

Cities and Housing

House Housing Committee
January 21, 2021

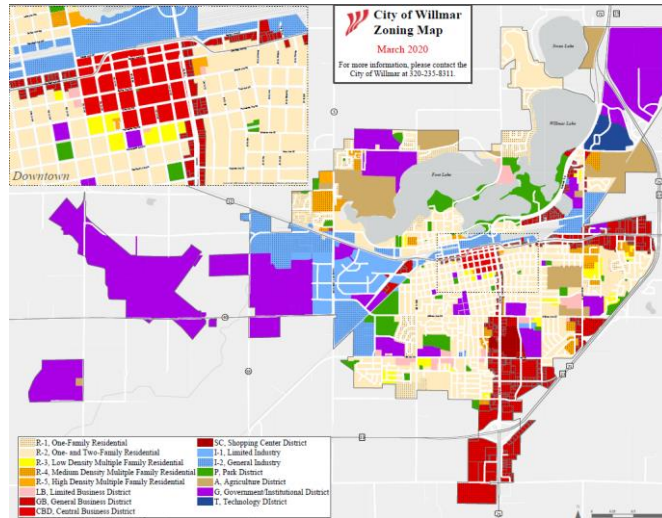
Daniel Lightfoot & Irene Kao



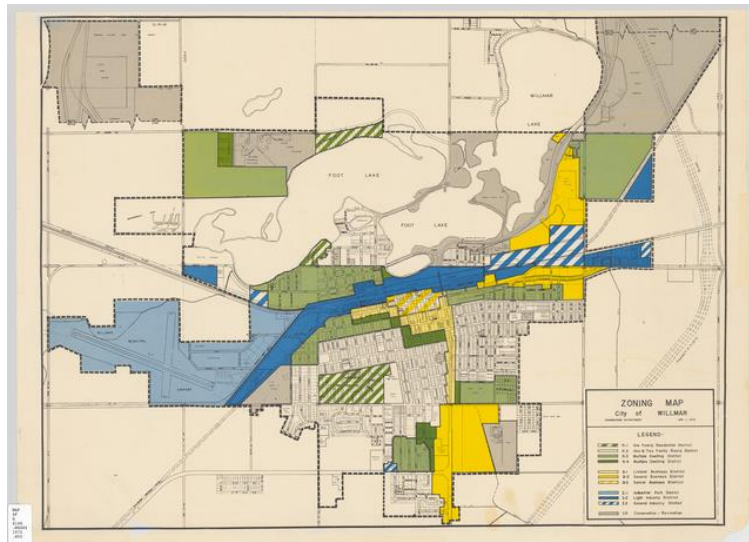
Zoning allows a city to control development of land within the community (residential, commercial, and industrial)

Cities use zoning to ensure land gets used in a way that promotes both the best use of the land and the **health, safety, and welfare** of residents

Willmar Zoning Map - 2020



Willmar Zoning Map - 1972



Renaissance Zone (RZ)

An economic development initiative to spur creativity, construct new housing, enhance diversity, and improve the quality of urban life in the heart of Willmar.

What monetary incentives are available in the RZ?

- Free City Permits
- Free Sewer Access Charges & Water Access Charges
- Forgivable Matching Loans for Façade Renovations
- Free City-Owned Land
- TIF or Tax Abatement
- 50% Reduction in WMU New Service Fees

Free City Permits:

Includes all Building Permits, Land-Use, and Sign Permits (nominal State fees still apply).

Free Sewer Access Charges & Water Access Charges:

Significant savings, as SAC and WAC is charged on a per plumbing fixture unit basis.

Forgivable Loans for Façade Renovations*:

Commercial property owners may apply for \$5,000 or \$10,000 matching forgivable loans that are payment free and forgiven 20% each year over their five-year term.

Free City-Owned Land*:

Awarded based on project satisfaction of RZ goals: Meets significant demand, Creativity, Provides Mixed-Income Housing, Feasibility, and Enhancement of pedestrian experience.

TIF or Tax Abatement*:

Projects must meet minimum thresholds:

- At least 10,000 square feet (gross)
- At least 3 stories
- At least 4 dwelling-units (mixed-use with housing component) or 10 dwelling-units (residential only)
- Projects with housing components must designate at least 5% or 1-unit (whichever is greater - 25% max.) for households earning up to 80% Area Median Income. These affordable housing units must have rents set at Fair Market Rent for Kandiyohi County as defined by HUD.
- Renovation project costs must be at least 50% of current assessed value.

2020 Minimum Investment Thresholds			
Term	Renovation	New Construction	Abatement Percentage
5 Years	\$30 SF	\$50 SF	100%, Years 1-5
10 Years	\$45 SF	\$75 SF	100%, Years 1-5 75%, Years 6-10
15 Years	\$60+ SF	\$100 + SF	100%, Years 1-5 75%, Years 6-10 50%, Years 11-15

Every project is unique!

Likewise, this handout cannot cover every detail of the Renaissance Zone program. Please meet with City staff to discuss your project and explore the possibilities.

Contact Us:

David Ramstad, PhD
Director, Planning & Development
City of Willmar
320-214-5184
dramstad@willmarmn.gov

Aaron Backman
Executive Director
Kandiyohi County & City of Willmar EDC
320-235-7370
aaron@kandiyohi.com

LEAGUE of MINNESOTA CITIES

Development Application Process



PLANNING AND
ZONING



ENGINEERING



BUILDING
INSPECTION



FIRE
DEPARTMENT



CITY
ADMINISTRATION

Office of the Revisor of Statutes

Retrieve by number

Rules ▾ GO

[Statutes](#)

[Laws](#)

[Rules](#)

[Court Rules](#)

[Constitution](#)

[Revisor's Office](#) ▾

[Search Law by Keyword](#)



Applicant (developer) provides
estimated permit value

Based on total construction work
– labor and materials

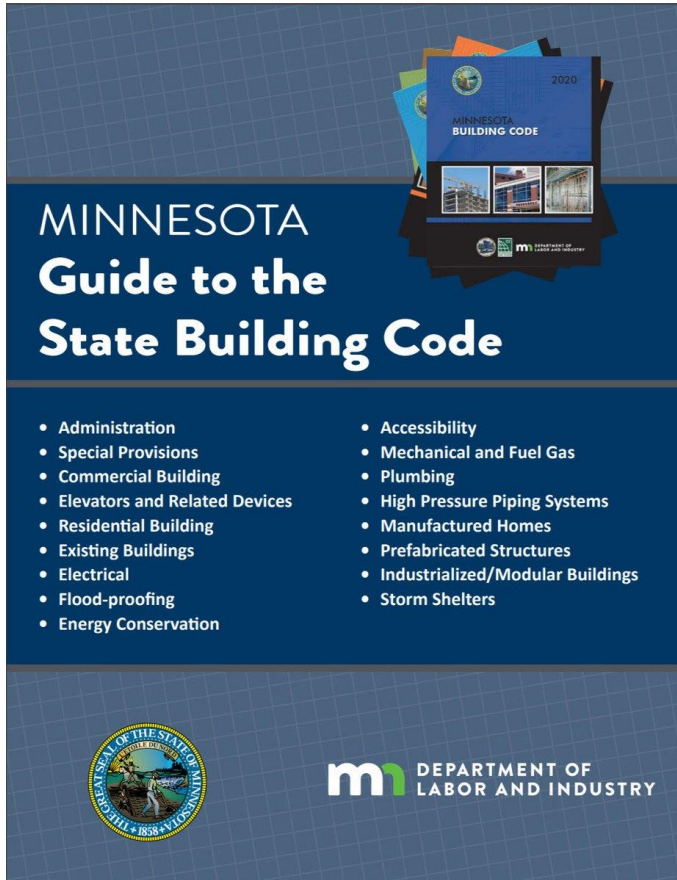


Building official verifies estimate



Based on city-adopted fee schedule,
building permit fee is set

Minnesota State Building Code



MN Department of Labor & Industry adopts/updates the State Building Code

- Standard that applies for construction, reconstruction, alteration, and repair of buildings and other structures governed by the Code

Some cities have adopted ordinances to administer and enforce the State Building Code

- Given work it takes administer the Code, some cities do not enforce the State Building Code
- Some cities have internal city staff, others hire out for enforcement

Cities: Local Housing Partner

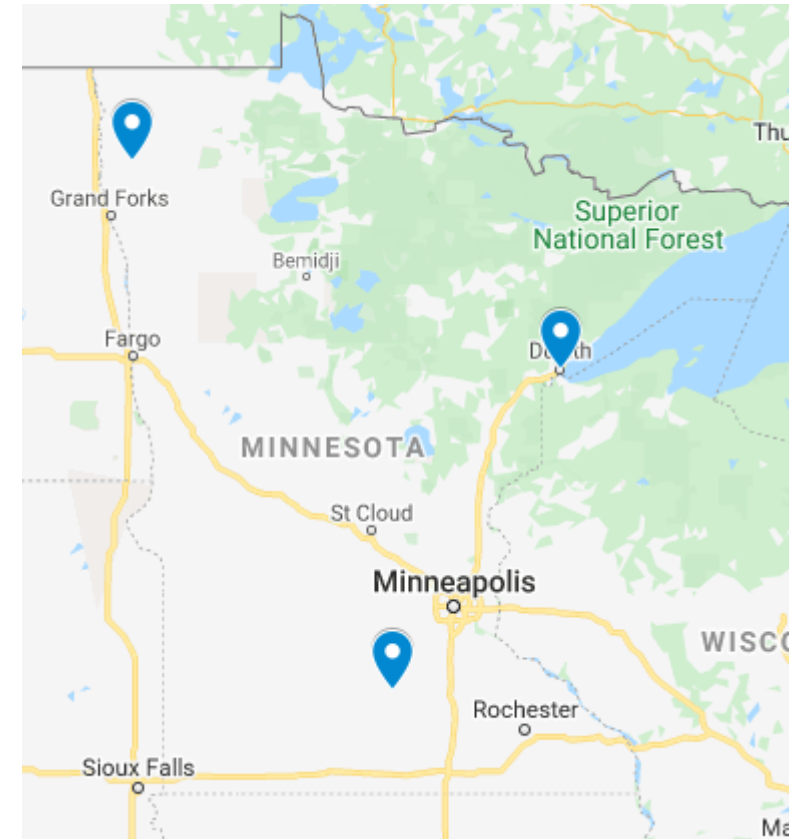


Low or No Cost City-Supplied Land

St. Peter supplied land for a 40-unit affordable housing project

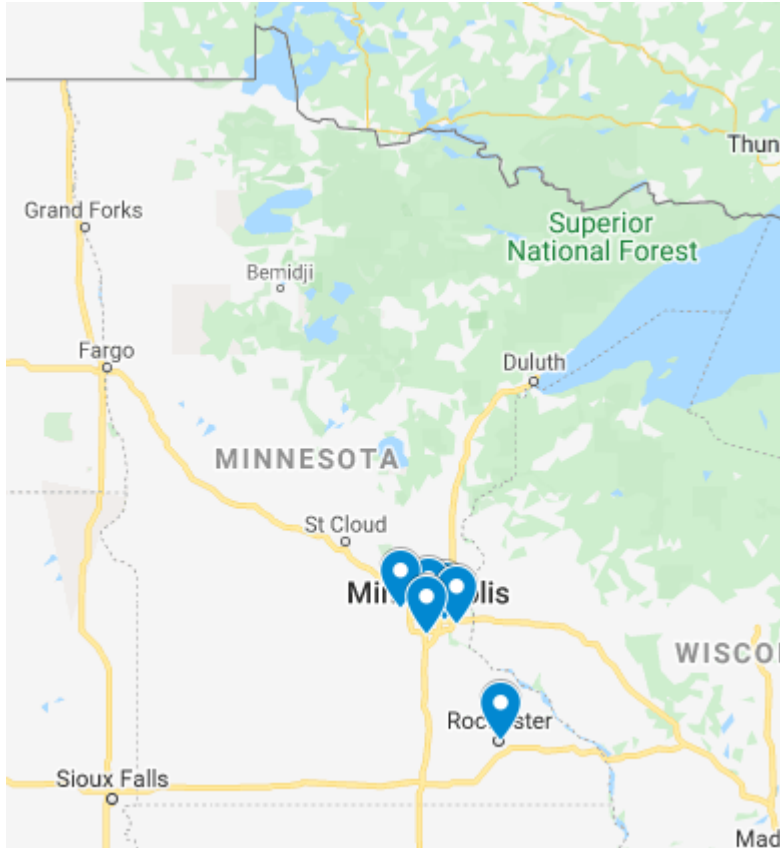
Duluth has given away free land at 13 sites in exchange for affordable housing projects

Argyle offers city-owned residential lots to prospective buyers for \$1 and pays any legal fees associated with the transaction





Density Bonuses

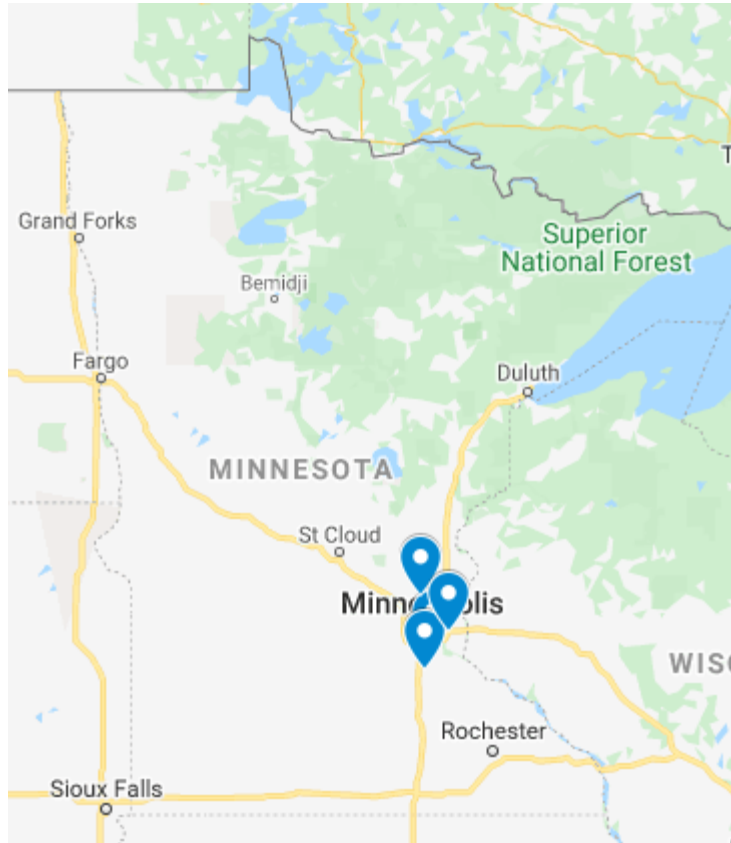


St. Paul and **Minneapolis** have density bonuses in their zoning code

Medina offers density bonuses for developments with certain design and construction features as does many other cities including **Woodbury**, **Rochester**, and **Bloomington**



Online Permitting Review



Eagan, Andover, Lakeville, and Maplewood have online building permit applications where applicants can apply, schedule inspections, and monitor progress via an online portal

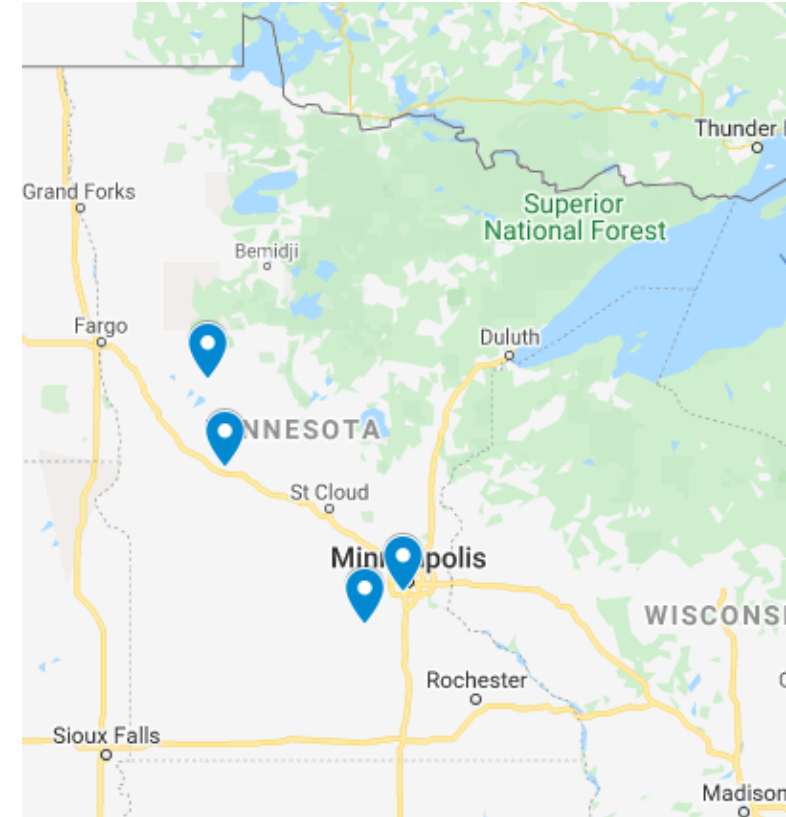


Tax Increment Financing (TIF)

Perham has housing TIF districts that include owner-occupied and rental housing options

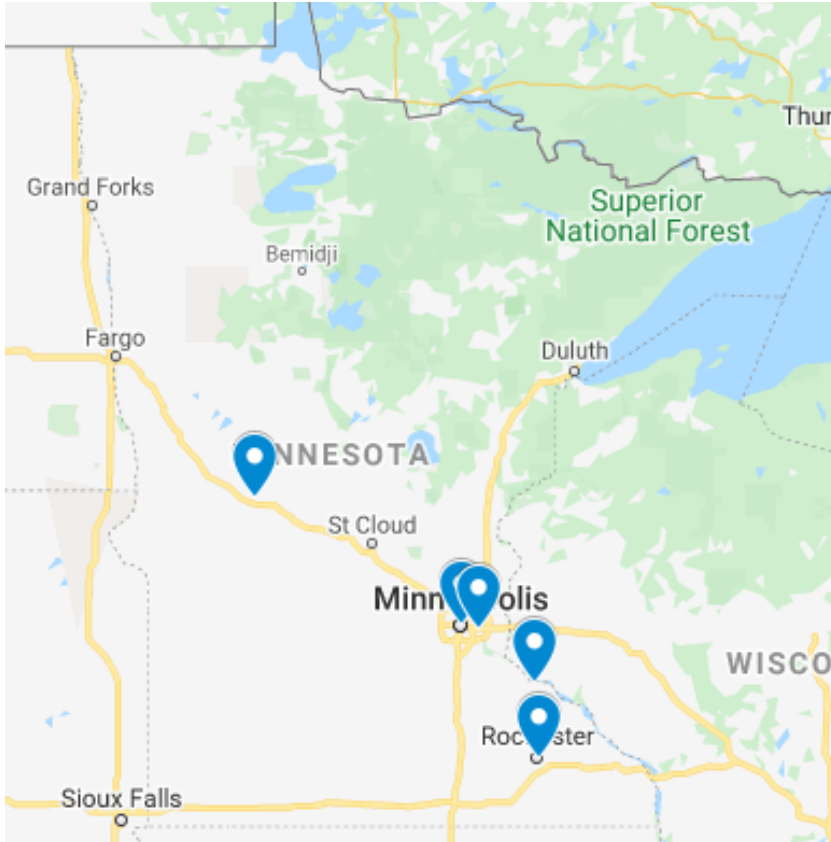
- Used TIF to benefit developers and reduce costs of special assessments for sewer, water, and street improvements for qualified homebuyers

Other recent examples include **Belle Plaine**, **Alexandria**, and **Edina**





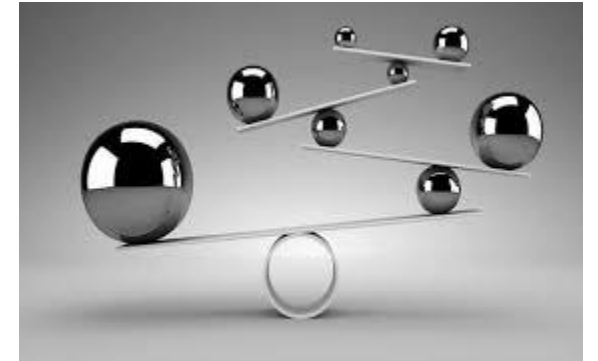
Local Housing Trust Funds



Red Wing established a Local Housing Trust Fund in 2015 and has provided homebuyer assistance loans to numerous families

Others include **Alexandria**, **Minneapolis**, **St. Paul**, and **Rochester**

Who pays when cities provide this support?



Taxpayers

Pandemic Impact



LEAGUE OF MINNESOTA CITIES

2021 LEGISLATIVE PRIORITIES

www.lmc.org/policies



Allow cities to adequately navigate and respond to economic challenges.



Ensure cities have tools to effectively respond to COVID-19 and manage city operations.



Partner to create safe and inclusive communities and address racial inequities.

State and Local Partnership

- Local Housing Trust Fund State Match
- TIF flexibility
- NOAH preservation tools and resources
- Economic Development & Challenge Fund Grant Program
- Workforce Housing Development Program
- Rental Rehabilitation Loan Program
- Capital Investment resources

Questions?

Irene Kao

Counsel

(651) 281-1260

ikao@lmc.org

@irenewkao



- Building code
- Civil liability
- Data practices & Open Meeting Law
- Employment law
- Land use & zoning

Daniel Lightfoot

Representative

(651) 281-1295

dlightfoot@lmc.org

@dflightfoot



- Broadband
- Cable/franchising
- Housing
- Telecommunications & information technology
- Wireless infrastructure