

CHAPTER 4 HOUSING ELEMENT 10-20-09

4.1 INTRODUCTION

In order to predict and plan for the future demand for residential development in the City, and therefore prepare an appropriate housing plan, it is important to understand the historic trends and forecasted changes in Eden Prairie's housing and household composition. These characteristics and trends are reported in the Community Demographics section of this plan, found in Chapter 1.

The overriding goals this Comprehensive Plan promotes to shape housing planning in the City are included in this chapter, along with the policies that provide the framework for implementation of the goals.

4.2 BACKGROUND

Eden Prairie has a long history of supporting and promoting housing for people through all different stages of life. Providing a wide mix of housing choices helps meet the changing needs of the community throughout the lifetime of its individuals. All planning efforts within the community supported this concept from the first Comprehensive Plan drafted for the "Village" of Eden Prairie in 1968, to adoption of the Livable Communities Action Plan by the City in 1996, to the recommendations of the Senior Issues Task Force's final reports in 1996 and 2006. In 2006, the City approved the Eden Prairie Major Center Area (MCA) Framework Plan, which envisions significant redevelopment of a portion of the MCA to a mixed-use Town Center with higher density housing within walking distance of services. In addition, the 2005 Golden Triangle Land Use/Multi-Modal Transportation Study

identifies the potential for a significant redevelopment with higher density mixed-use housing in a transit-oriented development area surrounding a future transit station for the Southwest Light Rail Transit line.

As part of the 2030 Comprehensive Plan Update process, a Housing Focus Group was assembled to assist in the identification of housing issues facing the city currently and in the future as well as identification of potential implementation strategies and programs.

4.3 EXISTING HOUSING SUPPLY AND GENERAL CHARACTERISTICS

There are approximately 24,215 existing housing units in Eden Prairie, with approximately 55 percent single-family units and 45 percent multi-family units. Over the past few years, construction of new housing has shifted toward more multi-family units (including apartments, townhouses and duplexes) than single-family units at a ratio of approximately 2:1. As the baby boom generation grows older, there has been a substantial increase in the development of senior housing options, with approximately 900 senior-only housing units currently existing in the city. Within the senior housing market, two cooperative ownership housing developments have been added as a new type of housing for seniors. Table 4.1 shows the breakdown of the number and percentage of the different housing unit types found within the City. The housing unit types shown in this Table translate into a housing stock comprised of 79 percent owner-occupied units and 21 percent rental units, as detailed in Table 4.2. Table 4.3 shows the number of affordable owner

occupied housing units as of 2006. The amount of subsidized rental housing compared to market rate housing is shown in Tables 4.4 - 4.5.

**Table 4.1
Housing Units by Type, 2006**

Unit Type	Units	Percentage
Single Family	12,824	51.6%
Twinhome	728	2.9%
Townhouse	2,811	11.3%
Condominium	2,877	11.5%
Cooperative	310	1.2%
Apartment	5,298	21.3%
Total	24,848	100%

Source: City of Eden Prairie, 2006

**Table 4.2
Number and Percent
Of Renters vs. Owners, 2006**

Unit Type	Units	Percentage
Owners	18,139	73%
Renters	6,708	27%
Total	24,848	100%

Source: City of Eden Prairie, 2006

**Table 4.3
Affordable Owner Occupied Units, 2006**

Values Ranges	Units	Percentage
\$151,350 or less	775	%
\$151,350 or greater	17,077	%
Total	17,852	100%

Source: City of Eden Prairie, 2006

**Table 4.4
Subsidized Rental Units, 2007**

Type	Units	Percentage
Family/Mixed	612	81%
Elderly/Special Needs	144	19%
Totals	756	100%

Source: City of Eden Prairie, 2007

**Table 4.5
Subsidized Rental Units, 2007**

Type	Units	Percentage
Subsidized Rental	756	12%
Market Rental	5,785	88%
Totals	6,541	100%

Source: City of Eden Prairie, 2007

HOUSING OPTIONS

There are a variety of housing options and choices in Eden Prairie, from Section 8 rental housing for those with very-low income, to "executive estates" with large single family homes, and many life cycle housing options in between. Eden Prairie's abundance of natural features and beautiful landscapes attracted a market for housing. Developers of these types of neighborhoods have taken advantage of the vistas over Purgatory Creek and the Minnesota River by orienting the homes in a way that maximizes views of these natural features. These developments have led to a notable increase in the average sale price of single family homes over the last ten years. To illustrate this trend, Table 4.6 shows the average annual sales price of single family homes (including single-family detached, condos, townhouses and twinhomes) over the last ten years from the Minneapolis Area Association of Realtors.

Table 4.6
Average Single Family Home Sales,
1997-2005

Year	Average	Percent Increase
1997	\$200,285	<i>n/a</i>
1998	\$206,091	3%
1999	\$228,812	11%
2000	\$265,131	16%
2001	\$305,008	15%
2002	\$309,090	1%
2003	\$325,661	5%
2004	\$348,903	7%
2005	\$374,874	7%

Source: Mpls Area Assoc of Realtors, 2005

HOUSING VACANCY RATES

Eden Prairie’s housing stock is very much in demand and vacancy rates have remained low in the past decade. According to the 2000 US Census, there was an overall vacancy rate of 2.7 percent in Eden Prairie, which matches the overall vacancy rate of Hennepin County, with an owner-occupied vacancy rate of 0.4 percent and rental vacancy rate of 3.9 percent.

Housing Goal Five

Promote and support reinvestment in older housing stock and neighborhoods that are approaching the life spans for some utilities, equipment and structural elements.

Policies:

- Encourage the maintenance and

improvement of existing older housing through applicable programs such as the Housing Rehabilitation Deferred Loan Program and Household & Outside Maintenance for Elderly (HOME) Program.

- Evaluate the Housing Rehabilitation Deferred Loan Program to determine the need for more funding as a growing percentage of the City’s housing stock ages to the point of needing significant reinvestment and demand for financial assistance increases.
- Seek out and support strategies to preserve existing affordable housing long-term.

4.4 HOUSING DEMAND

HOUSING FORECASTS

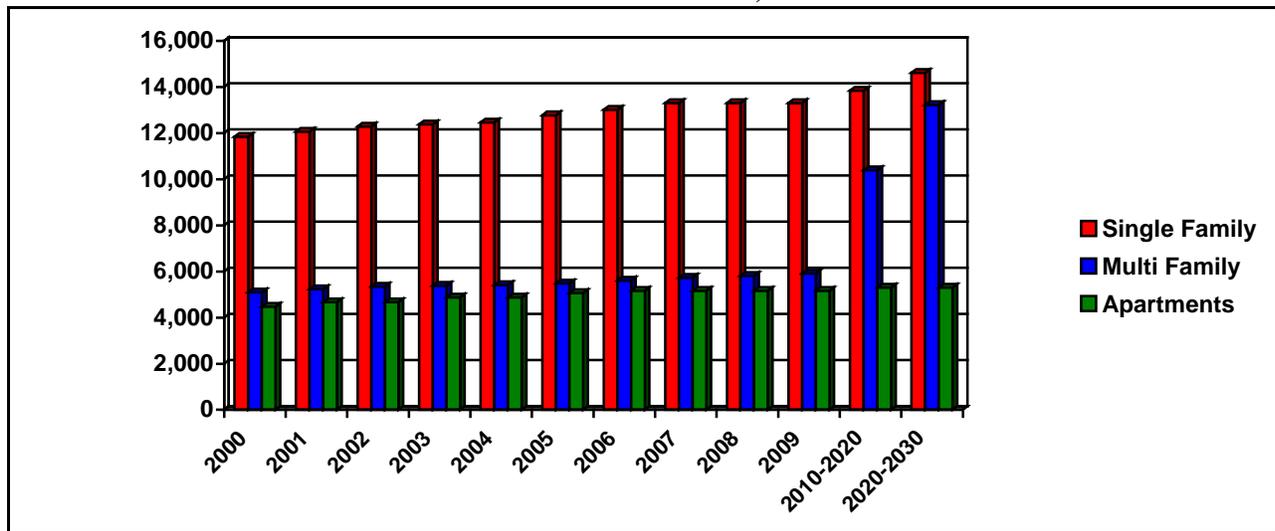
Forecasts for future housing growth to the year 2030 were prepared by both the City and the Metropolitan Council and are shown in Table 4.7 The City forecasts were based primarily on historical growth trends, land availability, and major redevelopment opportunity areas, including the Major Center Area and the Golden Triangle Area. Figure 4.1 illustrates this forecasted trend in the growth of the total amount of housing units. The Metropolitan Council growth forecast is for 26,000 housing units by the year 2020. Table 4.8 illustrates permitted residential densities.

Table 4.7
Metropolitan Council and Eden Prairie Housing
Forecasts for Eden Prairie, 2010-2030

Year	Metropolitan Council Forecast	Eden Prairie Forecast
2010	24,200	25,000
2020	25,500	28,500
2030	26,500	32,961

Source: Metropolitan Council, August 24, 2005
 City of Eden Prairie, 2006

Figure 4.1
Forecasted Total Growth Trend, 2007-2030



Source: City of Eden Prairie, 2006

Table 4.8
Current Permitted Densities, 2007

Unit Type	Density
Single Family, Low density	0 - 2.5 Units Per Acre
Single Family/Multiple Family, Medium density	2.5 - 10 Units Per Acre
Multi Family, High density	10-40 Units Per Acre
Mixed-Use Redevelopment Areas Medium Density	40-50 Units Per Acre
Mixed-Use Redevelopment Areas High Density	40-75 Units Per Acre

Source: City of Eden Prairie, 2007

Housing Goal Six

Promote and work to locate new housing with convenient access to basic services, including stores, restaurants, services, transit and parks.

Policies:

- Encourage development projects that integrate living and working environments to meet the City’s needs for workforce housing. Housing in the Major Center Area and the Golden Triangle Area TOD should enable convenient access to both jobs and services.
- Encourage development of neighborhoods using neo-traditional planning practices (techniques that are transit friendly, encourage community formation, and discourage isolation and automobile dependence).
- Promote and support new mixed-use development that accommodates housing, particularly senior housing, within

walking distance of shops and services that cater to local residents’ needs.

- Support the provision of critical pedestrian amenities for walkable mixed-use housing areas, including transit access, shuttle services, street crosswalks, medians, overpasses, timed traffic lights, benches, etc.

4.5 HOUSING PRESERVATION

More than 25% of the city’s housing stock was built before 1980, as shown in Table 4.9. Of these total units, 70 percent were built within the past 20 years, as shown in Table 4.10. Maintaining the City’s housing stock will continue to be a high priority in Eden Prairie, especially over the next ten years as a much larger percentage of the housing stock reaches 30 or more years of age, the typical time at which major improvements often become necessary.

**Table 4.9
Age of Housing Stock, 2006**

Age	Owner	%	Rental	%	Total	%
Built Pre-1980	1,225	8%	41	1%	1,266	6%
Built Post-1980	13,797	92%	5,348	99%	18,847	94%

Source: City of Eden Prairie, 2006

**Table 4.10
Total Age Range of Housing Stock, 2005**

Year Built	Units	Percent
1959 or older	582	3%
1960-1969	1,165	5%
1970-1979	4,080	19%
1980-1989	9,327	44%
1990-1999	4,275	20%
2000-2005	1,875	9%

Source: City of Eden Prairie, 2005

HOUSING MAINTENANCE/REHABILITATION PROGRAMS

Several housing repair programs are available to residents to assist with maintaining their homes and property values. The City provides low-interest deferred loans to eligible low and moderate-income homeowners to help with house repairs and improvements. Funding for these loans is through the Community Development Block Grant (CDBG) Program offered by the Department of Housing and Urban Development (HUD). The City has participated in the Urban Hennepin County CDBG Program since 1975. About 65 percent of all CDBG funds received since 1975 were allocated to housing related activities. This does not include funds expended on the HOME Program, which is considered a public service activity rather than a housing activity.

In 2006 the City was designated as a CDBG Entitlement Community and will no longer be funded through Hennepin County. CDBG funds are allocated to the City directly from the U.S. Department of Housing and Urban Development (HUD). The City remains a part of the Hennepin County Consortium for purposes of the Five Year Consolidated Plan and HOME funding. The change provides a significant cost savings because the City will no longer pay an administrative fee levied by the County which was about 13% of the total grant amount. The City has and will continue to dedicate a substantial portion of its total CDBG allocation to housing related activities.

In 2005 about 20 percent of the total allocation received from HUD, or \$50,000, was dedicated to home improvement loans. This number will increase over time as the City's housing stock ages. Table 4.12 below shows the various categories of activities

funded by the City's CDBG appropriations from 1998 to 2007. The following is a list of the various programs currently available to residents to assist with maintenance and rehabilitation of their existing home:

A. Eden Prairie Housing Rehabilitation Deferred Loan Program

This program provides loans up to \$30,000 to income eligibility homeowners for major home repairs. Program goals include improving and preserving the City's aging housing stock, and helping keep residents in their homes. Approximately 10-12 houses are rehabilitated each year using this program. The Program is funded through the CDBG Program. Since 2000 approximately 20% of the annual CDBG allocation has been designated for the housing rehab program.

B. Household and Outside Maintenance for Elderly (HOME)

This program provides chore and maintenance services to seniors sixty and older who live in Eden Prairie. Recipients pay for services on a sliding fee scale basis. Contributions to the cost of services are based on the client's ability to pay. The primary goal of this program is to help elderly homeowners maintain independence by remaining in their homes. Senior Community Services Agency administers this program. Approximately 15% of the City's CDBG funding is used to support this program. The City has been funding this program since 1985 and will continue to assist about thirty households per year.

CDBG regulations allow for no more than 15% of the total annual CDBG allocation to be used for funding public service programs. The HOME program funding is about 3% of the public service

allocation.

C. People Reaching out to Other People (PROP)

This non-profit human services agency has a housing financial assistance program that provides funds to temporarily assist households with payment of rent or a home mortgage, in order to prevent eviction or mortgage foreclosure. The City uses CDBG to assist with funding of this program. In 2005 PROP provided approximately \$75,000 for housing financial assistance to Eden Prairie residents. Since the City began funding PROP's Emergency Housing/Allocation Assistance program in 2000, it has allocated approximately 5% of the CDBG Public Service funds to the program.

D. HOME Line Services

This non-profit statewide tenant advocacy organization provides free legal, organizing, education and advocacy services for tenants of rental housing to help them solve their rental issues, such as tenant rights, housing inspection issues, evictions, etc. The City uses CDBG to assist with funding of this service, allocating 1.5 – 2% of its annual CDBG allocation to this program.

E. Minnesota Fix-Up Fund

Any resident who is not income-eligible for the City's Housing Rehab program is referred to this program, which is

offered through the Minnesota Housing Finance Agency (MHFA). Lower interest installment loans of up to \$15,000 are available to income-eligible persons to improve the livability and energy efficiency of their homes.

F. Community Action Partnership of Suburban Hennepin (CAPSH)

CAPSH is a private non-profit community action agency that provides homeownership counseling services to low- and moderate-income households, including foreclosure prevention assistance, reverse mortgage counseling, information concerning home maintenance, and rental support services.

In addition to these various funding resources that help residents maintain their houses, the City also has a rental housing maintenance code adopted in 1990 to help address health, safety and building code issues on rental properties. In 2006, the City adopted a rental housing inspection program. The City is also considering the possibility of adopting a housing maintenance code for owner occupied housing. If a maintenance code is adopted, it will likely require housing inspections at the time of sale, with any health, safety, or other code items to be updated.

Table 4.11
Activities Funded by CDBG Appropriations, 1998-2007

Activity	Total Funding	Percent of Total
Affordable Housing	\$1,297,809	54.4%
Housing Rehab	\$645,938	27.1%
Public Facilities	\$0	
Public Service	\$375,358	15.7%
Handicap Access	\$0	
Planning/Administration	\$58,908	2%
Neighborhood Revitalization	\$0	
Fair Housing	\$5,356	.8%
Totals	\$2,383,369	100.0%

Source: City of Eden Prairie, 2007

Housing Goal Four

Work in partnership with private and public sectors, and regional, state, and federal agencies to help finance innovative housing demonstration projects and housing development techniques.

Policies:

- Continue to take advantage of demonstration projects as the opportunity arises.
- Seek out citizen input that represents varied city interest groups, including neighborhood/homeowner associations, school groups, commissions, committees, the business community, social services agencies, etc.
- Seek ways to identify the City's housing needs, such as cost and availability, transportation and transit issues, and city amenities.

- Communicate the City's accomplishments in terms of meeting existing planning goals, current development achievements, current mix of housing, opportunities for citizen participation, and relationships with other communities to the overall community, as appropriate.
- Seek out partnerships to help guide and develop new housing options, including local employers, the school district, faith-based organizations, health facilities, housing financing agencies, etc.
- Explore innovative senior housing such as single family shared housing for small groups of seniors, shared housing matching seniors with young people to provide certain services in lieu of rent; large lots with three to six small cottages that share a central green space.

4.6 SENIOR HOUSING

The Senior Issues Task Force, initiated to review the recommendations of the 1996

report and the City response, submitted a report to the City Council in January of 2006. The report indicated the following:

- The “baby boom” phenomenon will increase numbers of seniors looking for appropriate housing and services to meet their changing needs.
- Housing should be recognized as a primary issue for seniors to be able to remain in their homes. Concurrently, changes to health, family size and income often make that choice unfeasible.
- Seniors will seek housing opportunities that meet their changing needs. These could include apartments, townhouses, assisted living facilities, nursing homes and cutting edge housing including shared homes with younger people, small cottages sharing yard space and separate apartments in private homes.
- There is interest in new housing located within easy walking distance of retail and services such as a grocery store, pharmacy, post office, medical clinic. Shared community space inside and out of such developments assists to reduce isolation.
- Desirable landscaping includes green space and trees with lighting that exceeds the current City standard.
- Sidewalks should be maintained during the winter months and should have appropriately spaced benches. Street crossings should have larger medians, longer cross times and where feasible overpasses.
- Some of the housing for seniors could be mid to high rise. Construction plans should take into account residential limitations as it relates to evacuations, fire safety, sound insulation, air-conditioning and back up energy sources.

- Affordable housing choices are critical so fixed income seniors can remain in the community.

In addition, several recommendations spoke to the issue of social services that enable people to remain independent, in their homes, for as long as possible. Chore services, housekeeping, information and referral, social services, nurse visits, delivered meals and transportation are a few that were indicated in order to meet the needs of this growing population. Subsidy of these programs will ensure access for seniors whose incomes often diminish the longer they live. The Task Force suggested utilizing sliding fee schedules based on income.

The City response to the Task Force recommendations included a commitment to development that will meet the changing needs of seniors and mitigate challenges associated with appropriate, accessible transportation and a continuum of housing choices

Housing Goal One

Promote and encourage the provision of lifecycle housing opportunities for all age groups, household sizes and income levels.

Policies:

- Encourage a variety of housing types and price ranges through innovative architecture and land use mixes. This may be accomplished through the use of the Planned Unit Development process.
- Support the development of lower cost, non-subsidized housing through construction of multiple family units, both rental and owner-occupied.

- Develop housing opportunities for Seniors appropriate for the physical/mental changes they experience; multiple unit housing with common indoor/outdoor community areas that encourage inclusion and avoid isolation, options that provide such services as nurses visits, dining options and transportation.
- Determine median values of owner-occupied, single family homes and median values of owner occupied multiple family units to verify the assumption that multiple family housing costs are lower than single family costs.
- Encourage higher densities, single family or multiple family, owner occupied or rental, development, on Eden Prairie’s remaining undeveloped land, where appropriate.
- Encourage “independent” and “assisted-living” housing for senior residents.
- Encourage elderly and affordable housing throughout the City and provide quality services required by these residents.
- Promote the use of the PUD process and incentives such as density bonuses to encourage higher density developments in the Major Center Area and Golden Triangle Area TOD, as appropriate.
- Consider enacting community development standards that will lower the cost of development by encouraging use of cluster lots and smaller lots, where appropriate, and discouraging the use of streets terminating with cul-de-sacs.
- Encourage the development of cooperative owner-occupied housing developments as an alternative ownership housing option.
- Promote the provision of housing that accommodates the needs of households with disabled and senior residents, both new housing and adaptation of existing housing.
- Promote the development of new housing that meets the needs of changing and diversifying household types, such as smaller homes for single-person households and larger attached or stacked homes for families.
- Promote the option of accessory apartments as an affordable housing type.

4.7 AFFORDABLE HOUSING

In its study of affordable housing needs for the time period of 2011-2020, the Metropolitan Council is estimating that approximately 51,000 additional affordable housing units will be needed in the Twin Cities metropolitan region. This overall affordable housing need has been allocated to all communities within the region based on the following four criteria:

- Household growth potential
- Ratio of local low-wage jobs to low-wage workers
- Current provision of affordable housing
- Transit service

Demand for more affordable housing options in Eden Prairie remains strong, particularly because there is a large, and continually expanding, entry-level job market in Eden Prairie and the southwest

suburbs. Although Eden Prairie is a relatively young community, as the community ages there will also be more demand from seniors and special needs residents for more housing choices, including affordable housing. Eden Prairie is prepared to meet the community's share of the region's need for affordable housing by increasing opportunities for new affordable housing units in newly developed residential areas and land guided for redevelopment to mixed-use and higher

density residential densities. The Metropolitan Council's current estimate of Eden Prairie's share of the region's affordable housing need is 1,198 to 1,843 units, and 1,840-3,500 lifecycle units.

**AFFORDABLE HOUSING RESOURCES
UTILIZED IN EDEN PRAIRIE**

A description of Eden Prairie's existing rental and ownership subsidized housing options is provided in Tables 4.12 and 4.13.

Table 4.12
Subsidized Rental Housing Communities in Eden Prairie, 2007

Community Name	Units	Built	Type of Subsidies/Income Limits
<i>Mixed Occupancy Communities</i>			
Prairie Meadows Apartment Cooperative	168	1978	<ul style="list-style-type: none"> ▪ Section 8 Project-Based ▪ Housing Revenue Bonds ▪ All units <50% of area median income
Briarhill Apartments	126	1975	<ul style="list-style-type: none"> ▪ Section 8 Project-Based ▪ HUD 236 Mortgage ▪ All units <50% of area median income
Columbine Townhomes	32	1996	<ul style="list-style-type: none"> ▪ Low Income Housing Tax Credits ▪ CDBG and TIF Financing ▪ All units <60% of area median income
Purgatory Creek Townhomes	32	1998	<ul style="list-style-type: none"> ▪ Low Income Housing Tax Credits ▪ CDBG and TIF Financing ▪ Low-Income Incentive Account ▪ HUD Public Housing ▪ Family Housing Fund Grant ▪ All units <50% of area median income
Lincoln Parc, The Residence	142	2001	<ul style="list-style-type: none"> ▪ CDBG and TIF Financing ▪ 38 units <50% of area median income ▪ 104 units <80% of area median income
Summit Place	43	2002	<ul style="list-style-type: none"> ▪ TIF Financing ▪ All units <50% of area median income
Bluffs at Nine Mile Creek	63	2004	<ul style="list-style-type: none"> ▪ Low Income Housing Tax Credits ▪ TIF Financing ▪ CDBG Mortgage ▪ All units <50% of area median income
<i>Senior Housing Communities</i>			
Edendale Apartments	60	1983	<ul style="list-style-type: none"> ▪ Section 8 Project-Based ▪ HUD 202 ▪ 62 and older only
Sterling Ponds Apartments	56	1990	<ul style="list-style-type: none"> ▪ CDBG & TIF Financing ▪ Housing Revenue Bonds ▪ 80% of units <60% of area median income ▪ 20% of units <70% of area median income ▪ 55 and older only
Colony at EP, The	28	2002	<ul style="list-style-type: none"> ▪ TIF Financing ▪ All units <50% of area median income ▪ 55 and older only
<i>Special Needs Housing</i>			
Community Home	6	1997	<ul style="list-style-type: none"> ▪ CDBG ▪ MCDA Bond Funds
Total Units = 756			

Source: City of Eden Prairie, 2007

**Table 4.13
Number and Type of Subsidized Ownership Units, 1998**

Project Program	Units	Type of Subsidy/Income Limit
Scattered Site Housing	5	<ul style="list-style-type: none"> ▪ CDBG – Second mortgage financing provided by the City to first time buyers ▪ For ownership attached/detached housing ▪ All units <80% of metro median
Eden Prairie Housing Rehabilitation Loan Program	70	<ul style="list-style-type: none"> ▪ CDBG – Low interest loans provided by City to low-income home owners for energy and safety related improvements ▪ For ownership attached/detached housing ▪ All units <80% of metro median
Minnesota Cities Participation Program	50	<ul style="list-style-type: none"> ▪ Low-interest mortgages provided by the State Housing Finance Agency to lower income - first time home buyers ▪ For ownership attached/detached housing ▪ All units <80% of metro median
Household & Outside Maintenance for Elderly	183	<ul style="list-style-type: none"> ▪ Provides Home repair, maintenance, and chore services to seniors on a sliding fee scale basis ▪ For ownership attached/detached housing ▪ All units <80% of metro median
<i>Total Ownership Units = 308</i>		

Source: City of Eden Prairie, 1998

The resources and options for subsidized housing in the City include the following:

A. Section 8 Project-Based Program (Federal)

Section 8 refers to units subsidized by the Department of Housing and Urban Development (HUD) where tenants pay 30 percent of their income toward rent. The subsidies stay with the units or project (Project-Based). To qualify for Section 8, tenant incomes must be less than 50 percent of the median income for the metropolitan area as determined by HUD.

B. Section 8 Rental Assistance Program (Federal)

A Tenant-Based form of subsidy provided by HUD through various local Housing & Redevelopment Authorities (HRA). Vouchers and certificates allow tenants to live in market rate developments and have their rents subsidized so that they only pay 30 percent of income toward rent. Certificates must be used in units with rents under certain rent caps set by HUD. Usually, rents in Eden Prairie exceed these caps, therefore making certificates difficult to use in this market. Vouchers do not have the same rent cap restrictions, but the level of subsidy is capped off at the same level as Certificates. Therefore, tenants must make up the difference in rents themselves. Apartment owners do not have to accept Section 8 Vouchers or Certificates - participation is voluntary. In the early 1990s as vacancy rates decreased in Eden Prairie, many apartment owners quit participating in this program. Since then, the City has been successful in finding ways to bring owners back into the program in order to provide as many housing choices as

possible for people using Vouchers. The Section 8 Rental Housing Assistance Program is administered by the Metropolitan Council Housing and Redevelopment Authority (MCHRA) for Eden Prairie.

C. Section 221(D)(3) and (4) (Federal)

Private mortgage financing insured by U.S. Department of Housing and Urban Development (HUD) for multiple family rental housing projects affordable to moderate income persons.

D. Section 202 and 236 Mortgage Insurance (Federal)

Private mortgage financing insured by HUD that combines mortgage insurance with subsidized interest payments to lenders to reduce owners' monthly mortgage payments, which allows for reduced rents to income-eligible tenants.

E. Low Income Housing Tax Credit Program (State & Federal)

This program is administered by the Minnesota Housing Finance Agency (MHFA), and involves providing federal income tax credits to developers of qualified rental projects. The units must be rented to low and moderate income tenants (50 percent or 60 percent of median income for metro area) for at least 15 years. Projects financed with tax credits obtain equity by passing through the value of the credits to limited partner investors.

F. Local Housing Incentives Account (LHIA) Program (Metropolitan Council)

This program was created through the Livable Communities Act passed by the State Legislature in 1995 and is administered by the Metropolitan Council. The LHIA program provides

grants for acquisition, construction, preservation and rehabilitation of affordable housing projects. Grants must be matched on a dollar for dollar basis by the city receiving the funds.

G. Tax Increment Financing (City of Eden Prairie)

Taxes generated from the increased value (assessed value) of an improved property (new housing project) are used to help finance the improved property over a specific period. Projects financed with TIF must provide rents affordable to persons with incomes below 50 percent of the metro median on 20 percent of the total units.

H. Community Development Block Grant Program (City & Federal)

Created by HUD in 1974, this program provides annual entitlements to cities based on a population, age of housing, and poverty level formula. Cities have the flexibility to use these funds in a variety of ways to address issues affecting primarily low-income persons. Eden Prairie dedicates most of its funding for housing related activities including financing affordable renting projects. CDBG financed projects must provide rents that are affordable to persons with income below 80 percent of the median for the metro area. The City of Eden Prairie typically requires that rents be affordable to persons with incomes below 50 percent or 60 percent of the metro median instead of 80 percent.

I. Municipal Tax-Exempt Revenue Bonds (City)

Tax-exempt bond financing provided by cities for construction of new rental housing developments, where at least 20 percent of the units must be rented to

lower-income tenants. The City HRA has issued tax-exempt bonds to about 2,200 rental units in Eden Prairie.

J. Family Housing Fund (Non-Profit)

This is a non-profit housing organization that provides grants for the rehabilitation and construction of affordable housing throughout the metro area.

K. West Hennepin Affordable Housing Land Trust (WHAHLT) (Non-Profit)

The City uses a substantial portion of its CDBG to assist with funding of this land trust program. The land trust uses its funds to purchase residential land that is then leased to the home buyer for 99 years for a nominal fee, which reduces the overall home purchase, down payment and closing costs.

L. Livable Communities Demonstration Account (LCDA) (Metropolitan Council)

This demonstration account provides funding for development and redevelopment projects that achieve connected development patterns that link housing, jobs and services, and use regional infrastructure efficiently. Grants are available to cities for development and redevelopment projects.

Housing Goal Two

Promote and support the development of new affordable housing units to meet the community's share of the regional affordable housing needs as well as the community's affordable housing goals.

Policies:

- Use full authority of the City and its

Housing and Redevelopment Authority (HRA) to support development of new housing for low to moderate income, elderly, and special needs households.

- Investigate the acquisition of property or writing down the cost of land that can be used for low to moderate income housing for owner-occupied and rental housing.
- Use subsidies such as Tax Increment Financing, Community Development Block Grant, and Housing Revenue Bonds where possible to place “Section 8” renters in market rate housing.
- Support efforts to develop quality, affordable housing developments that are long-lasting, indistinguishable from neighboring market rate housing, and well-maintained and managed.
- Maintain the existing housing supply and consider adopting an owner-occupied housing maintenance code and enforcement program.
- Create new financial programs and expand the current housing rehab program to ensure Seniors ability to maintain their homes and meet City codes, at a cost they can afford.
- Seek out strategies to increase the options for affordable owner-occupied housing and starter homes, such as detached townhouses.

4.8 IMPLEMENTATION STRATEGIES

FUTURE HOUSING DEMAND

1. Residential Land Development

The City will pursue and promote

affordable housing for portions of the remaining undeveloped land, where practical and feasible, including acquisition of land by a land trust, smaller housing sizes/lots, higher density housing types, and rental housing. This strategy includes using recommendations from the Senior Issues Task Force Report to accommodate the increasing numbers of residents over 65 years of age.

2. Living and Working Environments

The City will continue using the PUD process to encourage higher density developments near employment and commercial services to increase the variety of housing options for lower wage workers in the City, reduce work commuting costs and time, and potentially lessen the out migration of employees. Supporting life cycle housing that reflects residential and business community demographics will also create a link between living and working environments.

3. Housing Near Basic Services

The City will pursue and promote development of higher density housing with or near basic services, including transit, parks & recreation, and walkable access to stores, restaurants and services. The primary focus areas for this type of housing will be the Town Center and the Golden Triangle Area transit station area, although other areas may be identified through the City’s redevelopment planning.

4. Planned Unit Development Process

The City will continue to use the PUD process for a variety of housing types and price ranges through innovative architecture and land use mixes. The City will encourage developers to

present plans that offer creative, single and multiple family housing at low or moderate cost. Through the PUD process, and on a case by case basis, the City will consider the granting of bonuses and incentives to allow for higher density developments with a greater percentage of affordable units.

The City will continue to use the PUD process to lower the cost of development by encouraging use of cluster lots and smaller lots, where appropriate, and discouraging the use of streets terminating with cul-de-sacs.

5. Neo-Traditional (walkable) Neighborhoods

The City will encourage development of neighborhoods using techniques that are often associated with the principles of neo-traditional planning, such as transit friendly development, walking/biking amenities, variety of housing choices, and lessening of automobile dependence.

6. Land Acquisition

The City will investigate, as appropriate, the acquisition of property or writing down the cost of land to be used for low to moderate income housing for owner-occupied and rental housing, including placement of land in an affordable housing land trust.

7. Existing Land Use Regulations

The City will continually review its land use regulations to determine if its current ordinances, subdivision regulations, and building codes are adding unnecessary cost to development, and continue to encourage the reduction of development costs where appropriate to increase the supply of affordable housing.

LOCAL DEMONSTRATION PROGRAMS OR SPECIAL INITIATIVES

Housing, Opportunities, Partnerships, and Employment (HOPE) Program

The HOPE Program has been modified to meet the changing demographics in Eden Prairie and in particular in the local subsidized housing complexes. In 1995 the local subsidized apartments housed young, white, single mothers with one to three children. They were receiving MFIP (welfare) and enrolled in the STRIDE Program through Hennepin County. Participants set goals for self-sufficiency through employment. As they met their goals they were rewarded with a Section 8 Housing Voucher which they could use to subsidize any living situation in Eden Prairie that accepted Section 8.

Eden Prairie now has a large immigrant population. These residents now make up the majority of low-income families living in subsidized housing in Eden Prairie. The issues and needs of this population required the HOPE Program to adapt services. A Somali speaking staff person was hired as the Community Services Technician, to provide services for issues of immigration, citizenship, employment, housing, ESL and other educational opportunities.

Eden Prairie works with the Metropolitan Housing and Redevelopment Authority to issue Section 8 Housing Vouchers. Since 2001 funding cuts to the Section 8 Program has resulted in closing all applications. The STRIDE Program also was not funded resulting in very few educational/training opportunities.

The case management and mentoring services were also discontinued. We now

work with local churches to provide volunteer tutors for English learners.

The 50 room facility for persons with Alzheimer's is Alterra Clare Bridge.

Realife and Summerhill are two existing senior cooperatives on Smetana Lakes north side with 132 units providing one, two and three bedroom units where buyers purchase a share of the total project.

Rental property developers requesting financial assistance from the City must agree to designate up to 10% of their total units for subsidized housing for low-income renters.

The Metro HRA purchased 20 housing units in Eden Prairie to provide scattered site affordable rental housing to low-income renters.

Special Needs Housing

A six unit duplex development for low income adults affected by serious neurological conditions was approved by the City in 1994. The Community Home Program, a nonprofit agency, is the developer. The City contributed \$17,000 in Community Development Block Grant (CDBG) funds to help offset land costs. The Minneapolis Community Development Agency is providing the financing through revenue bond sales.

Eden Prairie also has two single family group homes for developmentally disabled adults owned and operated by the State of Minnesota Department of Health. The homes were built on tax forfeited property. Several other privately financed group homes for disabled residents exist in the City in scattered locations.

Section 8 Voucher Initiative

To insure that more rental housing projects

accept Section 8 Vouchers in Eden Prairie, the City requires any apartment or rental townhouse development seeking Housing Revenue Bonds or any other type of City financing, agrees to designate up to 10 percent of their total units for persons using Section 8 Vouchers. Owners of existing projects seeking approval from the City to refinance Housing Revenue Bonds will be obligated to the same terms. This should help reverse the growing trend of apartment owners choosing to opt out of the Section 8 program completely. However, the reason most often cited by property owners for opting out of the Program is the Federal take one take all requirement, which sometimes leads to market developments converting to 100 percent Section 8. This requirement is essentially creating greater concentrations of poor in certain communities, which is contrary to recent policies adopted by HUD, the City of Minneapolis, and the Metropolitan Council.

FUTURE LOW INCOME HOUSING PROPOSALS

The City identified various rental housing sites that have good proximity to commercial services, schools, parks, transit routes, and other natural amenities, and transition well from single family neighborhoods. This information is shared with developers seeking sites for affordable housing projects. Because these sites are often guided for commercial related uses, the land costs are substantially higher than typical residential sites. The City must therefore consider writing-down the land costs for these projects in order for them to work financially.

OTHER FINANCING TOOLS

The City HRA is continually examining ways to develop additional low-income

rental housing and starter single family attached/detached housing in Eden Prairie. It will continue to use Housing Revenue Bonds for low to moderate income and elderly housing projects, as well as support housing development costs through the use of CDBG Funds, Tax Increment Financing, Interest Rate Reduction programs, land acquisition/write-downs, Low-Income Housing Tax Credits, Essential Function Bonds, MHFA Below Market Mortgage programs, allowing higher densities, and promote creative subdivision design and other available means and incentives, as appropriate. The City has already granted approval to a TIF Redevelopment District to help finance the renovation of the Eden Prairie Center. This TIF District is anticipating generating about \$400,000 annually in funds (over the course of ten years) dedicated for housing purposes.

Housing Goal Three
 Lower development costs of low for moderate income, elderly, and special needs housing developments.

Policies:

- Continue using Housing Revenue Bonds for low to moderate income and elderly housing projects.
- Seek innovative methods to impact market rent costs as appropriate.
- Consider methods of reducing fees for innovative development projects meeting housing goals.
- Support housing development costs through the use of CDBG Funds, Tax

Increment Financing, and other available means and incentives, as appropriate.

- Determine if current ordinances, subdivision regulations, and building codes are adding unnecessary cost to development.
- Continue to encourage the reduction of development costs where appropriate to increase the supply of affordable housing.
- Ensure that a portion of the City’s remaining land and major redevelopment areas, including the Major Center Area and Golden Triangle Area TOD, are developed as affordable housing.
- Encourage developers to present plans that offer creative, single and multiple family housing at low or moderate cost.
- Consider, through the PUD process on a case by case basis, the granting of bonuses and incentives to allow for higher density developments with a greater percentage of affordable units.
- Pursue funding partnerships with public and private nonprofit sectors, and regional, state, and federal agencies, to help close finance gaps on subsidized housing developments.
- Promote and continue financial support of the affordable housing land trust approach to reducing the development costs for new owner-occupied housing.

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