



CITY OF EDINA

Policy on Affordable Housing

Background

The City recognizes the need to provide affordable housing in order to maintain a diverse population and to provide housing for those who live or work in the City. Since the remaining land appropriate for new residential development is limited, it is essential that a reasonable proportion of such land be developed into affordable housing units. As such, the City of Edina adopts the following Affordable Housing Policy:

The Policy

1. This policy applies to all new multi-family developments of 20 or more units that require a re-zoning to Planned Unit Development (PUD) or a Comprehensive Plan amendment.
2. New rental developments will provide a minimum of 10% of all rentable area at 50% affordable rental rates or 20% of all rentable area at 60% affordable rental rates as defined below.
3. New for sale developments will provide a minimum of 10% of all livable area at affordable sales prices as defined below.
4. New rental housing will remain affordable for a minimum of 15 years, and this requirement will be memorialized by a land use restrictive covenant.
5. Recognizing that affordable housing is created through a partnership between the City and developers, the city will consider the following incentives for developments that provide affordable housing:
 - A. Density bonuses
 - B. Parking reductions
 - C. Tax increment financing
 - D. Deferred low interest loans from the Edina Housing Foundation
6. It is the strong preference of the City that each new qualifying development provide its proportionate share of affordable housing, however, the City recognizes that it may not be economically feasible or practical in all circumstances to do so. As such, the City reserves the right to waive this policy (only if circumstances so dictate, as determined by the City). In lieu of providing affordable housing in each new qualifying development, the City may consider the following:
 - A. Dedication of existing units in Edina equal to 110% of what would have been provided in a proposed new development. These units would need to be of an equivalent quality, within the determination of the City.
 - B. New construction of units of an equivalent quality within the City at a different site, at the discretion of the City.
 - C. Participation in the construction of affordable dwelling units of an equivalent quality by another developer on a different site within the City.
 - D. An alternative proposed by a developer that directly or indirectly provides or enables provision of an equivalent amount of affordable housing within the City.

Definitions

Rental Housing

Either 10% of all rentable area is both rent restricted and occupied by persons whose income is 50% or less of area median gross income,

Or 20% of all rentable area is both rent restricted and occupied by persons whose income is 60% or less of area median gross income.

Both incomes (adjusted for family size) and rental rates (adjusted for bedroom count and including utilities) are updated annually by the Minnesota Housing Finance Agency (MHFA) and published at www.mnhousing.gov. 2015 income and rental limits are as follows:

	Gross Incomes			Gross Rents	
	60%	50%		60%	50%
1 Person	\$36,420	\$30,350	Studio	\$910	\$758
2 Persons	\$41,580	\$34,650	1 Bedroom	\$975	\$812
3 Persons	\$46,800	\$39,000	2 Bedroom	\$1,170	\$975
4 Persons	\$51,960	\$43,300	3 Bedroom	\$1,351	\$1,125
5 Persons	\$56,160	\$46,800	4 Bedroom	\$1,507	\$1,256
6 Persons	\$60,300	\$50,250			

Ownership Housing

10% or more of all livable area is affordable to and initially sold to persons whose income is at or below the levels set in the MHFA’s “Startup Program” (first time homebuyer). This program has a sales price limit of \$310,000. The Edina Housing Foundation has set this limit at \$350,000 in consideration of the high prices in Edina. The Foundation would recommend the following sales prices be used as the acquisition limit in this definition:

1 bedroom	\$250,000
2 bedrooms	\$300,000
3+ bedrooms	\$350,000

The 2015 income limits as published on the MHFA website are as follows:

1-2 person household	\$86,600
3+ person household	\$99,500

Income limits and maximum sales prices are updated annually. See www.mnhousing.gov.

Effective: November 1, 2015