.
7. 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 ~~sourced~~. 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.
8. 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.
9. 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:
  - ~~a. Density bonuses~~
  - b. Parking requirement reductions
  - c. Tax increment financing for projects that exceed the minimum requirement

- d. Deferred low interest loans from the Housing and Redevelopment Authority and/or Edina Housing Foundation
  - e. Property Tax Abatement
10. It is the strong preference of the City that each new qualifying development provide its proportionate share of affordable housing on site. However, the City recognizes that it may not be economically feasible or practical in all circumstances to do so. As such, the City reserves the right to waive this policy (only if circumstances so dictate, as determined by the City). In lieu of providing affordable housing in each new qualifying development, the City may consider the following:
- a. 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.
  - b. 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.
  - c. 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 \$125,000 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.
11. 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 within the density range, affordable units must be included in the development. For residential developments with densities 75% or greater within the density range, affordable units must be included in the development. For example:
- a. 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.
  - b. If the proposed development is 88-100 units per acre, the development must include affordable units within the building.
12. 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. Non-compliance may be grounds for suspension of the rental license.
13. Guidelines for implementing this Affordable Housing Policy can be found in the Inclusionary Housing Policy Program Guide.

## 2020~~22~~ INCOME AND RENTAL LIMITS

Please refer to the income and rent tables published on [www.mnhousing.gov](http://www.mnhousing.gov).

## 2018~~22~~ OWNERSHIP HOUSING INCOME AND SALES PRICE

	GROSS INCOMES			GROSS RENTS	
	60%	50%		60%	50%
1 Person	<del>\$43,440</del> \$49,320	<del>\$36,200</del> \$41,100	Studio	<del>\$1,086</del> \$1,233	<del>\$905</del> \$1,027

2 Persons	<del>-\$49,680</del> \$56,340	<del>-\$41,400</del> \$46,950	1 Bedroom	<del>-\$1,164</del> \$1,320	<del>-\$970</del> \$1,100
3 Persons	<del>-\$55,860</del> \$63,360	<del>-\$46,550</del> \$52,800	2 Bedroom	<del>-\$1,396</del> \$1,584	<del>-\$1,163</del> \$1,320
4 Person	<del>-\$62,040</del> \$70,380	<del>-\$51,700</del> \$58,650	3 Bedroom	<del>-\$1,613</del> \$1,830	<del>-\$1,344</del> \$1,525
5 Persons	<del>-\$67,020</del> \$76,020	<del>-\$55,850</del> \$63,350	4 Bedroom	<del>-\$1,800</del> \$2,041	<del>-\$1,500</del> \$1,701

Acquisition Limit in this policy definition: ~~\$293,500~~ \$355,000

2020<sup>2</sup> income limits as published on the Metropolitan Council website are as follows: 80% of AMI  
(~~\$78,500~~ \$89,400)

Income limits and maximum sales prices are updated annually. See [www.mnhousing.gov](http://www.mnhousing.gov) and <https://metro council.org/Communities/Services/Livable-Communities-Grants/Ownership-and-Rent-Affordability-Limits.aspx>

Originally adopted: November 1, 2015  
Income/Rent Limits Adjusted: April 13, 2016  
As amended: February 7, 2018  
As amended: April 3, 2018  
As amended: October 2, 2018  
As amended: March 5, 2019  
Income/Rent Limits Adjusted: December 10, 2020  
As amended: March 25, 2021  
**As Amended:**



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# Proposed Revisions to Affordable Housing Policy 2022

September 15, 2022

# Background Information

- 2015 Policy initially approved
- 2018 (winter) Buy-In option was added
- 2018 (Autumn) Affirmative Fair Marketing and Non-discrimination of Housing Choice Vouchers added
- 2019 Affordable Housing Trust Fund Created
- Rents and incomes adjusted annually



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# Affordable Housing Goals



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	Affordable Housing Goal	Affordable Housing Units Approved	%	Remaining
Total Units	1804	340	18.8%	1474
<30% AMI	751	22	2.9%	729
31-50% AMI	480	178	37.1%	302
51-80% AMI	573	140	24.4%	433

# Change #1: Regarding Density “Bonuses”



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**Table 3.8: Residential Expected Density Ranges**

Type	Units/Acre (Min)	Units/Acre (Max)
Low Density Residential	1	5
Low Density Attached Residential	4	8
Medium Density Residential	5	12
High Density Residential	12	60
Greater Southdale District Residential	50	100
Neighborhood Node**	10	60
Office Residential*	20	75
Mixed-use Center* **	12	100
Community Activity Center*	90	150
Regional Medical Center*	50	100

\*mixed-use

## Policy Language:

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:

- Density bonuses
- Parking requirement reductions

Etc.



# Density Level May Require Inclusion

## Example 1:

- Density range 50-100 units per acre
- Proposal is 95 units/acre (90% of Max)

Requirement: Development must include affordable units.

## Example 2:

- Density range 50-100 units/acre
- Proposal is 70 units/acre (70% of max)

Requirement: Either Buy-In, inclusion or blend.



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# Approved Density: Mixed Use



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<u>Project</u>	<u>Project Density</u>	<u>Comp. Plan</u>	<u>% of Density</u>
Onyx– 240 units (0 affordable)	53 units/acre	75 units/acre	71%
Lorient – 46 units (3 affordable)	50 units/acre	60 units/acre	83%
Nolan Mains – 100 units (10 aff.)	74 units/acre	75 units/acre	99%
The Loden – 246 units (0 affordable)	10 units/acre	30 units/acre	33%
Pentagon Village– 200 units (20 aff.)	16 units/acre	75 units/acre	21%
70 <sup>th</sup> and France – 267 units	46 units/acre	150 units/acre	31%

# Approved Density: Residential



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<u>Project</u>	<u>Project Density</u>	<u>Comp. Plan</u>	<u>% of Density</u>
Aria – 185 units (8 affordable)	93 units/acre	100 units/acre	93%
Millennium – 375 units (11 aff.)	66 units/acre	105 units/acre	63%
Avidor – 166 units (16 aff.)	95 units/acre	100 units/acre	95%
Sound on 76 <sup>th</sup> – 70 units (all aff.)	35 units/acre	40 units/acre	75%
Edina Flats– 18 units (0 aff.)	14 units/acre	30 units/acre	47%
Amundson Flats– 62 units (all aff.)	50 units/acre	50 units/acre	100%
Hazelton Road Apts. – 186 units	149 units/acre	150 units/acre	99%
4040 70 <sup>th</sup> Street – 118 aff.	75 units/acre	75 units/acre	100%
Perkins Site – 196 units (20 aff.)	94 units/acre	100 units/acre	94%

# Inclusion Required



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Type of Zoning	Density Range	Mixed Use	Residential Only
High Density Residential	12-60	>= 36 units	>= 48 units
Greater Southdale Residential	50-100	>= 75 units	>= 88 units
Neighborhood Node	10-60	>= 35 units	>= 48 units
Office Residential	20-75	>= 48 units	>= 61 units
Mixed Use Center	12-100	>= 56 units	>= 78 units
Community Activity Center	90-150	>= 120 units	>= 135 units
Regional Medical Center	50-100	>=75 units	>= 88 units



## Change #2: Cooperation

### Add:

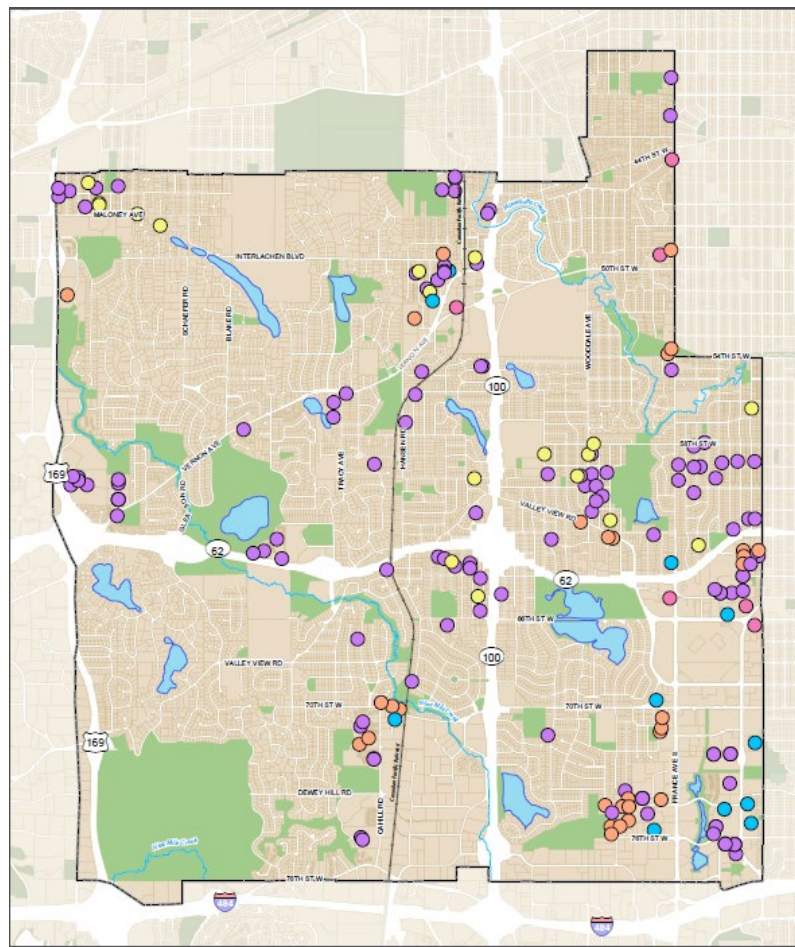
- The owners and their agents of multi-family rental and ownership properties subject to this policy must cooperate with the City's compliance officer during the affordability period. Non-compliance may be grounds for suspension of the rental license.
- Amend rent, sales price, and income limits



# Location of Affordable Housing

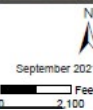


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- 100% Affordable
- Mixed Market and Affordable
- NOAH Properties (include <60% of AMI rents)

- Come Home 2 Edina
- Land Trust Homes



September 2021



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# Questions?



Maintain physical  
assets and  
infrastructure



Maintain service  
levels that best meet  
community needs



Plan for connected  
and sustainable  
development



Foster an inclusive  
and engaged  
community





Edina Housing and Redevelopment  
Authority  
Established 1974

**CITY OF EDINA**  
HOUSING & REDEVELOPMENT  
AUTHORITY  
4801 West 50th Street  
Edina, MN 55424  
[www.edinamn.gov](http://www.edinamn.gov)

**Date:** September 15, 2022

**Agenda Item #:** IX.A.

**To:** Chair & Commissioners of the Edina HRA

**Item Type:**  
Advisory Communication

**From:** Bill Neuendorf, Economic Development Manager

**Item Activity:**  
Information

**Subject:** Open to Business mid-year report

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**ACTION REQUESTED:**

No action required; for informational purposes only.

**INTRODUCTION:**

Each year, the Edina HRA works in partnership with Hennepin County to offer the "Open to Business" program. The business advising and consulting services are provided at no cost to businesses located in Edina and to Edina residents considering a business investment elsewhere. Services are provided by Vicky Gonzalez and Tyler Hilsabeck with Metropolitan Consortium for Community Developers (MCCD).

A summary of the services provided in the first six months of 2022 is attached. This continues to be a valuable service to small business in Edina.

**ATTACHMENTS:**

O2B mid-year report 2022





# Edina

## Year End Report

### 6.30.2022

**Vicky Gonzalez**  
 3137 Chicago Ave  
 Minneapolis, MN 55407  
 (612) 843-3269

#### **Clients Served**

Client Inquiry	1
New Entrepreneur/Startup	2
Existing Business	5
Total	8

#### **Program Hours**

Total TA Hours: 22.5

TA: Client Meetings, Providing Resources,  
 Client calls, Client Deliverables, Loan  
 Packaging

#### **Industry Segment**

Construction/Real Estate	1
Food	2
Health/Fitness	1
Technology	1
Retail	2
Service	1
Total	8

#### **Referral Source**

Entrepreneur	3
MCCD Community Partner	2
Municipality	2
Other	1
Total	8

Client Demographics	# of Clients	TA Hours
Women Entrepreneurs	2	7.5
BIPOC Entrepreneurs	2	9.5
Low Wealth Entrepreneurs	1	2.0

## **Highlights, Networking, & Outreach**

### **Funding & Policy Updates**

- In November 2021 MCCD was selected to participate in the administration of MN DEED's Main Street COVID Relief Grant Program. This July we wrapped up our portion of the admin. In total, MCCD funded 237 small business grants of \$2,395,000!

### **Staffing Updates**

- A new small business development internship program has been established and we've welcomed our first summer intern, Akshit Bhati. Akshit is working approximately 35 hours per week and is assisting the Open to Business team with a variety of ongoing administrative projects.
- We are thrilled to announce the hiring of two business advisors, Elle Khang and Zamzam Mohammed!
- Elle brings experience as a business advisor, as well as operations and project management at her time at NDC. In that role, she worked closely with BIPOC, women, immigrant, and low-wealth entrepreneurs as well as managing a project that brought over 25 years of data onto their Salesforce system. She also worked as a loan officer at Hiway Credit Union before her time at NDC. Elle has language proficiency in Hmong and will be supporting clients in Ramsey, Hennepin and Dakota Counties. Elle will be starting Monday, August 1st.
- Zam has a background as a development professional with over three years of experience in nonprofit fundraising. In her most recent role as Fundraising Manager for Artspace, she solicited donor funds from local community members/board and corporations, manage each step of the prospecting process, and plan donor cultivation events. She also has a background as a communications and social media coordinator. Zam has language proficiency in Arabic and Somali will start working with clients in Hennepin County. Zam will start on Monday, August 15th.

### **Programming, Partnerships, & Trainings**

- Ongoing: Seven MCCD staff members are working to complete the National Development Council's Economic Development Finance 101 class which will run through September. Graduates will build on their existing knowledge base and gain a further understanding of both the basic tools and newest techniques used by successful economic development finance practitioners to assist small businesses and create jobs.
- May 4<sup>th</sup>: In partnership with Amplio, LEDC, WomenVenture, and the City of Woodbury, MCCD is co-hosted an in-person forum on nontraditional financing options including SBA programs, the MCCD loan program, and other regional CDFI lending options. The forum was well attended by lenders and partners in the region.
- May 13<sup>th</sup> & June 10<sup>th</sup>: MCCD's Emerging Leaders in Community Development program hosted monthly networking events with lawmakers, community development leaders, entrepreneurs, and governmental leaders to provide early and mid-career community development professionals access and opportunities. These events serve as inclusive and accessible spaces for those interested in networking in the community development space.

### **Advertising & Outreach**

- Open to Business debuts new Loan Closing Highlights with a write up on any recent loan closings. With the consent of the business, new loan closings will be featured as an easy-to-share highlight with details on the project, business photo, and financing summary.
- MCCD's OTB team rolled out Small Business Tours in June with a walking tour of the City of Northfield to meet local business owners and say hello to existing clients. In July a group of 12 MCCD staff and guests visited businesses in the City of Rosemount. Small Business Tours will continue throughout OTB geographies into the Fall and pick up again in Spring 2023.
- The Open to Business advertisement library is up to date with the most recent ads and flyers for OTB. New ads will be created and updated periodically so keep checking back. The library was created in Q1 2022 to help streamline how we share ads with partners and to give partners direct access to choose ads that meet their needs. Access the Ad Library [here](#).

# Edina - Open to Business YTD 2Q22 Results



Number of Clients	Business Description	Industry	Business Stage	Business Source	Low Wealth Owned	BIPOC Owned	Woman Owned	City Impacted - Business	City Impacted - Resident	Summary Comments	All assistance Provided	Total TA Hours
1	Real Estate Agent	Construction / Real Estate	Existing - Opportunity	Entrepreneur		X	X	Edina	Minneapolis	Additional Quickbooks training for existing client	Record keeping/bookkeeping	5.5
1	Sports Training	Health / Fitness	Start-up	Entrepreneur				Edina	Chanhassen	Additional QuickBooks training for an existing company	Record keeping/bookkeeping	1.5
1	Service Bureau	Service	Existing - Challenged	Entrepreneur				Edina	Bloomington	Additional Quickbooks training for existing client	Record keeping/bookkeeping	2.5
1	Brewery -tap room and distribution	Food	Existing - Challenged	MCCD Community Partner/Member Org				Saint Paul	Edina	DEED Small Business Emergency Loan client. Assisted with loan forgiveness.	Loan Facilitation	1.5
1	Telecom	Technology	Existing - Opportunity	MCCD Community Partner/Member Org				Edina	Edina	QuickBooks Setup and Training for existing business	Record keeping/bookkeeping;Initial Consultation	4.5
1	Retail Store	Retail	Client Inquiry	Municipality	X		X	Edina	Edina	Marketing and Business Plan Assistance	Business Plan Development;Marketing	2
1	E-commerce Craft Retail	Retail	Pre-start planning	Municipality		X		Edina	Edina	Client creates artisan crafts and wanted help setting up an Etsy store as a side hustle	Strategic planning;Initial Consultation	4
1	Ice Cream	Food	Existing - Opportunity	Other				Bloomington	Edina	State of Minnesota DEED Small Business Emergency Loan client. Assisting with SBEL loan forgiveness and ongoing technical assistance.	Loan Facilitation	1
8					1	2	2					22.5