MUNICIPAL LEGISLATIVE COMMISSION

MLC 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

March 10, 2025

Dear Members of the House Housing Finance and Policy Committee:

This week, as you deliberate on bills aimed at addressing Minnesota's housing gap, the Municipal Legislative Commission (MLC)—a coalition of 18 cities representing nearly one million residents across the seven-county metropolitan region—would like to highlight the significant efforts our cities are already undertaking to enhance housing production and affordability.

MLC cities are committed to addressing housing challenges through innovative and diverse approaches. As illustrated in the attached city housing snapshots, these efforts include comprehensive planning, removing barriers to housing development with tailored local policies and ordinances, and local investments in affordable housing to provide a spectrum of options that meet the unique needs of our communities.

As you consider legislative changes, we urge caution regarding proposals that impose rigid restrictions on local land use and zoning authority. Such measures could undermine the progress our cities have made in responding to unique community needs. Instead, we advocate for incentive-based approaches that empower our cities to continue their effective work in expanding housing options. For more examples of the substantial housing efforts happening in MLC cities, please check out **MLC Housing** (https://www.mlcmn.org/housing).

We look forward to collaborating with you and the bill authors to advance solutions that build on existing successes while addressing the urgent need for affordable housing across Minnesota. Thank you for your leadership on this critical issue.

Sincerely,

James Hovland
Chair, MLC
Mayor, City of Edina

Attachments:
Housing Availability and Affordability in Bloomington
Affordable Housing in Eagan
Edina Housing Update
Lakeville Housing Snapshot
Minnetonka Housing Report
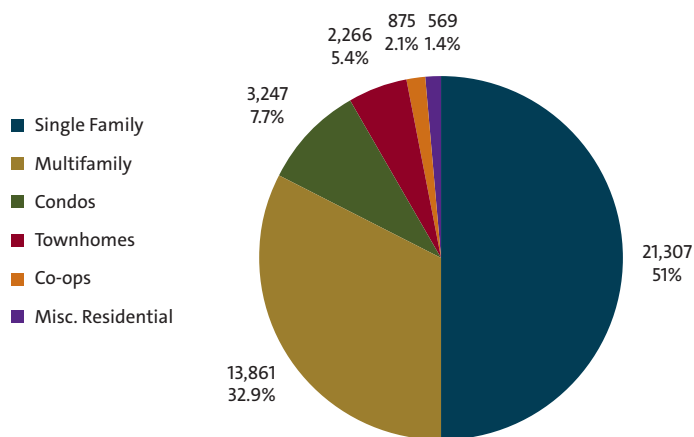Prior Lake Housing Update

BLOOMINGTON.
tomorrow. together.

Housing Availability and Affordability in Bloomington

Housing Units by Type

Single Family
Multifamily
Condos
Townhomes
Co-ops
Misc. Residential

2,266 5.4%
875 2.1%
569 1.4%
3,247 7.7%
21,307 51%
13,861 32.9%

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

The City has 42,125 taxable housing units. There are 21,307 Single Family, 569 Misc. Residential, 13,861 Multifamily, 3,247 Condos, 2,266 Townhouse, and 875 Co-op Units.

- 91,537 residents
- 39,634 households
- 2.3 persons per household
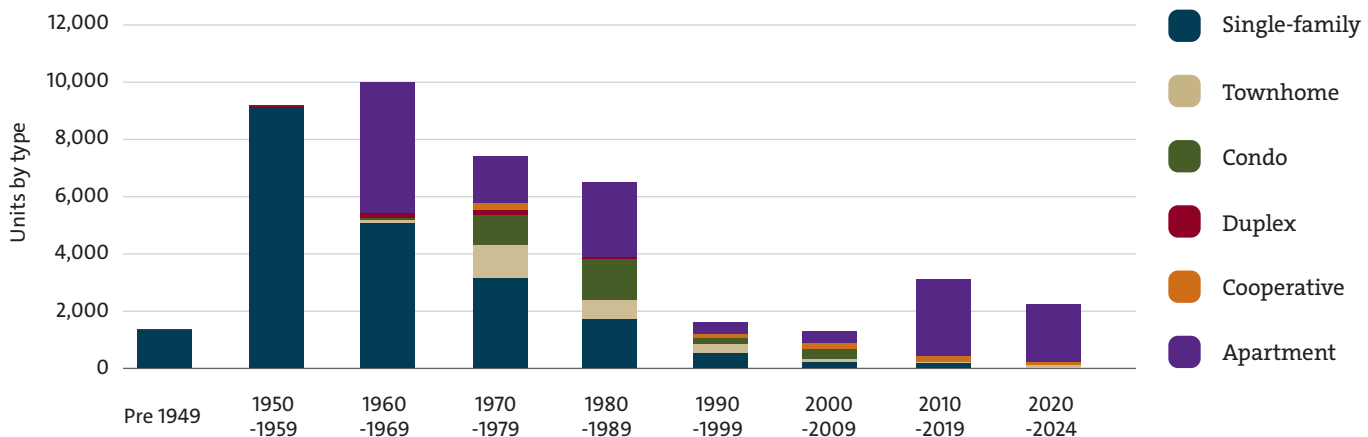
Met Council and US Census Bureau

- 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

Units by type

Single-family
Townhome
Condo
Duplex
Cooperative
Apartment

Pre 1949 | 1950-1959 | 1960-1969 | 1970-1979 | 1980-1989 | 1990-1999 | 2000-2009 | 2010-2019 | 2020-2024

CITY OF
BLOOMINGTON
MINNESOTA

Bloomington has seen steady residential development since the 1950s and is fully developed. To meet today's housing needs with limited available land, the City promotes redevelopment and infill development and focuses on these four areas:

1. People centered programming

Bloomington's Housing Redevelopment Authority runs numerous programs that strive to create a stable and inclusive community through safe and dignified housing. Key programs include:

- Rental assistance (500+ Housing Choice Vouchers)
- 42 HRA-owned rental homes
- Home rehab loans / Emergency rehab loans
- Downpayment assistance
- Rent to own program, called Rental Homes for Future Homebuyers
- Many other education and outreach programs

2. Remove barriers to housing production

Bloomington is reviewing its codes and development processes to remove barriers to the production of housing, including considering ways to allow for and promote the development of missing middle housing and the conversion of offices to housing. Recent changes to support housing production include:

Zoning code changes:

- Simplified standards for Accessory Dwelling Units (ADUs)
- Reduced setbacks, minimum lot and unit size, and parking for single- and two-unit sites

Development process changes:

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

3. Require affordability

Opportunity Housing Ordinance (OHO)

In 2019 Bloomington approved the Opportunity Housing Ordinance (OHO) that includes inclusionary zoning standard with both requirements and incentives.

- 9% of new units must be affordable at 60% Area Median Income (AMI)
- Between 2020 and 2024
  - 13 multifamily projects entitled under the OHO
    - 11 projects utilized incentives, most frequently parking stall reduction, tax increment financing, and alternative exterior materials
    - 2 projects paid fee in lieu
- 616 of the 2,586 units (23%) are affordable up to 60% AMI
- 322 of the 2,586 units (12%) are affordable up to 50% AMI
- Producing housing at 30% AMI is the most challenging, typically requiring Housing Choice Voucher program involvement. 40 of the 2,586 units (1.5%) are affordable at 30%.

4. Fund the financial gap

Housing Trust Fund

In 2019 the City created an affordable housing trust fund and funded it with $15M in bonds through Old National Bank. The Housing Trust Fund was used to support 5 projects that resulted in 524 new and 306 preserved affordable units.

Affordable Homeownership

The City partners to build new affordable homeownership housing. A planned project with Habitat for Humanity and Homes Within Reach will result in 6 new affordable homes. And a grant from Minnesota Housing will fund a new home development program to produce 27 new affordable homes.

Rehabilitation loans for affordable apartments

On an ongoing basis, the City's HRA works with apartment owners to support renovations that preserve existing affordable units.

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

AFFORDABLE HOUSING IN EAGAN

2021
Lexington Flats

50 units, 50%–60% AMI, one- to three-bedroom units, LIHTC

- Supported increased density and building coverage
- Allowed reduced building and parking setbacks
- City supported low-income tax credit financing
- Low-income housing tax credit financing (LIHTC)

EAGAN
WHERE EVERYONE THRIVES

How does the City of Eagan encourage affordable housing developments?

2022
Aster House

204 units, 30% 50–70% AMI, one- to three-bedroom units, LIHTC-TIF

- Allowed increased density
- Allowed for reduced building setbacks, reduced enclosed parking, and recreation areas
- $750,000 HOPE loan from local levy source
- City supported use of tax increment financing (TIF) and LIHTC

2024
Nicols Pointe

24 units, 30% AMI, one-bedroom units, seniors & veterans preference

- Supported reduced parking, storage, and recreation area
- 100% funded by the Dakota County American Rescue Plan (ARP) State and Local Fiscal Recovery Funds

2024
The Haven at Eagandale

120 units, 60–80% AMI, one- to two-bedroom units, conversion of former extended stay hotel

- Waived enclosed parking stalls (120 required)
- Supported reduced parking and reduced trash enclosure setbacks
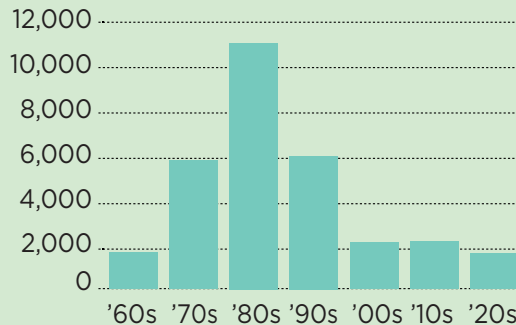
2025
Veteran's Village

22 units, one- and three-bedroom units, veterans housing

- Increased density
- Reduced building setbacks, enclosed parking, storage space, and recreation area
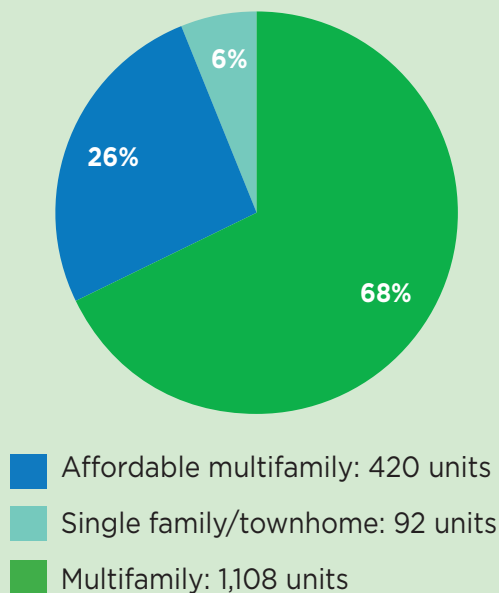
HOUSING STOCK IN EAGAN

Eagan housing units by year

Bar chart axis: 12,000 / 10,000 / 8,000 / 6,000 / 4,000 / 2,000 / 0
Categories: '60s '70s '80s '90s '00s '10s '20s

Affordability

- 45% of all licensed rentals are estimated affordable at 60% or below area median income
- 19% of all ownership housing is valued under $290K
- 26% of new housing qualified as affordable

New housing units 2020–2024

Pie chart: 26% / 6% / 68%

- **Affordable multifamily: 420 units**
- **Single family/townhome: 92 units**
- **Multifamily: 1,108 units**

- Eagan is a fully developed and mature city
- Eagan's housing stock largely constructed in '70s–'90s
- Over 30,100 housing units in the city
- 31% of all units are multifamily
- 1,620 new housing units constructed within the past five years.
- 94% of new housing built within the past five years is multifamily

Total housing units by type

31% | 69%

- Multifamily: 9,485
- Single family/townhome: 20,693
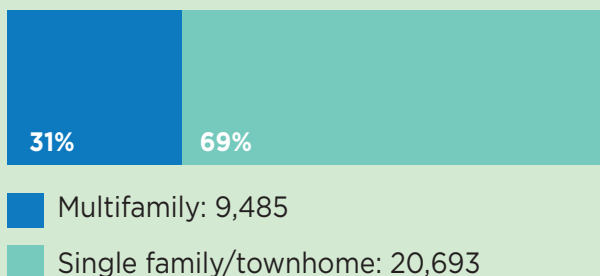
Housing tenure (all units)

32% | 68%

- Licensed rentals: 9,615
- Owner occupied: 20,563
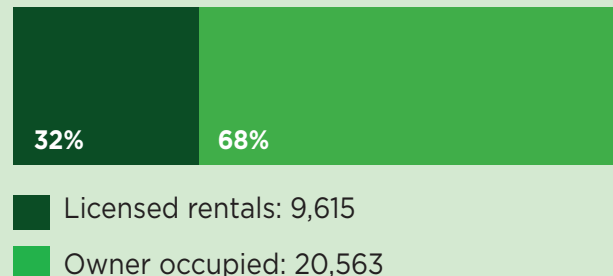
EAGAN
WHERE EVERYONE THRIVES

Edina Housing Demographics

Fast Facts

- 7% of land in Edina is zoned for multifamily housing
- 11% of new multifamily housing is rated "affordable"
- Edina has a housing performance score of 92.99
- 900 affordable units in Edina
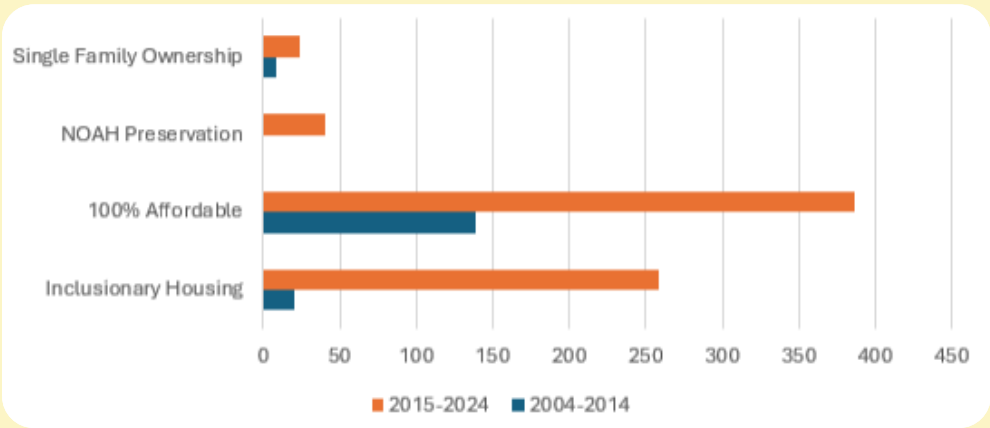- 1,804 affordable housing units are needed in Edina by 2030

Comprehensive Plan Goals for Affordable Housing

	Forecasted Need	Approved	% of Need
Total Units	1804	586	32.5%
<30% AMI	751	22	2.9%
31–50% AMI	480	260	54.2%
51–80% AMI	573	304	53.1%

Affordable Housing Policy

Affordable Housing Approved Before and After Adoption of the Affordable Housing Policy

Legend: ■ 2015-2024 ■ 2004-2014

Categories: Single Family Ownership, NOAH Preservation, 100% Affordable, Inclusionary Housing

Edina's Affordable Housing Policy was adopted in 2015, helping to spur such development and the preservation of naturally occurring affordable housing (NOAH). Not all units that have been approved have been built.

Multifamily Rental

Since 2020, 1,851 apartment units have been developed in Edina, of which 321 (17.3%) are affordable. In this time period, three 100% affordable apartment buildings have been added, breaking a dry spell for such development. Previously, the last all-affordable housing development was built in 2014 with 39 affordable apartments.

Affordable Housing Goals by 2030

Total Rental Units

1.6k

Affordable and Market Rate since 2020

Affordable Housing Units
(Forecasted Need of 1804 Units)

0   **581**   1.8k

Units <30% Area Median Income
(Forecasted Need of 751 Units)

0   **22**   751

Units 31-50% AMI
(Forecasted Need of 480 Units)

0   **260**   480

Units 51-80% AMI
(Forecasted Need of 573 Units)

0   **250**   573

Affordable Developments since 2020
- The Lorient
- Millennium Sixty-Six, Phase 1
- Amundson Flats
- The Sound on 76th
- 4040 Flats
- The Eddi at Pentagon Village
- Maison Green
- 5146 Eden Co-ops
- The Finch
- 5100 Eden Ave
- Affordable Ownership Preservation
- Metro HRA
- 7200 France Apartments

Metropolitan Council, MetroGIS, Three Rivers Park District, Esri, TomTom, Garmin, SafeGraph, GeoTe...   Powered by Esri

Affordable Housing Type

Single-family 2.93%

Multi-family 97.07%

Single-family housing requires about 6x more City financial assistance per unit than Multi-family

Affordable Housing Status

Under Construction 5.88%

Approved, No Financing 17.65%

Approved 23.53%

Completed 52.94%

Rental Housing Support

- SPARC program
- Tax-increment financing
- Federal-, State- and County-financed projects
- Emergency rental assistance
- Fair Housing Policy
- Tenant Protection Policy

Multifamily Ownership

In 2024, the City approved what could be its first affordable condominium project (A nine-unit co-op approved in 2022 fell through.) Enclave Companies and Lifestyle Communities plan to subdivide the 9-acre site of the current Macy's Furniture & Mattress Gallery at 7235 France Ave. into three separate lots. Four buildings were approved for construction on the site. The southwest parcel will include an 11-story building with 49 senior condominiums, office and retail space.
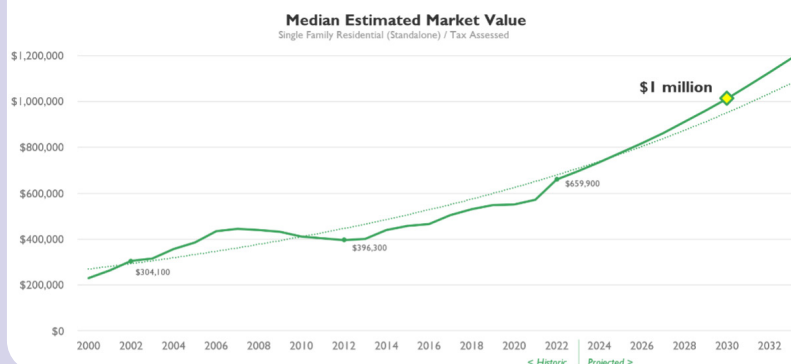
Single-Family Ownership

Between 2004 and 2014, Edina added nine single-family houses into a Community Land Trust to secure affordability for 99 years. From 2015 to 20214, the City more than doubled that with 20 additional houses being placed into a Land Trust and sold to eligible buyers.

Since 2020, 72 households have benefited from the Come Home 2 Edina downpayment assistance program, including 12 first-generation homebuyers. (The first-generation homebuyer program was established by the City in 2021.) $4,137,614 in subordinate mortgage financing was provided, leveraging $19,245,991 in home purchases.

Housing affordability is at risk in Edina as the median home value in the community continues to increase. It is projected that the median home value in Edina will be $1 million by 2030.

Housing Affordability At Risk
Example: Single Family Housing Values (Projected)

Median Estimated Market Value
Single Family Residential (Standalone) / Tax Assessed

$1 million

$659,900

$396,300

$304,100

< Historic   Projected >

Stephanie Hawkinson, Affordable Housing Development Manager
Planning Division
shawkinson@EdinaMN.gov
952-833-9578
OpenDoorsEdina.org
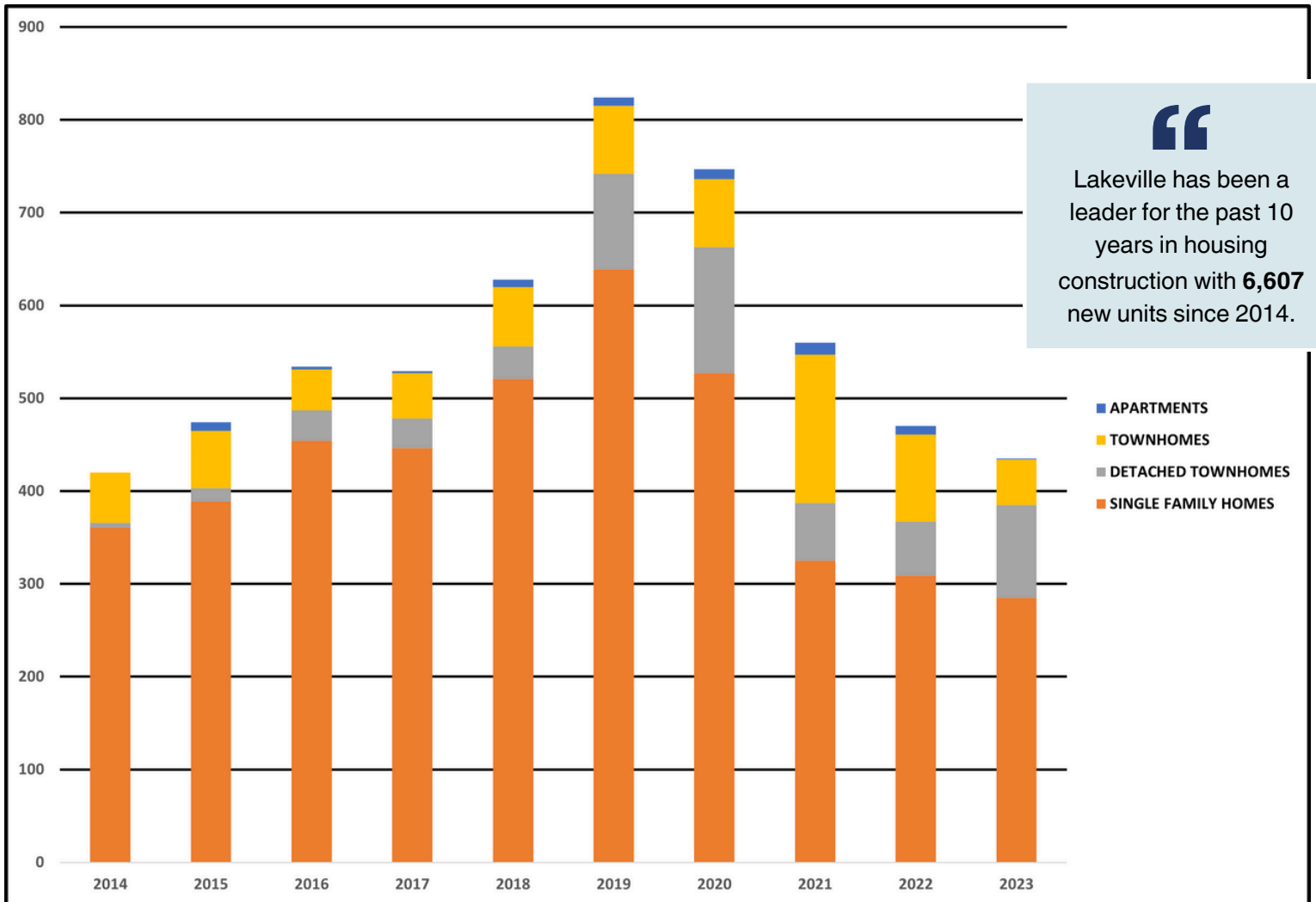
CITY OF EDINA, MINNESOTA · INCORPORATED 1888

OpenDoors EDINA

Residential Units Permitted

> " Lakeville has been a leader for the past 10 years in housing construction with **6,607** new units since 2014.

Legend:
- ■ APARTMENTS
- ■ TOWNHOMES
- ■ DETACHED TOWNHOMES
- ■ SINGLE FAMILY HOMES

Lakeville's population has grown 9.7% since 2020 and exceeded the Metropolitan Council's 2030 forecast of 74,600 by July 2023.
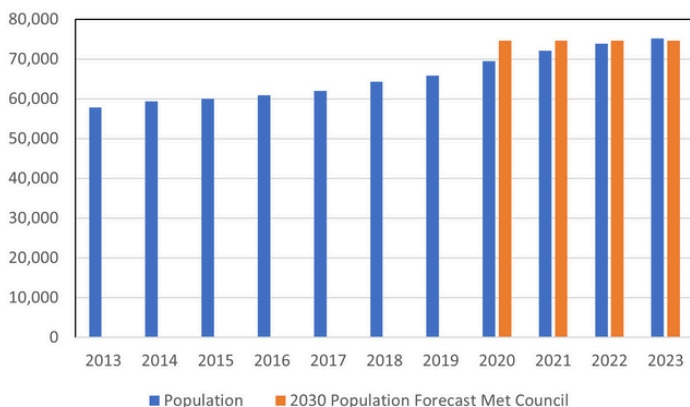
City of Lakeville Population Data

Legend:
- ■ Population
- ■ 2030 Population Forecast Met Council

As we look to the future, Lakeville will continue to be a leader in unit production. The City has **525** available single-family lots and **731** available townhome lots, with an additional **314** single-family and **337** townhome lots waiting for final platting. Altogether, this equates to a total of **1,907** lots in the pipeline ready for builders.
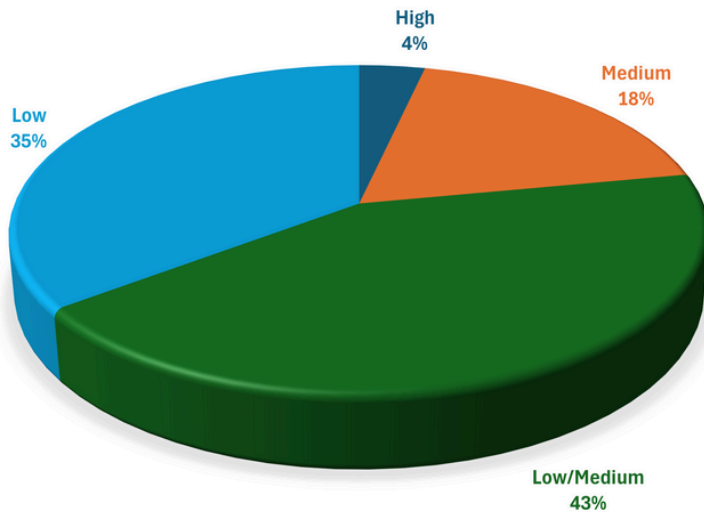
HOUSING SNAPSHOT

Community Values: A home for all ages and stages of life.

Remaining Developable Residential Acres

High 4%

Medium 18%

Low 35%

Low/Medium 43%

Lakeville has added over **1,500** multi-family units, of which 25% are affordable, to its housing stock in the last seven years and continues to support new apartment projects. Currently, the City has **460** units with entitlements moving through our development pipeline.

Lakeville has **1,945** acres available for new residential development. Of this, **77%** of the acres are available for single family with lots as small as 55' wide. The remaining **22%** of acres are available for higher density development, like townhomes and apartments.
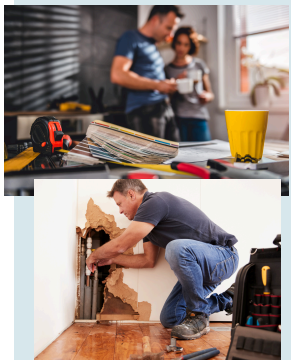
☑ Lakeville has expanded programs to **maintain and rehabilitate existing housing**.
- Community Development Block Grant funds are requested annually to assist residents with home rehabilitation.
- The City Council approved the use of Local Affordable Housing Aid funds for home improvement and radon mitigation grants.

☑ Lakeville operates a **residential rental registration program** to ensure rental housing is decent, safe and sanitary.
- The program builds strong partnerships with rental property owners.
- Registration is free for property owners.
- Over 650 properties have registered since December 2023.

20195 Holyoke Avenue, Lakeville, MN 55044 | LakevilleMN.gov

Minnetonka Housing Demographics

Minnetonka HOUSING

Minnetonka was one of the first communities to participate in the Livable Communities Act when the Minnesota legislature created it 30 years ago. In that time, the city has continued to lead the way in developing and achieving comprehensive plan housing goals.

GOAL 1 Encourage diversity of affordable housing types, sizes and prices

Rental housing support

- Affordable Housing Trust Fund
- TIF funding
- State and federally financed projects
- Housing policy
- Rental assistance

GOAL 2 Create partnerships and programs to ensure affordable housing longevity

Housing ownership support

- HRA Home Loans
- Pathways to Homeownership
- CDBG Loans
- Homes Within Reach program
- Indexing (limit resale price)
- City-owned properties

18,804 owned units
26% affordable

9,099 rental units
33% affordable

27,903 total units
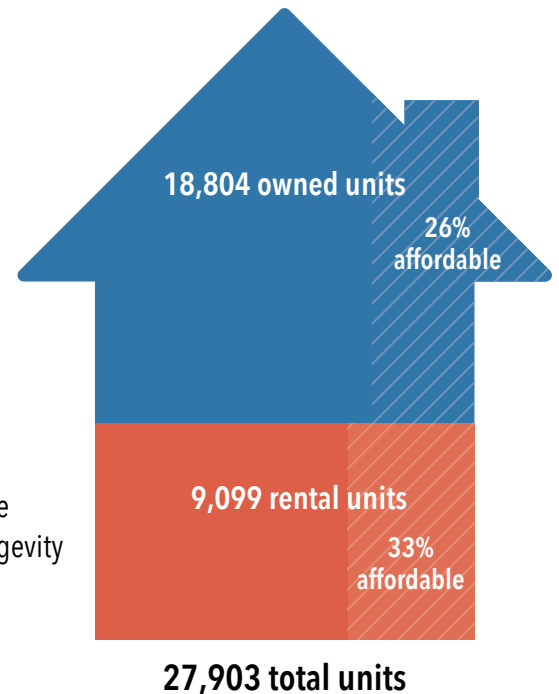
Minnetonka prioritizes housing production affordability.

2011–20 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental and ownership)	246–378	679 (276% achieved)
New lifecycle unit	375–800	1,655 (441% achieved)

2021–30 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental & ownership)	558–1064	752 (135% achieved to date)
New lifecycle units	2400	1,336 (55% achieved to date)

In the past five years, 2,809 multi-unit households have been added in the city; 28 percent are affordable.

CITY OF MINNETONKA

GOAL 3

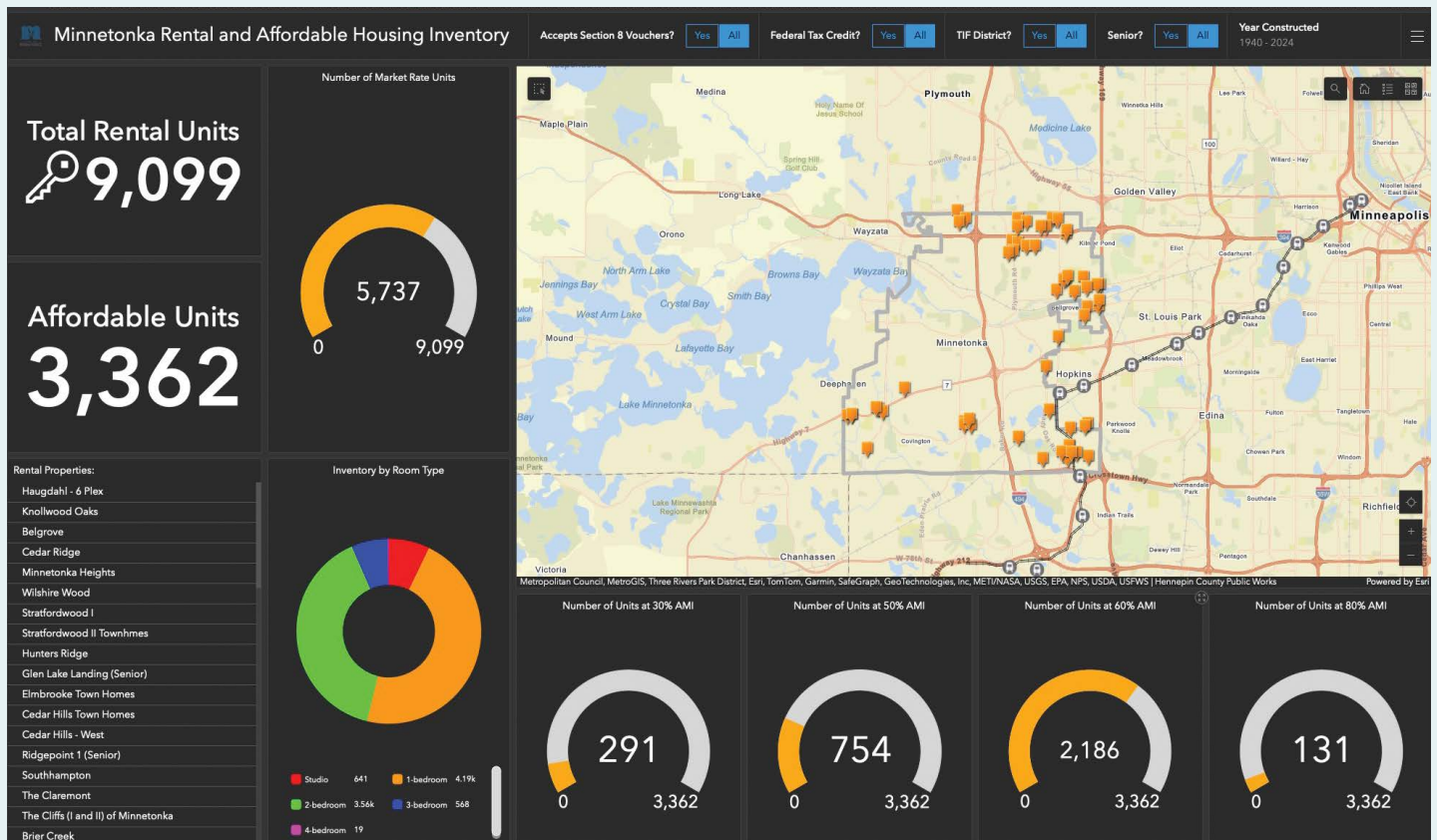Strengthen neighborhoods through improving and preserving existing housing stock

Minnetonka's housing trust fund helped support the rehabilitation of Cedar Hills Townhomes, improving the living conditions and sustainability of the development for 30 very low-income families.

GOAL 4

Provide and promote affordability information

The housing dashboard helps identify affordable options across the community, including rentals, townhomes and condos and senior living options. A third of the city's rental units are affordable.
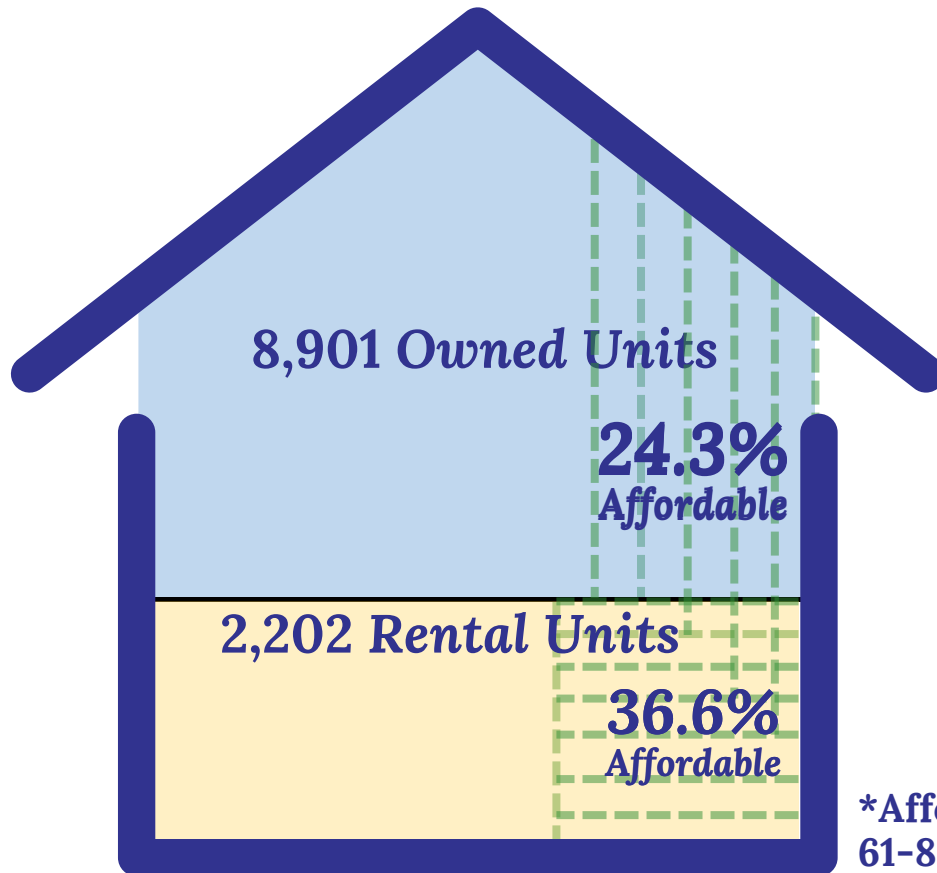

Minnetonka Rental and Affordable Housing Inventory

Accepts Section 8 Vouchers? Yes All   Federal Tax Credit? Yes All   TIF District? Yes All   Senior? Yes All   Year Constructed 1940 - 2024

Total Rental Units
🔑 9,099

Affordable Units
3,362

Number of Market Rate Units
5,737
0 — 9,099

Rental Properties:
- Haugdahl - 6 Plex
- Knollwood Oaks
- 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
- The Claremont
- The Cliffs (I and II) of Minnetonka
- Brier Creek

Inventory by Room Type

- Studio 641
- 2-bedroom 3.56k
- 4-bedroom 19
- 1-bedroom 4.19k
- 3-bedroom 568

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

Number of Units at 30% AMI
291
0 — 3,362

Number of Units at 50% AMI
754
0 — 3,362

Number of Units at 60% AMI
2,186
0 — 3,362

Number of Units at 80% AMI
131
0 — 3,362

CITY OF MINNETONKA

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PRIOR LAKE HOUSING

CITY OF PRIOR LAKE
MINNESOTA

CURRENT CONDITIONS

8,901 Owned Units

24.3%
Affordable

2,202 Rental Units

36.6%
Affordable

*Affordable
61-80% AMI

11,103
TOTAL HOUSING UNITS

PRIOR LAKE HOUSING

NEW CONSTRUCTION 2015-2024

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

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.

33.6%
Multi-Family Units

10% Duplex/Tri/Quad

56.4%
Detached Units
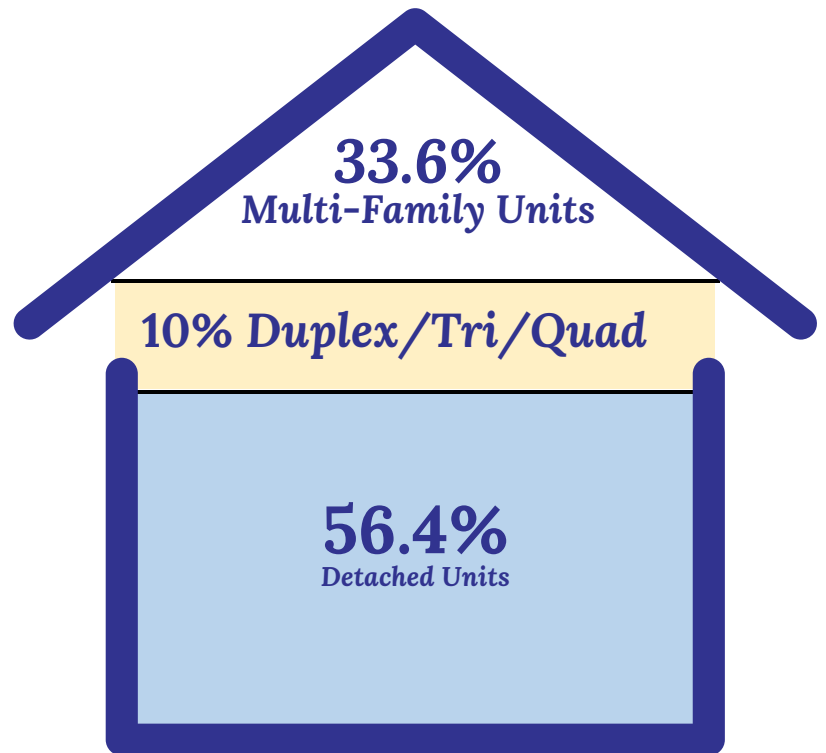
1,894
TOTAL HOUSING UNITS

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