



Welcome!

MLC Legislative Breakfast
February 7, 2025





Municipal Legislative Commission Background

- Founded in 1984 as a lobbying coalition for suburbs sharing common demographic, economic, and tax base characteristics
- Includes 18 member cities
- The criteria/fit for MLC is based on the following:
 - Population
 - Receive little to no LGA
 - Impact of Fiscal Disparities
 - Tax base composition
- MLC has a limited legislative agenda
- MLC is a forum to promote best practices



Who We Are

- While our suburban communities share similar characteristics, we are not all the same
 - Some are growing rapidly while others are fully developed
 - Some are primarily residential communities while others have significant commercial developments
- Our agenda is based on shared challenges and opportunities
 - Development and maintenance of public infrastructure, and increasing demand from residents and businesses for effective public services
 - Advancing policies that are fiscally responsible, that allow for growth and development, and further enhance our strong communities

2025 MLC Member Cities

Apple Valley

Bloomington

Burnsville

Chanhassen

Eagan

Eden Prairie

Edina

Golden Valley

Inver Grove Heights

Lakeville

Maple Grove

Minnetonka

Plymouth

Prior Lake

Rosemount

Shakopee

Shoreview

Woodbury



Overview: 2025 MLC Legislative Priorities

MLC Government Relations Team

Tony Albright, Lobbyist

Tom Poul, Attorney/Lobbyist

Amy Walstien, Attorney/Lobbyist

2025 MLC Legislative Priorities

- Supporting safer communities
- Investing in infrastructure, transportation and economic development
- Strengthening the state-local fiscal partnership
- Expanding housing production and promoting affordable housing





Supporting Safer Communities

MLC supports empowering local elected leaders to effectively manage public safety issues in their communities by:

- Allocating additional one-time funding for police and fire aid programs
 - Enhancing local control of Emergency Medical Services by enabling community-specific ambulance service provider selection and establishing local performance and quality assurance oversight
-



Supporting Safer Communities

In 2024, the Legislature adopted EMS reforms including:

- A new Office of Emergency Medical Services to replace the EMSRB beginning on January 1, 2025
 - \$30 million in funding for ambulance services, with \$24 million allocated for short-term emergency aid in greater Minnesota and \$6 million for a "Sprint Medic" pilot program
-





Investing in Infrastructure, Transportation & Economic Development

MLC supports regionally balanced investments in transportation and infrastructure, including:

- Supporting essential local infrastructure projects with a regional/state benefit
- Providing increased, regionally balanced investments in transportation/infrastructure
 - Fund the Corridors of Commerce program at the 2022-23 project cycle level of \$403 million
 - Fund at least \$10 million for metro cities in the Transportation Economic Development program
- Authorizing street infrastructure fees to ensure that local infrastructure can meet the demands imposed by new development

Investing in Infrastructure, Transportation & Economic Development

MLC cities are actively pursuing efforts to attract businesses, create jobs, and boost local economies. We support economic growth by maintaining state investments in:

- Minnesota Investment Fund
- Job Creation Fund



Strengthening the State-Local Fiscal Partnership

Greater stability and predictability in the fiscal relationship between the state and cities:

- Direct property tax relief
- Simplifying the sales tax exemption on construction materials for cities
- More frequent review of the Local Government Aid (LGA) program
- Preserving the integrity of the Fiscal Disparities Program
- Local option sales tax reform



Strengthening the State-Local Fiscal Partnership



A clearer, more predictable, and equitable process to approve local sales tax requests:

- Oppose tax equalization measures
- Oppose limitations on similar facilities and requiring support from surrounding cities
- Include metro parks and trails as pre-approved projects
- Include an inflationary escalator based on the Consumer Price Index (CPI) to cover actual project costs



Expanding Housing Production and Affordable Housing Options

2024 Legislation and Stakeholder Meetings

- Multiple bills introduced in 2024 to pre-empt local land use and zoning authority without city input
- MLC convened post-session stakeholder meetings to develop workable solutions to:
 - Expand housing production
 - Promote affordable housing development



Factors Contributing to the Housing Gap



- Underproduction during the Great Recession
- Rising construction and insurance costs
- Scarcity of developable land
- Real estate market dynamics – what is getting built and at what cost
- High mortgage rates
- Limited infrastructure capacity
- Oversubscribed state funding for higher-density housing

Progress on Met Council Housing Goals

- On track to meet Metropolitan Council's 2030 housing targets
- Permits Issued: 172,781 in past decade
 - 56% for multi-family units
 - 37% met affordability criteria (51-80% AMI)
- Over 1,500 acres designated for multi-family housing
- Potential for thousands of new medium- and high-density units by 2030





Considerations for Meeting Housing Challenges

- Need targeted solutions – no one-size-fits-all approach
- Prioritize tailored approaches for communities at different stages of development
- Must consider impacts of higher density development on local infrastructure
- Continue to allow for community input and local decision-making within the regional comprehensive planning process

SOLUTIONS

MLC supports the following goals to increase housing options across the spectrum while prioritizing local control of land use and zoning decisions

Expand housing production to meet critical needs

- Reforming condominium insurance and warranty requirements
 - Allowing cities to use local affordable housing aid for zoning code updates
 - Simplifying comprehensive plan changes for redevelopment projects
 - Strategically expanding Metropolitan Urban Service Area boundaries
-

SOLUTIONS

MLC supports the following goals to increase housing options across the spectrum while prioritizing local control of land use and zoning decisions:

Promote affordable housing opportunities

- Expanding investments in Naturally Occurring Affordable Housing and other critical affordable housing programs
 - Expanding authority for cities to redirect surplus TIF funds to Affordable Housing Trust Funds and allowing TIF district extensions for affordable housing purposes
 - Establishing a metro area housing infrastructure grant program
 - Promoting Housing Improvement Areas in cities with multi-unit properties
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**OPENING DOORS:
Creative Solutions to
Housing Availability
and Affordability**





PRIOR LAKE HOUSING

Current conditions and new construction

Municipal Legislative Commission



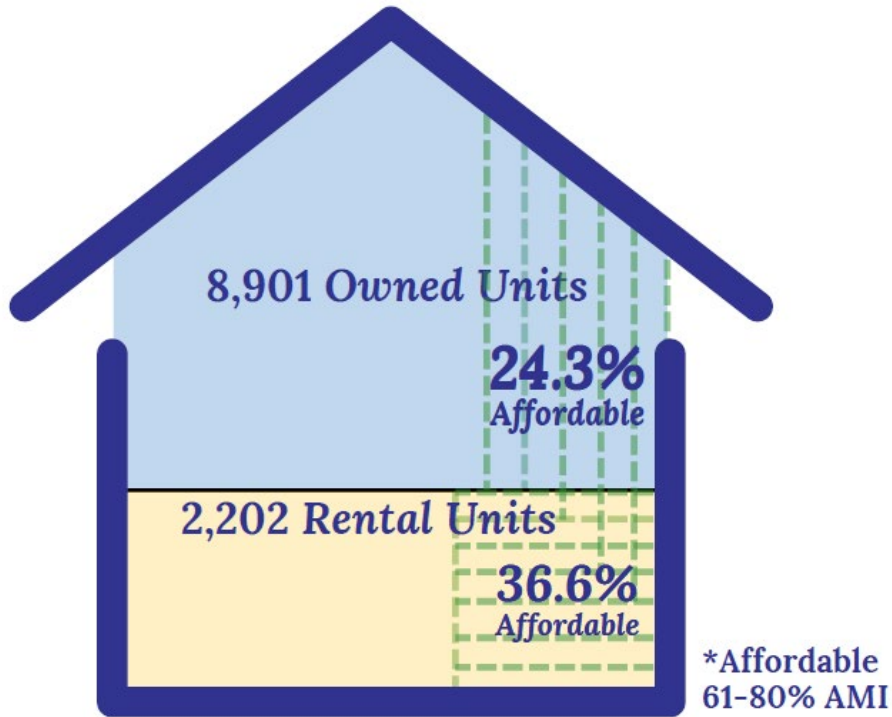
18 Cities in total (represent ~80% of all new housing in metro)

Top 5 cities for new homes in 2024 (all MLC cities)

- Minnetonka
- Lakeville
- Rosemount
- Woodbury
- Maple Grove

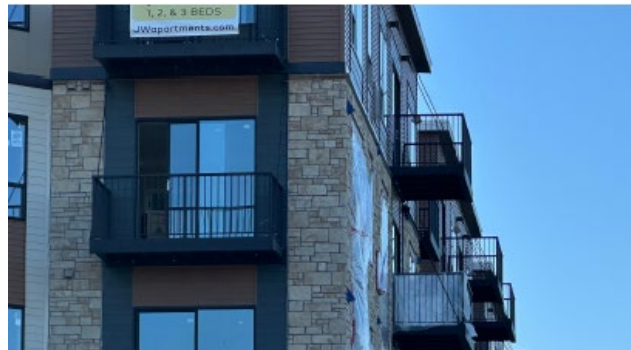
All 18 of our cities are doing innovative and unique things to promote more housing

CURRENT CONDITIONS



11,103 Total Housing Units

- 8,901 Owned (24.3% Affordable)
- 2,202 Rental (36.6% Affordable)



NEW CONSTRUCTION (2015-2024)



33.6%
Multi-Family Units

10% Duplex/Tri/Quad

56.4%
Detached Units



Pike Lake Marsh is a 68-unit subsidized workforce housing apartment building



Scott County Specialized Emergency Family Housing will provide 14-units for temporary homeless family housing and to be constructed in 2025.



Grainwood Senior Living
168-unit subsidized affordable apartment building for adults 55+



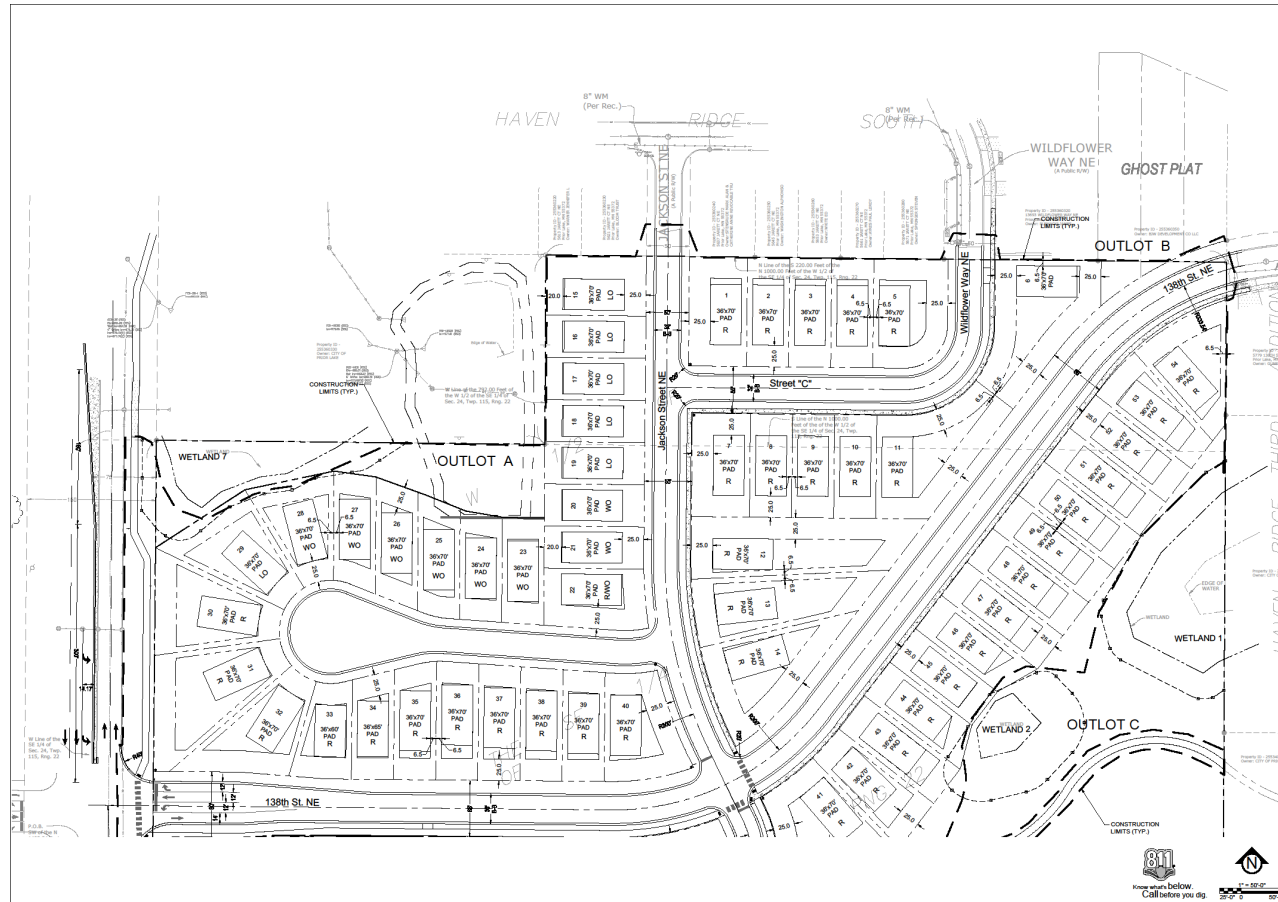
Towering Woods Townhomes is a development of 12 attached townhome units being constructed by Twin Cities Habitat for Humanity.

All Housing Types are Legal



- National home builder stated that they can not legally build this product in Minnesota
- Reviewed with our Community Development staff and confirmed it could be built in Prior Lake
- False narrative that certain product types cannot be built here

New Single-Family Development



- 68 lot subdivision approved in January 2025
- Lot widths range from 49' to 58'
- Lot areas as small as 5,700 SF
- Side yard setback 6.5'
- Density is 2.7 units per acre
- Estimated sale price ~ \$600k

Small lots do not = affordable

Housing Availability and Affordability

February 7, 2025

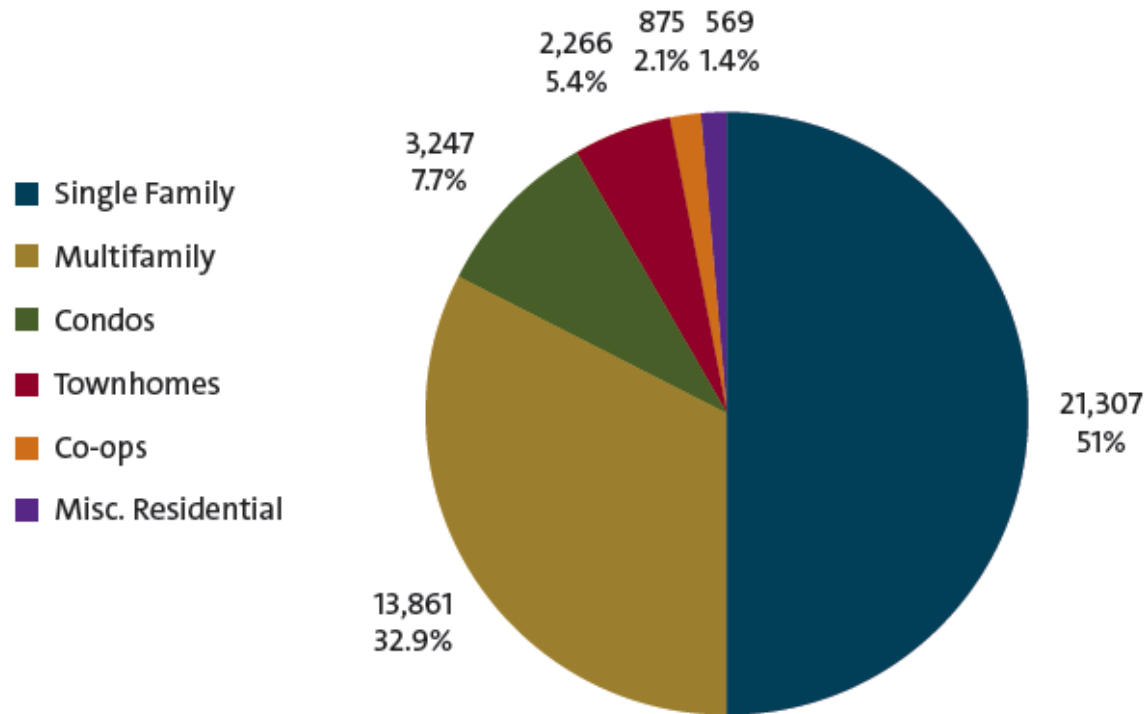
Municipal Legislative Commission

BLOOMINGTON.

tomorrow. together.

About Bloomington

HOUSING UNITS BY TYPE

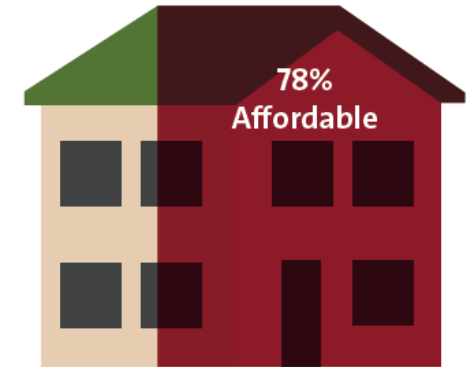


City of Bloomington, City Assessor's Office (2024) Assessment Report 2024

CURRENT CONDITIONS



25,549 Owned units



15,683 Rental units

Affordable up to 80% Area Median Income

Source: Met Council 2022 Affordable Housing Estimates

- 91,537 residents
- 39,634 households
- 2.3 persons per household

Met Council and US Census Bureau

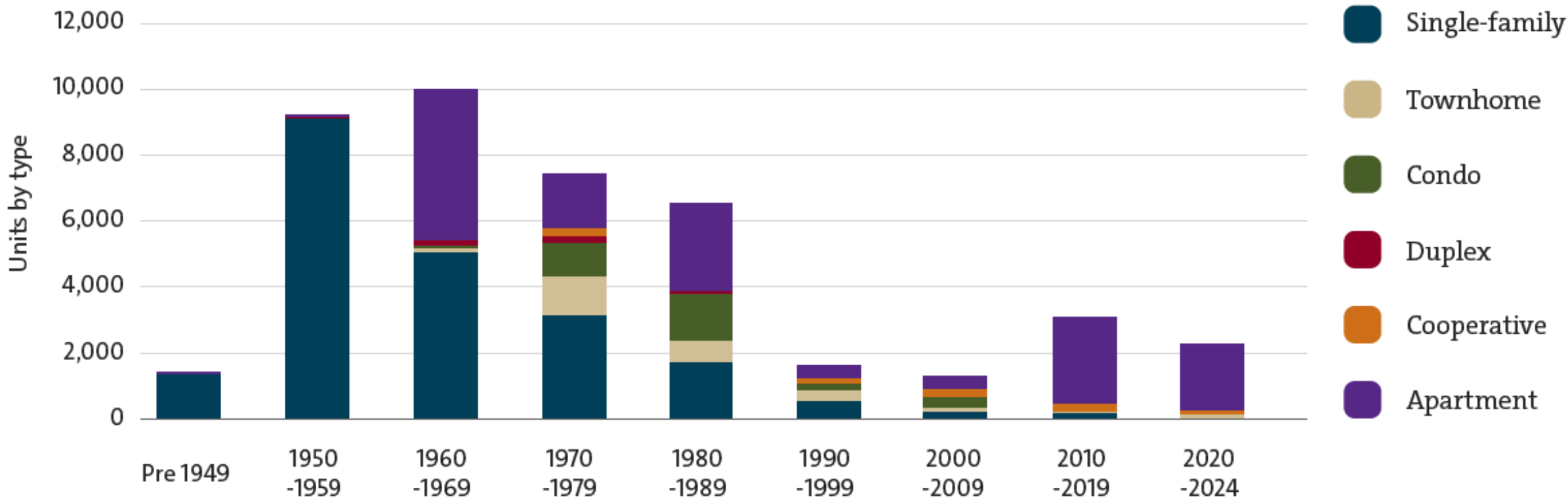
- Median home value: \$361,800
- Average rent: \$1,361

City of Bloomington Assessment Report (2024)

- 67% of housing is owner-occupied
- 27% of households are housing cost burdened (pay more than 30% of income toward housing costs)

2017-2021 American Community Survey 5-year Estimates

NEW HOUSING UNIT COUNT BY TYPE AND DECADE IN BLOOMINGTON



#1 People centered programming

Housing Redevelopment Authority (HRA) Housing Programs – 2024 data

- Rental assistance (500+ Housing Choice Vouchers)
- HRA owns rental homes (42)
- Home rehab loans / Emergency rehab loans
- Downpayment assistance (20)
- Rent to own program – Rental Homes for Future Homebuyers (1)
- Other education and outreach programs (many)





#2 Remove barriers to housing production

Zoning code changes:

- Simplified standards for Accessory Dwelling Units (ADUs) (4 approved since 2017)
- Reduced setbacks, minimum lot and unit size, parking for single- and two-unit sites (2023)
- Allow for co-living units (under consideration)
- Amend family definition to reduce occupancy restrictions per unit (under consideration)
- Missing Middle Housing Study (Summer/fall 2025)
- Office Conversion Study (Spring 2025)

Development process changes:

- 2-units are a permitted use by-right on all single-unit lots
- Multi-unit housing changed from a conditional use to a permitted in some districts
- Expanded administrative site plan/zoning approval

#3 Require affordability

Opportunity Housing Ordinance (OHO)

- Inclusionary zoning standard with both requirements (9%) and incentives
- Effective Aug 2019
- 13 multifamily projects entitled under OHO to date



#4 Fund the financial gap

- Affordable Housing Trust Fund
 - Adopted in 2019
 - Funded by **\$15M in bonds** through Old National Bank
 - Eligible uses: acquisition, demo, site improvements, infrastructure, renovations, landscaping
 - Funded gaps in 5 projects
- Affordable Homeownership (*Planned*)
 - 6 units – Habitat and Homes Within Reach
 - **27 homes** planned – MN Housing Grant
- Rehabilitation loans for affordable apartments (*ongoing*)

Projects funded with \$15M in Housing Trust Funds (2020-2024)

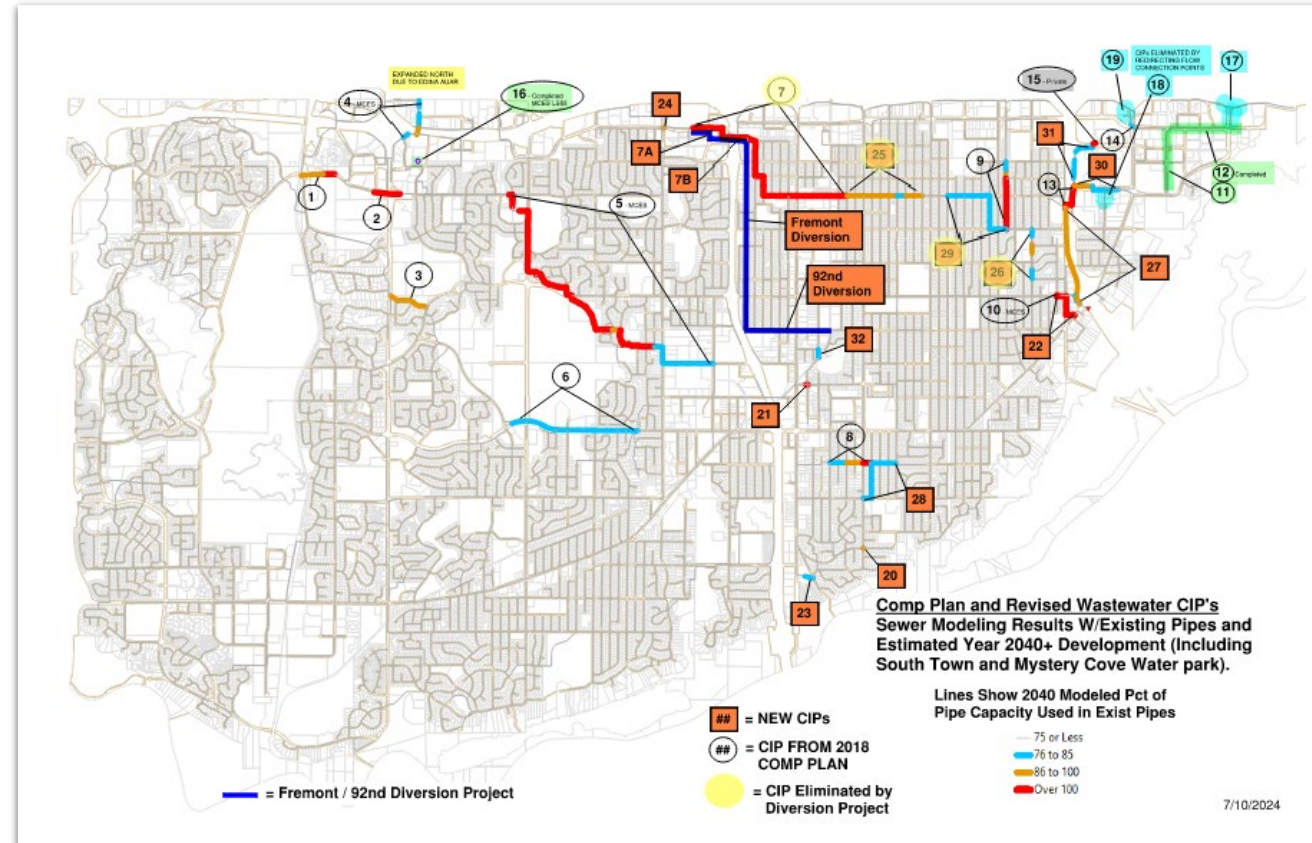
| Project Name | Loan Amount | Affordable Units Created or Preserved | Subsidy per Affordable Unit |
|------------------|-------------|---------------------------------------|-----------------------------|
| Blooming Meadows | \$7,000,000 | 306 preserved 172 new | \$16,393 |
| Lyndale Flats | \$1,457,913 | 81 new | \$17,999 |
| Cadence | \$975,000 | 68 new | \$14,338 |
| Oxboro Heights | \$2,125,000 | 75 new | \$28,333 |
| 700 American | \$3,426,460 | 128 new | \$26,769 |

New Affordable Housing by Affordability Level (2021-today)

| Development | 30% AMI | 50% AMI | 60% AMI | 70-80% AMI | Market Rate | Total Affordable* | TOTAL |
|---------------------------------------|------------|------------|------------|------------|--------------|-------------------|-------------------------------|
| Hayden Grove – Senior (2021) *pre-OHO | | 34 | | | 132 | 34 | 166 |
| District (2021) *pre-OHO | | 50 | | | 198 | 50 | 248 |
| Blooming Meadows North (2021) | 17 | 12 | 104 | 39 | | 133 | 172 |
| Lyndale Flats (2022) | | | 81 | | | 81 | 81 |
| Aire Apartments (2022) | | 33 | 11 | | 141 | 44 | 185 |
| Cadence (2022) | 6 | 3 | 59 | | | 68 | 68 |
| Carbon 31 (2023) | | | 36 | | 369 | 36 | 405 |
| Risor – Senior (2023) | | | 14 | | 132 | 14 | 146 |
| Noble Apartments (2024) | | 14 | | | 135 | 14 | 149 |
| Oxboro Heights - Senior (2024) | 9 | 23 | 43 | 50 | | 75 | 125 |
| The Ardor (2025) | | | | | 242 | | 242 |
| 1801 American – construction | | 9 | | | 90 | 9 | 99 |
| West 78th Street – construction | | | 19 | | 189 | 19 | 208 |
| 700 American Boulevard – construction | 8 | 104 | 16 | | | 128 | 128 |
| BCS Phase 5 – pre-construction | | | | | 164 | | 164 |
| TOTAL UNITS | 40 | 282 | 383 | 89 | 1,792 | 705 | 2,586 |
| 2030 GOALS from Met Council | 445 | 246 | 151 | | 1,453 | 842 | 2,300 NEW TBD NOAH |

Barriers to housing production

- Financial gaps
 - \$20-30K per multi-family unit for 60% AMI
 - \$125K per single-family unit
- Possible solution: expand use of TIF and other tools
- Sewer capacity
 - ~\$54M in sewer projects needed through 2040+ to support redevelopment and infill
 - New City SAC fee: \$2,046 per unit
 - Possible solution: Metro area housing infrastructure grant program





CITY OF MINNETONKA

LEGISLATIVE BREAKFAST

FEBRUARY 7, 2025

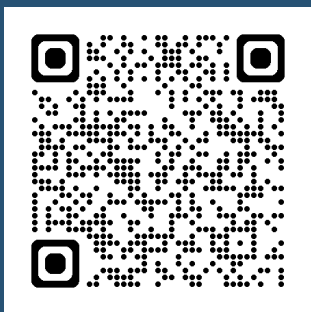




Housing in Minnetonka

Community Development

February 4, 2025





Minnetonka Rental and Affordable Housing Inventory

Accepts Section 8 Vouchers? Yes All

Federal Tax Credit? Yes All

TIF District? Yes All

Senior? Yes All

Year Constructed
1940 - 2025

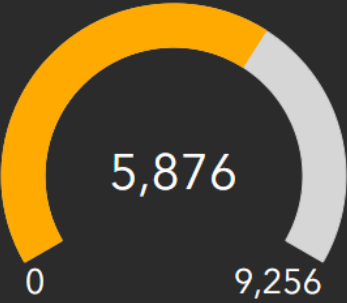
Total Rental Units

9,256

Affordable Units

3,380

Number of Market Rate Units

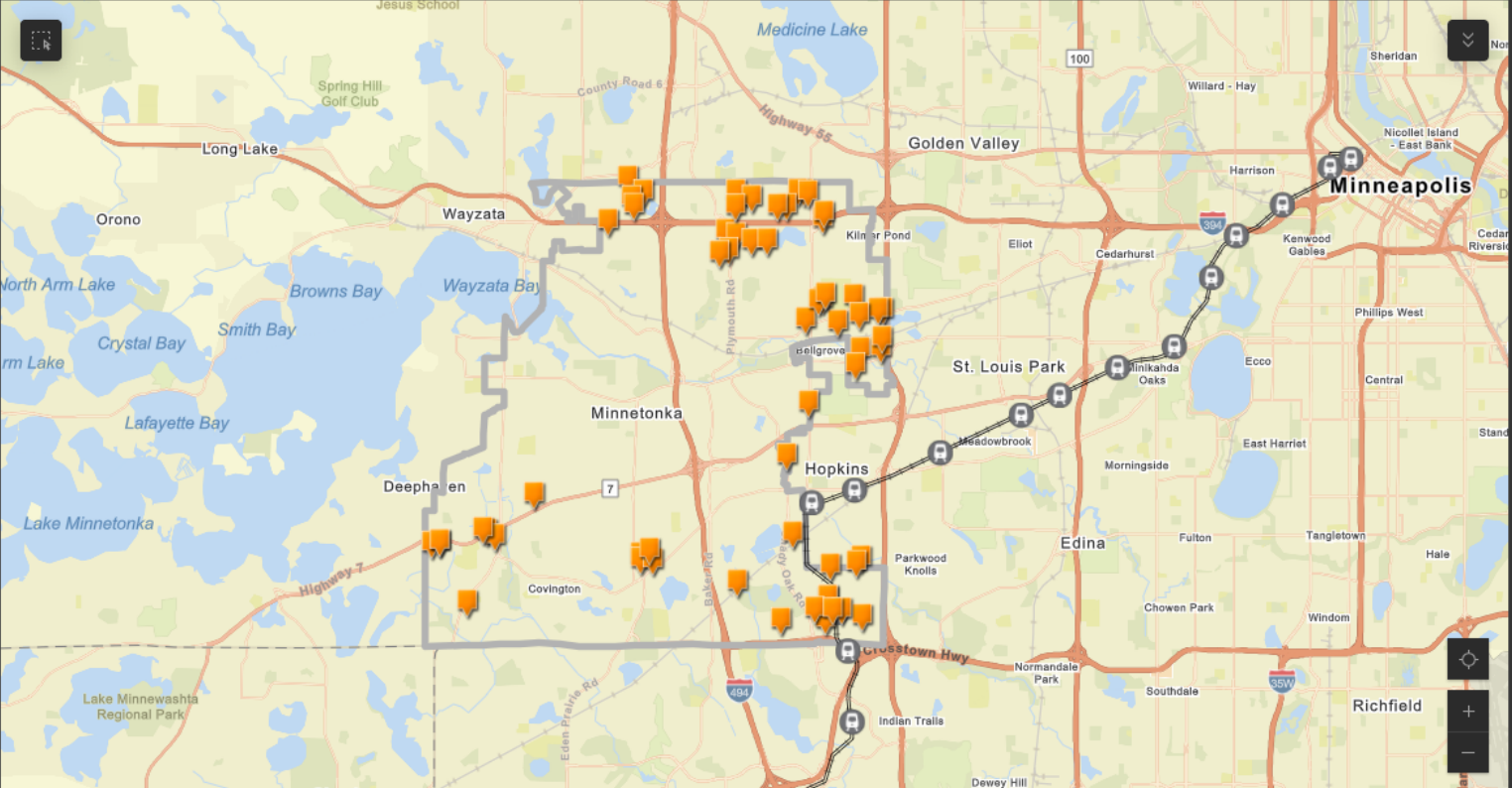


- Rental Properties:
- Haugdahl - 6 Plex
 - 34th Street Flats
 - Belgrove
 - Cedar Ridge
 - Minnetonka Heights
 - Wilshire Wood
 - Stratfordwood I
 - Stratfordwood II Townhmes
 - Hunters Ridge
 - Glen Lake Landing (Senior)
 - Elmbrooke Town Homes
 - Cedar Hills Town Homes
 - Cedar Hills - West
 - Ridgepoint 1 (Senior)
 - Southampton

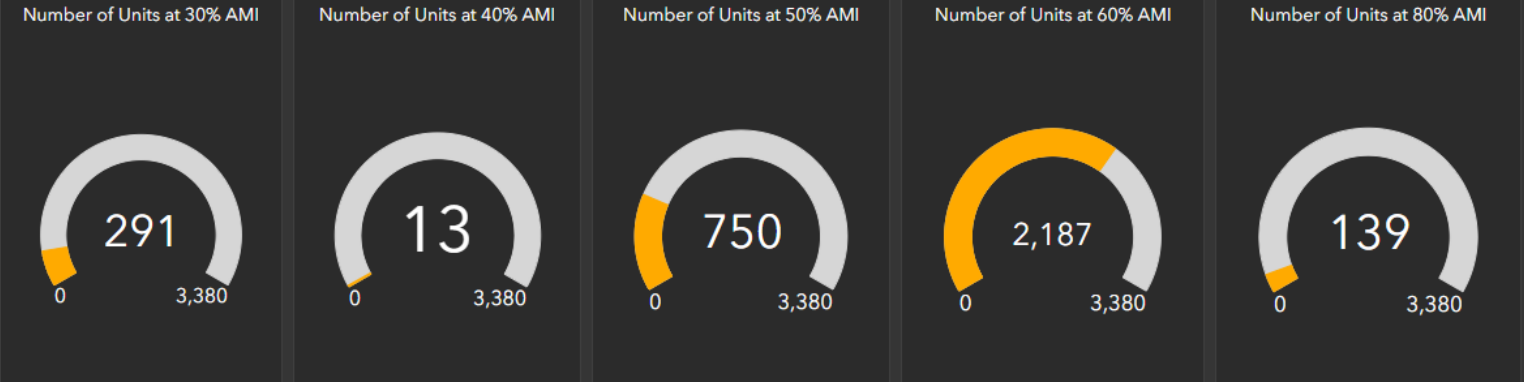
Inventory by Room Type



| | | | |
|-----------|-------|-----------|-------|
| Studio | 641 | 1-bedroom | 4,24k |
| 2-bedroom | 3.65k | 3-bedroom | 583 |
| 4-bedroom | 19 | | |



Metropolitan Council, MetroGIS, Three Rivers Park District, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS | Hennepin County Public Works Powered by Esri





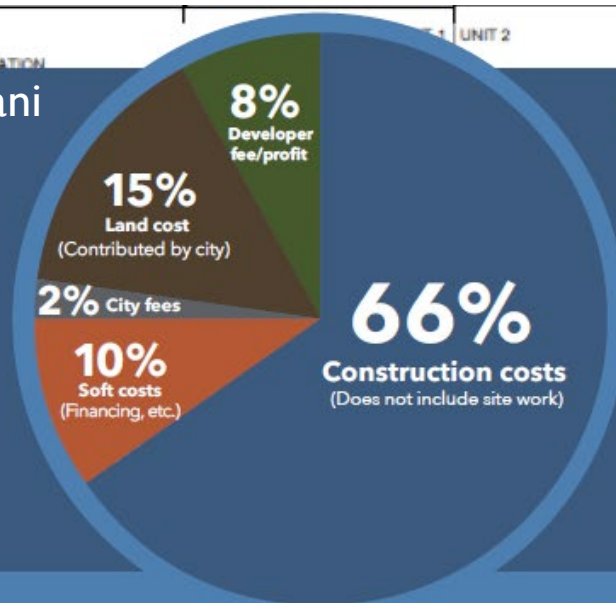
- Habitat for Humanity – a non-profit
- Amani Construction – a for-profit

Both projects cannot be sold affordably without significant public subsidy.

Architectural elevation drawing of a two-story building. The drawing includes the following labels and dimensions:

- Labels:**
 - NEW PROPERTY LINE
 - ROOF VENT
 - RAVEL SIDING
 - VERTICAL SIDING, ENGINEERED WOOD
 - ASPHALT SHINGLE ROOF TYP. THROUGHOUT
 - VENT. WINDOW TYP. ENERGY STAR RATED
 - WOOD, WOOD
 - ROCK-FACED BRICK WITH STONE WALL CONC. SLAB PORCH CONCRETE STOPS
 - 6"X6" OVERHEAD DOOR, TYP.
 - STUCCO SIDING
 - ROCK-FACED BRICK WALLS W/ROUGHT IRON RAILING
 - ROOF DRAINAGE STOPS DRIVEWAYS
- Dimensions:**
 - 3'-0"
 - 2'-0"
 - 2'-0"
 - UNIT 2
 - 2'-0"

Amani

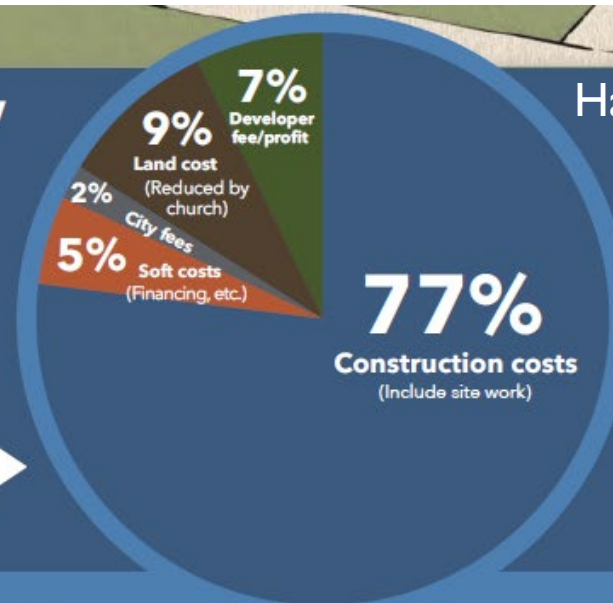


Units must sell at or below
\$290,300

City
prepped
site

Land cost
is reduced
by sale
from church

Habitat



2 units

60% subsidized

PUBLIC SUBSIDY SUMMARY

(total costs of project)

10 units

65% subsidized

| | | | |
|-----------------------------------|-----------|-----------------------------------|-------------|
| City subsidy (includes land cost) | \$612,746 | City subsidy (includes land cost) | \$750,000 |
| Other subsidy | \$488,634 | Other subsidy | \$5,983,110 |
| Total subsidy (per unit) | \$550,690 | Total subsidy (per unit) | \$673,311 |

BIGGEST COST DRIVERS

- **High construction costs** (materials and labor)
- **Land costs**
- **Affordability subsidy**
- **Both projects have an average sq/ft cost of \$380**

SOLUTIONS

- **Modular housing - prefab**
- **Rehabilitation of existing housing stock**



ZONING ORDINANCE

■ Evaluation:

- 2023. Hired consultant to review zoning ordinance regulations v. comprehensive plan goals.
- 2024. Consultant submitted a zoning diagnostic report identifying areas of conflict.
- 2024. Council direct staff to engage consultant for a full rewrite of the zoning ordinance.

■ Process:

- Four Participant Groups
- Four Rewrite Phases

■ Participants:

- Scheduled Work
 - Staff Workgroup
 - Community Workgroup
- Engagement and Feedback
 - Council, Boards and Commissions
 - Public

The full rewrite process will take roughly 18 months

January 2025 to late Spring 2026

Kick Off
(Workgroups)
~1 month

Calibration
(Workgroups)
~ 4 months

Codification
(Workgroups)
~ 4 months

Codification
(Public Engagement)
~ 9 months



Dialogue with State Legislators and Regional Leaders



Thanks for participating!