



SOUTHWEST LRT
community works

Southwest Corridor Housing Strategy

Metropolitan Council Community Development Committee

February 16, 2016

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MINNEHAHA CREEK
WATERSHED DISTRICT



Community Works Steering Committee

Policymakers from partner organizations who provide guidance and direction for the SWLRT Community Works program and work to advance its goals.

- Hennepin County*
- Hennepin County Regional Railroad Authority
- Metropolitan Council
- City of Minneapolis*
- City of St. Louis Park*
- City of Edina*
- City of Hopkins*
- City of Minnetonka*
- City of Eden Prairie*
- Minnehaha Creek Watershed District
- Minneapolis Park and Recreation Board
- SouthWest Transit
- Urban Land Institute



Housing Workgroup



** Funding partners for the Southwest Corridor-wide Housing Gaps Analysis, 2014*

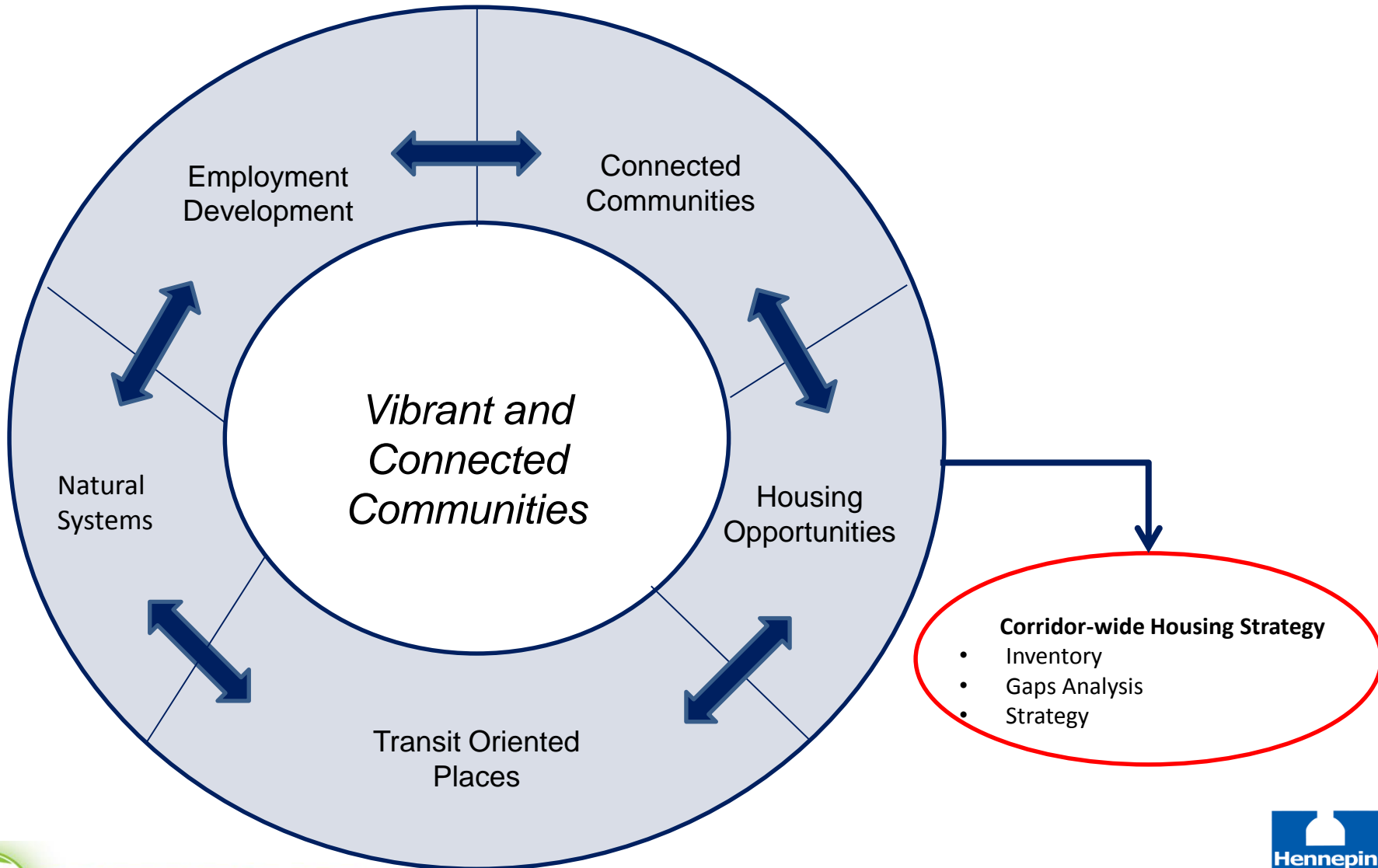
Southwest Community Works

Vision: Collaborate and partner so that Southwest Corridor becomes a **premier destination** that is **accessible, livable and vibrant**.

Housing Goal: Positioning the Southwest LRT communities as a place for all to live.

Investment Principle: Provide a full range of housing choices.

Southwest Community Works



Provide a full range of housing choices

Inventory

- What is present today?

Gaps Analysis

- What are the gaps between what exists, what will be the projected demand and its market feasibility?

Strategy

- Market feasibility + housing policy goals
- How do we get there? What can we do together?

Value of Corridor-wide Collaboration

Successful collaboration creates shared benefits and enables cities to do more – better – together than they can do alone.

- Create and sustain healthy communities
- Provide lifecycle housing for existing residents
- Achieve individual city goals
- Leverage resources
- Increase economic competitiveness
- Provide consistency of approach
- Sustain and improve the Southwest LRT New Starts score



Stakeholder Outreach

- **Developer and Funder Roundtables**
 - August 20, 2015
 - 15 housing developers and 8 funders participated.
- **Housing Advocate Roundtable** – September 8th
 - 8 housing advocates participated.
- **Community Advisory Committee** – August 25th
- **Business Advisory Committee** – August 26th
- **City Council study session presentations** – St. Louis Park (September), Hopkins (October), Edina (January)
- **City Authorities & Commissions** – Minnetonka (April), St. Louis Park (November)
- **Upcoming:** Met Council Community Development Committee (February)
- **Other outreach:** ULI Housing Committee, Hopkins Housing meeting sponsored by LISC and Blake Road Corridor Collaborative, Housing Collaborative Institute



Strategy Goal:

Southwest LRT Community Works Housing Goal:

Position the Southwest LRT communities as a place for all to live.

Southwest LRT Community Works guiding principle for investment: *Provide a full range of housing choices.*

New Construction targets:

- Approximately 11,200 new units within ½ mile of the Corridor by 2030.
 - 3520 units affordable at 100% AMI and below
 - 2265 of those units affordable at 80% AMI and below
 - 1314 new home ownership units
 - 950 of the new home ownership units affordable to entry-level and mid-market owners

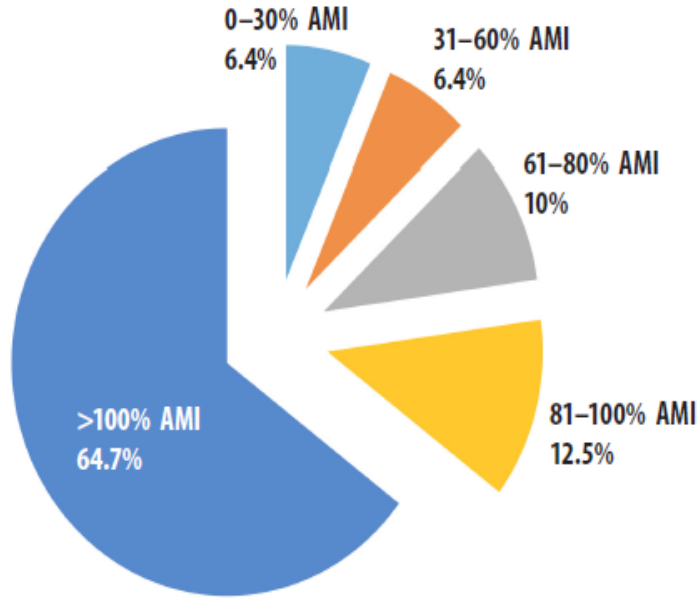
Preservation targets:

- Preserve 3800 unsubsidized affordable rental units, affordable at 60% AMI and below, within ½ mile of the Corridor by 2030

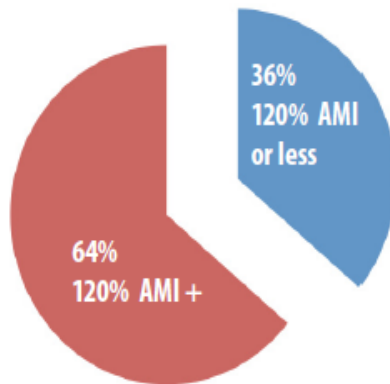
Affordable Housing Targets

Affordability targets for new construction:

Rental

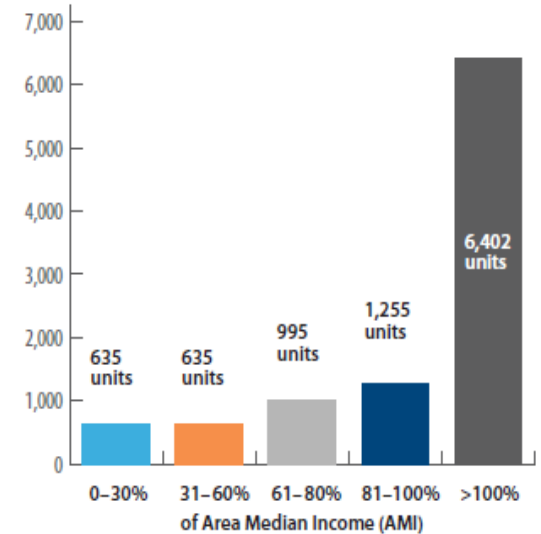


Homeownership



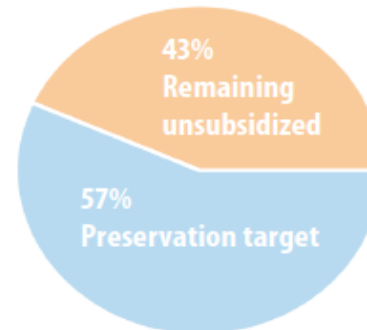
Southwest Corridor-wide Housing Strategy new development target rental housing: 2,265 units affordable at 80% AMI or below*

0 – 30% AMI: 635 units
 31 – 60% AMI: 635 units
 61 – 80% AMI: 995 units
 81 – 100% AMI: 1,255 units
 > 100% AMI: 6,402 units
Total units: 9,922



Corridor Preservation Target

Unsubsidized affordable rental = 6700 units



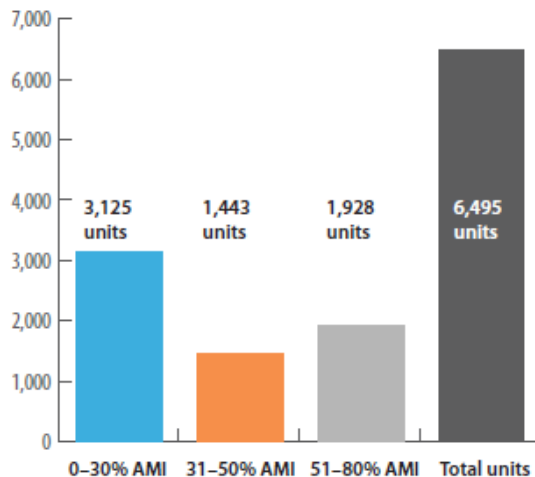
Affordable Housing Targets

The Corridor Housing Strategy targets represent about 35% of Metropolitan Council's Need Allocation for the five Corridor cities.

Metropolitan Council allocation of need for affordable housing within five of six corridor cities 2021–2030: 6,495*

City-wide allocation of need for affordable housing in five of six corridor cities, per Metropolitan Council

- 0 – 30% AMI: 3,124 units
- 31 – 50% AMI: 1,443 units
- 51 – 80% AMI: 1,928 units



*new development is allocated to the five corridor cities with METRO Green Line Extension LRT stations: Eden Prairie, Hopkins, Minneapolis, Minnetonka and St. Louis Park. Edina is a corridor city but does not have a LRT station within its boundaries.

\$82,833

*Area median income (AMI) for a family of four in the Minneapolis/St. Paul/Bloomington Metropolitan Statistical Area (MSA)**

\$50,580

*Southwest Corridor household median income***

Southwest Corridor median Income for workers

Household Income	Percent of corridor workers	Affordable monthly rent
\$1,250 and less	21%	\$375
\$1251 – \$3333	27%	\$376–\$1,111
\$3,334 and greater	52%	> \$1,112

* United States Department of Housing and Urban Development 2014

** Southwest Corridor-wide Housing Inventory, 2013

Area Median Income and Corridor Wages

How much do people pay for “affordable” housing?

\$82,833

Area median income (AMI) for a family of four in the Minneapolis/ St. Paul/Bloomington Metropolitan Statistical Area (MSA)

Based on area median income (AMI) for a four-person household*

Monthly rent	AMI	Annual Income
\$0 – \$621	0 – 30%	up to \$24,850
\$622 – \$1244	31% – 60%	\$24,851 – \$49,740
\$1,245 – \$1,598	61% – 80%	\$49,741 – \$63,900
\$1,599 – \$2,071	81% – 100%	\$63,901 – \$82,833

\$50,580 Corridor household median income**

Southwest Corridor median Income for workers

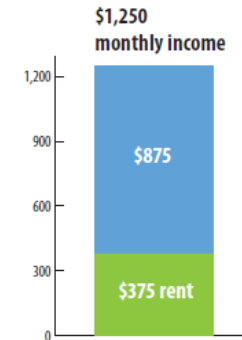
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** Southwest Corridor-wide Housing Inventory, 2013

Affordable rents, based on sample occupations and their average salaries

- \$776 assembly worker
- \$595 home health aide
- \$772 nursing assistant
- \$755 teacher assistant
- \$844 school bus driver
- \$571 restaurant cook
- \$640 bank teller



Source: Family Housing Fund, Southwest Housing Gaps Analysis, 2014

Objectives

1) Develop new housing opportunities

- mix of unit types with values and rents

2) Preserve existing housing opportunities

- existing subsidized and unsubsidized housing stock
- maintain opportunities to use Section 8 vouchers in corridor units.

3) Expansion and Improvement of technical, financial and regulatory tools

- Utilize existing and develop new
- Modify regulatory tools

4) Market the Corridor



Pocket Neighborhood design



Naturally occurring affordable housing, St. Louis Park

Implementation Strategies

Primary strategies (*corridor-wide*):

- Explore costs/benefits, mechanics and legislative authority for **joint financing mechanisms**.
- Maintain and improve the **quality of existing aging housing stock**.
- Leverage private and philanthropic investments through a **TOD Housing fund**.
- Provide marketing resources and expertise to **promote the corridor**.
- Develop metrics to **track progress** toward unit targets over time.



Mixed income townhomes

Implementation Strategies

Primary strategies (city/county specific):

- Develop and adopt a **clear and consistent vision, goals and affordability targets** for development within ½ mile of LRT stations.
- Implement **infrastructure recommendations** from the Investment Framework.
- Maintain and enhance policies to promote **increased density and a mix of uses**.



*United Health Group
campus*

Implementation Strategies

Secondary strategies:

- Develop coordinated mixed-income (inclusionary housing) policy language. (**corridor-wide**)
- Review existing affordability agreements for subsidized properties. (**corridor-wide**)
- Engage large corridor employers to strategically invest in preservation and production of affordable housing. (**corridor-wide**)
- Utilize creative tools and resources around key development sites. (**city/county specific**)
- Seek non-and for-profit developers with proven expertise in providing affordable housing to the lowest income households. (**city/county specific**)
- Explore creative financing tools for mixed income projects. (**city/county specific**)

Partners in Implementation

- Southwest LRT Community Works
 - Strategy adopted by the Steering Committee – January 21, 2016
- Hennepin County
- Funders
- Advocates
- Cities
- Metropolitan Council/SPO
- Developers
- Employers



Next Steps

Housing Workgroup:

- Develop a work plan to move implementation strategies forward.
- Track progress on corridor-wide strategy implementation.
- Engage regularly with policymakers and stakeholders.

Seek city/county support for the four key objectives:

- Encourage integration of tools in zoning, development plan review and funding allocation decisions.
- Incorporate the Corridor Housing Strategy in development or updates to housing policies and comprehensive plans.
- Determine mix of unit types and affordability.
- Seek city goals for preservation and new construction at various affordability levels for each station area, to apply to corridor targets.



LISC Corridor Development Initiative (CDI) workshops



Next Steps

Seek city/county support for the Corridor Housing Strategy
Q1 – Q2 2016

Develop a work plan to move implementation strategies forward.
Q1 – Q2 2016

Track progress on corridor-wide strategy implementation.
2016 – on-going

Engage regularly with policymakers and stakeholders
On-going

More information/feedback

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