

# EDEN PRAIRIE HOUSING TASK FORCE

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MEETING TWO - JULY 10, 2019

# WHAT WE'LL COVER

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- Owner-Occupied / Single Family Programs, including:
  - First-Time Homebuyer Program
  - Home Rehabilitation Loan Program
  - Senior Emergency Repair Program
  - Other Efforts
- Multifamily Policies & Programs
  - Tax Increment Financing (TIF)
  - Pooled TIF
  - Livable Communities Demonstration Account & MHFA Super RFP
  - Inclusionary Housing
  - Other Efforts

# OWNER-OCCUPIED HOUSING – FIRST-TIME HOMEBUYER PROGRAM

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- Zero-interest, deferred loan up to \$10,000 for qualifying first-time homebuyers purchasing a home in Eden Prairie
- Financial assistance can be used for part of the required down payment (up to 50 percent), closing costs (up to \$5,000) and mortgage principle reduction (up to 10 percent of the purchase price or \$10,000)
- Repayment required if home sold or no longer homesteaded within first 30 years. After 30 years, loan due and payable
- Eligibility Criteria
  - Must have a signed purchase agreement before applying
  - Must be first-time homebuyer — have not owned home in last three years or have been displaced due to a divorce
  - Must complete homebuyer training before closing
  - Must use a participating lender for the primary mortgage

# OWNER-OCCUPIED HOUSING – HOME REHABILITATION LOAN PROGRAM

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- Zero-interest, deferred loan up to \$15,000 for low and moderate income households to maintain, repair and improve their Eden Prairie home
- Eligible improvements include repairs necessary to make your home a safer, more energy efficient place to live. This includes new roofs, siding, windows, electrical, plumbing, heating and insulation
- Eligibility Criteria
  - Must be an Eden Prairie resident and own your home
  - Must have enough equity in your home to cover the loan amount
  - Must be current on mortgage or deed payments, property taxes, homeowners insurance and association dues (if applicable)
  - Household income must not exceed the maximum income limits by household size



# OWNER-OCCUPIED HOUSING – SENIOR EMERGENCY REPAIR PROGRAM

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- For owner-occupants aged 60 years or older
- Loan of up to \$5,000
- After 3 years, loan is forgiven
- Emergency repairs include water heaters, furnaces, central air systems, and accessibility upgrades such as grab bars and handrails

HUD INCOME LIMITS	
#Occupants	Income Limits
1	\$50,350
2	\$57,550
3	\$64,750
4	\$71,900

# PROGRAM STATISTICS – 2016-2018

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First Time Home Buyer			Housing Rehab			Emergency Rehab		
2016	TIF	CDBG	2016	TIF	CDBG	2017	TIF	CDBG
# Loans	3	3	# Loans	1	6	# Loans	n/a	1
Amount	\$49,488	\$105,000	Amount	\$20,000	\$101,000	Amount	n/a	\$5,000
2017			2017			2018		
# Loans	1	5	# Loans	4	12	# Loans	n/a	5
Amount	\$25,000	\$136,500	Amount	\$36,125	\$201,553	Amount	n/a	\$24,513
2018			2018			Total 16-18		\$29,513
# Loans	3	3	# Loans	3	20			
Amount	\$40,000	\$45,000	Amount	\$65,000	\$275,907			

# OWNER-OCCUPIED HOUSING – COMMUNITY LAND TRUST (CLT) SUPPORT

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- Multiyear partnership with West Hennepin Affordable Housing Land Trust (WHAHLT)
- City CDBG dollars help support acquisition and affordability gap
- Challenging finding affordable homes in tight markets
- Under CLT model:
  - Low-income household buys physical improvements but not land (land retained by CLT)
  - Makes the purchase price much more affordable
  - Households are given extensive counseling on being homeowners
  - On sale, households can typically retain some of any equity generated in the home (with the balance reverting to the CLT)
  - After sale, CLT sells home to another income-qualified household

# OWNER-OCCUPIED HOUSING – OTHER NOTABLE EFFORTS

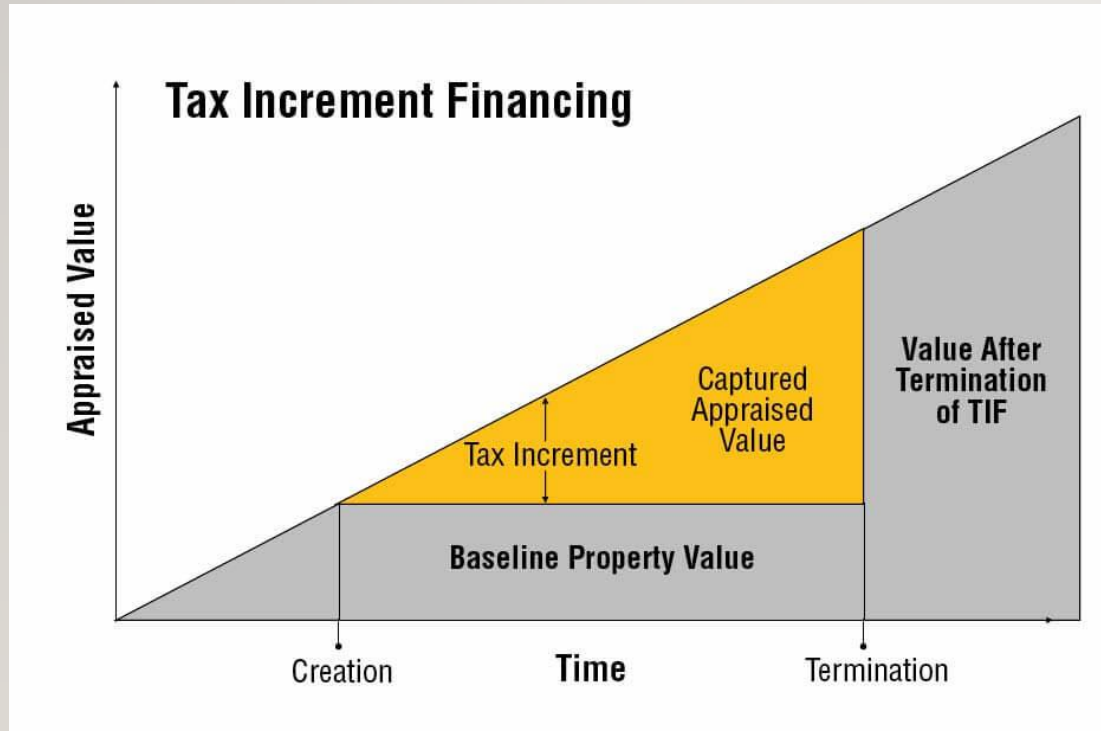
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- Maintenance of townhomes via Housing Improvement Areas (HIAs)
- Grants such as that made to Onward EP
- Referrals to other organizations that can help such as MHFA
- Support to organizations such as PROP that can look at a household's circumstances and needs in holistic, multifaceted way



# MULTIFAMILY HOUSING – TAX INCREMENT FINANCING TIF

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*\*from [planningtank.com](http://planningtank.com)*

# MULTIFAMILY HOUSING – TAX INCREMENT FINANCING TIF (CONT.)

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- Used on several recent & upcoming development projects (Elevate, Bluffs at Nine Mile Creek, Trail Pointe Ridge, Paravel)
- Requires a minimum of 20% of units to be affordable to households earning 50% of AMI or less (for varying terms but for as long as 26 years)
- Eden Prairie usually uses a ‘pay-as-you-go’ model
- Important financial ‘gap filler’ for certain projects

# MULTIFAMILY HOUSING – POOLED TIF

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- If excess TIF increment is raised from a particular District, can be ‘pooled’
- Pooled resources are flexible in use (provided they’re are used to support housing)
- City has contemplated several potential uses of the funds, support for affordable housing around TOD areas being chief among them
- City provided a Pooled TIF loan to the Elevate project

# MULTIFAMILY HOUSING – LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT & MHFA SUPER RFP

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- City a willing partner in supporting developments with affordable housing through application to the Met Council's LCDA and LCDA-TOD accounts
- City is applicant and if awarded, grantee—then loans or grants money to developer
- City awarded grants for Elevate (LCDA-TOD) and Trail Pointe Ridge (LCDA)
- MHFA Consolidated or 'Super' Request for Proposals
  - Competitive annual solicitation of affordable and mixed-use projects
  - Developer is typically the applicant and is often applying for Low Income Housing Tax Credits (LIHTC) and/or deferred (gap) financing
  - City can aid projects by providing resolutions of support and/or having financial 'skin in the game'

# MULTIFAMILY HOUSING – INCLUSIONARY HOUSING

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- Been a practice of the City for 2-3 years
- Requires a certain # of units at a certain level of AMI in perpetuity
- Has been used for:
  - New multifamily rental (Prairie Bluffs, Southview)
  - New multifamily for-sale housing (Applewood Point)
  - Multifamily rehab/conversions (Cascade at Town Center)
  - Multifamily after TIF or other restrictions expire (Cascade, Trail Pointe Ridge)
- Topic in several Council workshops
- To date not formalized as official policy or ordinance
- Bloomington, Edina, Minneapolis, & St. Louis Park communities to keep an eye on

# MULTIFAMILY HOUSING – OTHER NOTABLE EFFORTS

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- Fair Housing Policy
- Tenant Protection Ordinances
- Maintenance of rental units via License & Inspections program (supported by HRA levy)
- Education / collaboration through Property Manager's Group
- Use of bonding authority to support new construction or acquisition / rehab

# QUESTIONS & DISCUSSION

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