6:30 p.m.  CITY COUNCIL SAFETY TRAINING – Council Chambers

7:00 p.m.  STUDY SESSION – Community Room

Discussion items

<table>
<thead>
<tr>
<th></th>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7:00 p.m.</td>
<td>Boards and commissions discussion</td>
</tr>
<tr>
<td>2</td>
<td>7:45 p.m.</td>
<td>Redevelopment objectives for Wooddale Avenue Station Site RFP</td>
</tr>
<tr>
<td>3</td>
<td>8:30 p.m.</td>
<td>Future study session agenda planning and prioritization</td>
</tr>
<tr>
<td></td>
<td>8:50 p.m.</td>
<td>Communications/updates (verbal)</td>
</tr>
</tbody>
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8:55 p.m.  Adjourn

Written reports

<table>
<thead>
<tr>
<th></th>
<th>Report</th>
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<tbody>
<tr>
<td>4</td>
<td>Accessory dwelling units</td>
</tr>
<tr>
<td>5</td>
<td>Proposed allocation of 2020 Community Development Block Grant (CDBG) funds</td>
</tr>
<tr>
<td>6</td>
<td>Affordable Housing Trust Fund (AHTF) Use Guide - Amended</td>
</tr>
<tr>
<td>7</td>
<td>Cedar Place redevelopment</td>
</tr>
</tbody>
</table>
Executive summary

**Title:** Boards and commissions discussion

**Recommended action:** Provide time for council to discuss various aspects of the city’s boards and commissions.

**Policy consideration:** Is the council in agreement with the proposed aspects of the city’s boards and commissions?

**Summary:** The annual meeting with the city’s boards & commissions is scheduled for February 24, 2020 at 6:00 p.m. at Treehouse. In addition, the council will be meeting with each commission individually over the spring.

Staff will also present the schedule for the annual recruitment process for boards and commissions. The appointments to the seven boards and commissions occurs annually. The application period for the annual appointment process began January 2, 2020 and will remain open through February 28, 2020.

**Financial or budget considerations:** Not applicable

**Strategic priority consideration:**
- St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.
- St. Louis Park is committed to continue to lead in environmental stewardship.
- St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.
- St. Louis Park is committed to providing a variety of options for people to make their way around the city comfortably, safely and reliably.
- St. Louis Park is committed to creating opportunities to build social capital through community engagement.

**Supporting documents:** Discussion

[July 23, 2018 study session agenda](#)

[November 26, 2018 study session agenda](#)

**Prepared by:** Maria Solano, senior management analyst

**Approved by:** Nancy Deno, deputy city manager/HR director
Discussion

Annual meeting with all boards and commission
The annual meeting for all boards and commissions with the city council is scheduled for February 24, 2020 from 6:00 p.m. – 8:00 p.m. at Treehouse (5757 Wayzata Blvd). Similar to years past, each commission will be given a few minutes to review highlights from the past year. New this year there will be a performance by members of Wat Promwachirayan.

Annual work plan meeting (individual board and commission meetings)
Work Plans: Annual work plans ensure that the priorities of the city council and boards and commissions are aligned and that the city has the appropriate resources to support board and commission work. The annual work plan process enables boards and commissions to propose their goals and initiatives for the upcoming year and provides the city council with the opportunity to review, comment, and discuss the information with each board/commission before giving final direction on priorities.

Annual Cycle: Staff liaisons will work with the city’s board and commissions to draft their work plans. The city council will review the proposed work plans and provide feedback. Similar to last year, staff will schedule 30-minute meeting with each commission in the spring. The work plans can be modified to add or deleted items by mutual agreement during a joint work session or by city council approval at a council meeting. The city council can direct a change to any of the board and commissions work plans at their discretion.

Annual board and commission recruitment process: Appointments to the seven different boards and commissions occur annually. The application period for the annual appointment process began January 2, 2020. City staff will advertise and recruit applicants until February 28, 2020. In March the city council will review and evaluate the applications submitted. Candidate interviews will be held early May. Formal appointments will go to the city council for approval at the second regular meeting in May. Terms for newly appointed board/commission members begin on May 31.

2020 appointment schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – February</td>
<td>1. Advertisement and recruitment activities</td>
</tr>
<tr>
<td></td>
<td>2. Application system available online</td>
</tr>
<tr>
<td>February 28</td>
<td>Application deadline</td>
</tr>
<tr>
<td>Week of March 2</td>
<td>Applications provided to council for review and scoring</td>
</tr>
<tr>
<td>March 23</td>
<td>Council scores due to admin svcs and selection of candidates to interview</td>
</tr>
<tr>
<td>Week of March 30</td>
<td>Notify candidates of application status and schedule interviews</td>
</tr>
<tr>
<td>April 13</td>
<td>Candidate interviews at City Hall</td>
</tr>
<tr>
<td>May 11</td>
<td>Candidate interviews at City Hall</td>
</tr>
<tr>
<td>May 11</td>
<td>Appointment recommendations due to staff</td>
</tr>
<tr>
<td>May 18</td>
<td>Formal approval of appointments</td>
</tr>
</tbody>
</table>
Executive summary

Title: Redevelopment objectives for Wooddale Avenue Station Site RFP

Recommended action: Provide feedback on the redevelopment objectives for the draft SWLRT Wooddale Avenue Station Site RFP.

Policy consideration: Are there specific provisions the economic development authority (EDA)/city council would like included in the request for proposals (RFP) for the Southwest Light Rail Transit (SWLRT) Wooddale Avenue Station Site?

Summary: The EDA owns the redevelopment site at 5950 36th St. W. (“site”). The city has long had plans for a signature transit-oriented development (TOD) at this location next to the planned SWLRT Wooddale Avenue Station.

In 2017, non-profit developer PLACE and the EDA entered into a contract in which PLACE agreed to purchase the site and construct a mixed-use, mixed income redevelopment on the property. At the November 18, 2019 study session, PLACE informed the EDA that its proposed Via Luna project would not be moving forward. As a result, the EDA is seeking another developer for the site. Staff proposes to solicit development plans through a request for proposals (RFP) process.

Before proceeding, staff wishes to check in with the EDA/city council, review previous and current redevelopment objectives of the site and obtain consensus/majority feedback as to any additional objectives or requirements the EDA/city council would like included in the RFP before it is distributed later this year.

Financial or budget considerations: The EDA is expected to incur minimal costs related the proposed RFP process for the SWLRT Wooddale Avenue Station Site.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Greg Hunt, economic development coordinator
Sean Walther, planning supervisor
Jennifer Monson, planner
Meg McMonigal, principal planner
Emily Ziring, sustainability manager

Reviewed by: Karen Barton, community development director

Approved by: Nancy Deno, deputy city manager/HR director
Discussion

**Background:** The Southwest Light Rail Transit (SWLRT) Wooddale Avenue Station Site is located in the Elmwood neighborhood at the northeast corner of Wooddale Avenue South and 36th Street West. The site consists of one parcel: 5950 W. 36th Street which is 1.78 acres and owned by the EDA. It is occupied by a vacant 16,700-square-foot commercial building (formerly occupied by Nash Frame) and a municipal parking lot.

**Transportation access:** The subject site has outstanding access to multi-modal transportation as it is just southeast of the Highway 7/Wooddale Avenue South interchange and about a quarter mile west of the Highway 100/36th Street West interchange. The Cedar Lake Light Rail Transit (LRT) Regional Trail is across the railroad tracks to the north and there is a Metro Transit bus stop in front of the site on 36th Street West. Additionally, the site will have direct access to light rail transit in 2023 when the SWLRT Wooddale Avenue Station opens. Thus, the site will be highly accessible from sidewalk, road, trail and transit (both bus and light rail).

**Site constraints/challenges/opportunities:** Due to the transit-oriented nature of the site, vehicular access to the Wooddale Avenue Station Site is limited to a right-in/ right-out on 36th Street. Full access to the site needs to be provided from Yosemite Avenue, near the southwest LRT “kiss and ride” drop off, for the surrounding traffic network to operate at acceptable levels per a 2017 traffic study.

On-street parking adjacent to the redevelopment site is limited along West 36th Street due to the proximity of the intersection, and on-street parking is prohibited along Wooddale Avenue. The west side of the site is at grade with the LRT platform, which creates a unique opportunity to activate the station area and the ground floor of the redevelopment site. Due to the grades
on the east side of the site, a retaining wall is required between the LRT sidewalk along the site’s north property line and the site’s driveway from Yosemite Avenue.

The majority of stormwater requirements have been accommodated in the regional Hoigaard Stormwater Pond north of 36th Street on the west side of Highway 100, however additional rate and volume control mitigations will be necessary for the redevelopment of the site.

**Previous planning studies**: Over the last two decades, four major planning studies were conducted in anticipation of future development at the SWLRT Wooddale Station. They are summarized below.

In 2003, the county and city jointly completed the [Elmwood Area Land Use, Transit and Transportation Study](#) which provided a thirty-year vision for redevelopment, infill development and infrastructure changes in the Elmwood area, and included specific recommendations for the Wooddale Avenue Station Site. The plan envisions the north side of West 36th Street as a mixed-use node with retail/service uses on the ground floor and housing above to help establish 36th Street as the “main street” for the Elmwood area. The plan also recommends an urban civic space in the form of a pocket park or plaza that “represents the area’s quality and vitality” be incorporated into the redevelopment of the southeast quadrant of Wooddale Avenue and West 36th Street.
In 2009, a Station Area Plan was completed for the Wooddale Station which envisioned the Wooddale area as mixed-use transit village with an intensified urban, dense, and walkable pedestrian-oriented environment. The plans anticipate mixed-use development with ground floor retail and housing above as the dominant building type along major streets. Additional plan recommendations included:

- Continue to expand on the mixed-use and residential uses surrounding the station that have been developed.
- Focus the highest intensity development on Wooddale Avenue and W. 36th street.
- Introduce mixed-use development with ground floor retail and upper floor housing and office space along W. 36th Street in order to create better cohesion with the Beltline station area to the east of Highway 100.
- Enhance the connections to the existing city grid and sidewalk network.
- Respect the adjacent established residential neighborhoods and design redevelopment projects to transition in scale and pattern from higher density near the LRT station to a lower scale adjacent the existing single-family housing.
- The transit plaza near the station should also be designed to encourage year-round pedestrian use, form the foreground to civic activity, and provide a positive amenity to residents and transit users.
- The streetscape should be robust and should include sidewalks, pedestrian scaled lighting, street trees and plantings, street furnishings, bike racks and public art.

In 2013, LISC (Local Initiatives Support Corporation) helped the city evaluate the development potential for the Wooddale LRT Station area, with special emphasis on the subject site. The Corridor Development Initiative (CDI) process involved multiple meetings with neighbors, the city, the county, community and business representatives, along with developers, in a workshop format. The intent was to provide a framework for housing and mixed-use, transit-oriented development on the site. Through discussions and a planning exercise, the assembled group explored the possibilities for the site, and created a number of development scenarios. Participants were brought to understand some of the market realities at this particular location before any development proposals were considered. Developers providing hands on feasibility analysis of the scenarios at the meeting, as well as feedback on the ideas for development.

The LISC process ultimately provided the following development objectives for the subject site:

**Goal 1: Enhance Neighborhood Assets and Character**
- Continue to reinforce a connected, walkable, mixed-use, sustainable neighborhood, with a pedestrian-oriented and human-scale streetscape.
- Promote high-quality design, with a diversity of construction materials
- Encourage a diversity of architectural designs that preserve the aesthetic appearance and appeal of the neighborhood with appropriate scale and mass to the surrounding buildings.
- Add green space or pocket parks to soften the built environment that would allow for outdoor use year-round.
- Enhance a sustainable neighborhood by promoting energy efficiency and renewable energy.
• Create opportunities to live, work, learn, play – the spectrum of elements for a healthy community.
• Provide for a range of housing types and affordability to meet the needs of all people throughout their life and changing lifestyle needs.
• Enhance the intergenerational opportunities in the community.
• Strengthen the vitality of the area through increased density and mixed commercial and residential uses.
• Encourage businesses that fit into and serve the needs of the community.
• Utilize universal design principles that can respond to changing demographic needs and anticipate innovative ways to address the dynamic and changing needs of residents.
• Consider use of these guidelines to support more cohesive future development along the corridor.

Goal 2: Enhance Connections to Reinforce Pedestrian, Bus, and Bike Access
• Consider “complete street” design to better accommodate multi-modal users on 36th Street and Wooddale.
• Pursue transit-oriented design that enhances multi-modal access.
• Connect site / LRT station area to bike trail.
• Utilize landscaping and streetscape amenities to create stronger pedestrian district.
• Limit surface parking with new development by incorporating underground or structured parking.

Goal 3: Encourage Development of Mixed Use / Mixed Income Projects

Additionally, public support was expressed for:
• Seamlessly integrating the station into the site.
• Something that creates a “wow” experience.
• A mixed-income and mixed-use development.
• Compact development with public art and green space.
• Flexible space that can adapt as needs change.
• The option of a trail attraction, offering a convenient stop-off spot for bikers and pedestrians.
• Locally owned businesses and strengthening opportunities for residents to live and work in the area.
• Encourage public private partnership for infrastructure.
• Welcome developers and businesses that operate with equity principles of hiring and wages.

In 2015 a Transitional Station Area Action Plan (TSAAP) was completed for the Wooddale Station which analyzed the key challenges and opportunities within the Wooddale station area. The plan recommended the station area continue to develop into a predominantly residential transit-oriented neighborhood that utilize active uses at the street level to activate the station area. Key recommendations of the plan included:
• Continue to build a mix of medium- to high-density residential uses along West 36th Street with retail or commercial uses next to the highway.
• Design new buildings to enhance pedestrian access by orienting them towards streets, the LRT platform, and open spaces and locating them as close to the street line as possible.
• Incorporate active ground level uses on buildings adjacent to the station and facing onto West 36th Street and Wooddale Avenue.
• Provide additional setbacks on buildings at the intersection of Wooddale Avenue and West 36th Street to provide additional room for passengers transferring between the bus and LRT
• Explore opportunities for a mid-block connection between West 36th Street and the eastern end of the station platform to improve connections between bus and LRT service.
• Introduce a public plaza adjacent to the station along Wooddale Avenue to provide spill-out space for active uses facing the station and to act as a receiving point for passengers walking to the station or transferring to the LRT by bike.
• Minimize the impact of parking and circulation on pedestrians by locating parking below grade or to the rear of new buildings in structures and consolidating access and service drives.
• Accommodate retail and short-term parking on-street or in shared parking facilities to minimize the construction of single use parking areas.
• Limit vehicular access points along Wooddale Avenue and W. 36th Street.

Comprehensive plan: Under the city’s 2040 comprehensive plan the site is guided TOD, transit-oriented development. This category encourages a mix of uses including multifamily residential, small scale commercial, office and civic uses oriented toward the transit station. The goal of this designation is to create pedestrian scale development within proximity to the transit stations. The focus is on walkable lot and block sizes and building forms that create pedestrian-rich environments. It is expected that multifamily residential housing will make up approximately 75 to 80 percent of the uses in the city’s TOD areas; with the remaining 20 to 25 percent being commercial, office, civic or other compatible uses. The net multifamily residential density range allowed is 50 to 125 units per acre. The amount of activity within a half mile of LRT stations should be at least 7,000 people, including residents, employees, students, visitors, etc.

The proposed redevelopment should achieve the city’s long-term goals and vision for a mixed-use transit-oriented development at the SWLRT Wooddale Avenue Station as specified in the 2040 Comprehensive Plan. Those goals include:

• Provide human-scale developments that create connections and a strong sense of community and place.
• Create a mix of housing opportunities including affordable housing and increased viability of neighborhood services
• Pursue transit-oriented, high-density, well-connected, mixed-use centers at future light rail transit station areas.
Zoning: A Planned Unit Development (PUD) was approved for this site in 2017 after 24 neighborhood meetings. The approved PUD, Ordinance 2518-17, called for:

- **Residential/Commercial**
  - 6 story, mixed-use, mixed income building with 81 total apartment units of which 48 would be live/work apartments affordable for families with incomes up to 60% AMI ($51,480 per year for a family of four) and 34 would be live/work market rate apartments (including 5 “Type II” live/work units
  - Ground floor café (4,644 square feet) and coffee house (1,173 square feet)
  - Small business co-working hub: approx. 4,000 square feet (split between 2 stories)

- **Hotel**
  - 6 stories (48,047 square feet)
  - 110 rooms

- **Woonerf** (Placemaking Plaza) adjacent to light rail station platform

- **Parking**
  - Underground and above-ground structured parking.
  - The PUD also allowed for significant parking reductions (30%) and innovative parking management strategies.

With a new redevelopment proposal, it is anticipated the existing ordinance would be amended, and a new PUD ordinance written for the site establishing setback, densities, height, parking, etc.

Buildings on this site are likely going to be no more than 6 stories with a maximum density of 125 units/acre which translates to a maximum of 210 housing units.

**Proposed request for proposals:** To identify and select a new developer for the Wooddale Avenue Station Site, redevelopment plans are proposed to be solicited through a request for proposals (RFP) process similar to the one the city conducted for the Beltline Station Site. Staff is preparing the RFP document and once completed, the RFP will be distributed to area development firms and publicized through local business media as well as the city’s web site. The goal is to have the RFP completed and disseminated this summer and a developer selected by fall.

The RFP will call for redevelopment proposals consistent with the city’s strategic priorities which include:

- St. Louis Park is committed to being a leader in racial equity and inclusion in order to create a more just and inclusive community for all.
- St. Louis Park is committed to continue to lead in environmental stewardship.
- St. Louis Park is committed to providing a broad range of housing and neighborhood-oriented development.
- St. Louis Park is committed to providing a variety of options for people to make their way around the City comfortably, safely and reliably.
- St. Louis Park is committed to creating opportunities to build social capital through community engagement.
Redevelopment proposals will also be expected to comply with the city’s Inclusionary housing policy which generally calls for:

- At least twenty percent (20%) of the units shall be affordable for households at sixty percent (60%) Area Median Income (AMI), or
- At least ten percent (10%) of the units shall be at affordable for households at fifty percent (50%) AMI, or
- At least five percent (5%) of the units shall be affordable for households at thirty percent (30%) AMI.
- The units shall be affordable for at least 25 years following building occupancy.
- The size and design of the affordable units shall be consistent and comparable with the market rate units and they shall be distributed throughout the development.
- The size and design of the Affordable Dwelling Units shall be consistent and comparable with the market rate units in the development.
- The affordable units shall be distributed throughout the development.

Redevelopment proposals will also be expected to comply with the city’s Green building policy. The goal of the policy is to promote buildings that are energy efficient, economical to operate, environmentally responsible, and healthy places to live and work, to further enhance the quality of life in St. Louis Park. The policy requires commercial and mixed-use projects to meet the MN Sustainable Building 2030 Energy Standard (SB2030). Projects are also required to conserve building and outdoor water usage, improve indoor environmental quality, implement best management practices for handling stormwater on-site and recycle construction materials.

SB2030 is a progressive energy conservation program that sets specific performance targets for energy use in buildings compared to representative buildings in existence in 2003. Every five years, the total building energy consumption from carbon-producing fuels is reduced so that in 2030 a 100% reduction (net zero energy) is achieved. For projects built between 2020-2024 the SB2030 standard requires buildings to achieve an 80% reduction in energy from the representative 2003 building. The conditions for meeting the energy standards are subject to the cost effectiveness protocol of SB2030, which requires no greater than a 15-year payback on investment. Rebates from Xcel Energy and Centerpoint Energy can help significantly to reduce the payback period for initial investments. Reaching the current 80% reduction target will most likely require use of on-site renewables whenever it meets the cost-effectiveness protocol.

The city’s Climate action plan sets a goal to reduce energy use by 35% from the business-as-usual forecast for new residential construction and 30% for commercial buildings. It also sets a goal of designing all new construction to be net-zero energy by 2030. Buildings that follow the city’s green building policy will progressively be built more and more efficiently.

Implementing TOD near anticipated LRT stops supports the climate action plan strategy to modify land use to encourage alternative modes of transportation and enable reduction of vehicle miles traveled from single-occupancy vehicles. The climate action plan also calls for reducing parking requirements for TOD that provides services, infrastructure and mitigations to reduce parking demand, such as access to electric car-sharing and bicycle sharing programs to increase mobility options for all residents, dedicated parking for low carbon fuel vehicles, resident and/or employee transit incentives, and ample bicycle parking.
Proposed RFP redevelopment objectives: Reflective of the prior studies, the city has embraced transit-oriented development (TOD) principles for the redevelopment of the Wooddale Avenue Station Site, and envisions an active, vibrant and connected place where people can live, work and recreate with the opportunities and advantages of proximity to LRT and the regional trail system. The site is expected to become an important community hub for mixed-income housing, neighborhood business, and transit. Accordingly, the RFP is anticipated to seek proposals that will:

- Provide a signature, transit-oriented development (TOD) that will transform the SWLRT Wooddale Avenue Station Site into an active place with:
  - Mixed use development (including multi-family residential and neighborhood commercial),
  - Mixed income housing (both market rate and affordable exceeding the city’s current inclusionary housing policy requirements),
  - Housing density to support transit ridership,
  - Embrace the site’s direct multi-modal transportation access and provide accommodations for pedestrians, bicyclists, transit riders, and automobiles (including electric vehicles),
  - Incorporate attractive, creative architecture,
  - Provide high-quality shared site amenities.
- Serve as an example for environmental sustainability.
- Optimize the site’s development potential.
- Integrate with the adjacent SWLRT Wooddale Avenue Station, the Elmwood neighborhood and conveniently connect with surrounding uses.

Policy considerations: To provide clarity for the RFP, staff poses the following questions to guide the study session discussion:

1. Is the EDA/city council comfortable with the current allowable density range of 84 to 210 housing units for the site?
2. Is the EDA/city council comfortable with building heights up to 6 stories?
3. Is the EDA/city council comfortable with the current requirement for mixed-income multifamily housing for the site?
4. Are there any particular preferences relative to the multifamily housing the EDA/council has over and above the current Inclusionary Housing Policy?
5. Does the EDA/council wish to see any age restrictions included in the future housing component?
6. Is the EDA/city council comfortable with the current requirement for mixed-use (multifamily housing and commercial)? Are there any particular preferences relative to the commercial component?
7. Is the EDA/city council comfortable providing flexible parking requirements for the proposed development similar to the currently allowed 30% reduction?
8. Are there any particular sustainable features the EDA/council would like included in the proposed development over and above the Green Building and Climate Action Plan requirements?
9. Is the EDA/city council comfortable providing financial assistance (such as tax increment financing, private activity bonds, Affordable Housing Trust Fund) for a development that meets/exceeds its objectives?

10. Are there any other objectives or specific requirements the EDA/city council would like to see included in the RFP?

11. Does the EDA/council feel it needs any further public input relative to development of the RFP?

**Next steps:**

1. Complete draft RFP based upon consensus/majority study session input.
2. Present draft RFP and suggested developer selection process to EDA/city council.
Executive summary

**Title:** Future study session agenda planning and prioritization

**Recommended action:** The city council and city manager to set the agenda for the study session (*written reports only*) on Feb. 24, 2020 and the regularly scheduled study session on March 9, 2020.

**Policy consideration:** Not applicable.

**Summary:** This report summarizes the proposed agenda for the study session (*written reports only*) on Feb. 24, 2020 and the regularly scheduled study session on March 9, 2020.

In addition, staff will present the results from the study session prioritization survey and review the council’s annual calendar.

Also attached to this report is:
- Study session discussion topics and timeline

**Financial or budget considerations:** Not applicable.

**Strategic priority consideration:** Not applicable.

**Supporting documents:** Tentative agenda – Feb. 24 and March 9, 2020
Study session discussion topics and timeline

**Prepared by:** Debbie Fischer, administrative services office assistant
**Reviewed by:** Maria Solano, senior management analyst
**Approved by:** Nancy Deno, deputy city manager/HR director
Feb. 24, 2020

5:30 p.m. – Boards and commissions annual meeting – Treehouse (5757 Wayzata Blvd.)
Study session (*written reports only)

2. Parkway Residence TIF request
3. Annual financial management policies update
4. 6th amendment to PLACE purchase and redevelopment contract
5. 2020 Census update

March 9, 2020

6:30 p.m. Study session – Community room
Tentative discussion items

1. Parks and Recreation Advisory Commission update – Operations & Recreation (20 minutes)
   Annual workplan update from the Parks and Recreation Advisory Commission.

2. SEED’s community greenhouse / resilient cities initiative – Community development/
   administrative services (30 minutes)
   SEEDs would like to address its petition for the city to participate in a SLP Community Food
   Project.

3. Food Security & Access Study presentation – Community development (60 minutes)
   Wilder Research will present the findings of the Food Access and Security Study.

4. Crime free workgroup recommendation – Community development (45 minutes)
   Recommendations from the crime free/drug free rental ordinance workgroup regarding
   possible changes to the ordinance will be presented to the council.

5. Future study session agenda planning – Administrative services (5 minutes)

   Communications/meeting check-in – Administrative services (5 minutes)
   Time for communications between staff and council will be set aside on every study session
   agenda for the purposes of information sharing.

Written reports

6. Body worn camera update
<table>
<thead>
<tr>
<th>Priority</th>
<th>Discussion topic</th>
<th>Comments</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Discuss public process expectations and outcomes</td>
<td>Staff is working on the approach for undertaking this discussion.</td>
<td>June 8, 2020</td>
</tr>
<tr>
<td>2</td>
<td>Prioritizing transit options thru investments, and engineering and operations decisions</td>
<td>SS discussion 10/21/19. Next steps: staff reach out to Metro Transit, bench company, and Met Council rep. Update – staff met with Metro Transit Dec., 2019</td>
<td>In process</td>
</tr>
<tr>
<td>3</td>
<td>Easy access to nature, across city, starting w/ low-income neighborhoods</td>
<td></td>
<td>TBD</td>
</tr>
<tr>
<td>4</td>
<td>WHNC Access Fund</td>
<td>*On hold pending direction from school district. *On hold</td>
<td></td>
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<tr>
<td>5</td>
<td>SEED’s community greenhouse/resilient cities initiative</td>
<td>On hold until Food Access and Security study is complete, and recommendations have been made.</td>
<td>March 9, 2020</td>
</tr>
<tr>
<td>6</td>
<td>Community and neighborhood sidewalk designations</td>
<td></td>
<td>TBD</td>
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<tr>
<td>7</td>
<td>Revisit housing setback, FRA, &amp; more to maintain and create more affordable housing</td>
<td></td>
<td>TBD</td>
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<tr>
<td>8</td>
<td>Public forums at council mtgs</td>
<td>9/23/19 SS. Staff is doing research of other cities.</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td>Revitalization of Walker Lake area</td>
<td>Part of preserving Walker building reports: 8/28/17, 9/25/17, 1/22/18, design study 2/12/18, update 4/23/18, design study updates 8/27/18; SS report 2/11/19; SS discussion 5/28/19, planning commission to review ordinances for implementation Qtr. 3 &amp; 4 2019; parking ord. in process of council approval; construction of phase 1 completed; Planning for 2020 phase 2 construction work underway</td>
<td>In process</td>
</tr>
<tr>
<td></td>
<td>Crime free ordinance/ affordable housing strategies</td>
<td>Discussed 5/14/18. 1st reading housing trust fund 10/1/18; Other affordable housing strategies/Crime Free Ordinance – Nov/Dec, 12/10 &amp; 12/17/18 &amp; 1/14/19 council discussion; Certain provisions of crime free ord. suspended; Work group formed; CFO work group discussed on 3/25/19; Work group had 1st mtg in May, two meetings in June, one in July and August. Meetings on Sept 26, Oct 9, Oct 30, Nov 13, Dec 4.</td>
<td>March 9, 2020</td>
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<td></td>
<td>Immigration and supporting families</td>
<td>Discussed 8/6 and referred to HRC. HRC held comm. mtg. in Oct. Council/HRC discussion on 12/10; referred back to HRC for refinement of recommendations</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td>STEP discussion: facilities</td>
<td>Discussed on 1/14/19; city, STEP &amp; school toured Central Community Ctr and continuing discussions</td>
<td>TBD</td>
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<tr>
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<td>Changes to sign ordinance</td>
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<td>Climate crisis</td>
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<tr>
<td></td>
<td>Remove mint &amp; menthol exemption from existing flavored tobacco policy</td>
<td></td>
<td>TBD</td>
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<tr>
<td></td>
<td>Conversion therapy ban</td>
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</table>
Executive summary

Title: Accessory dwelling units

Recommended action: No formal action at this time. Please contact staff with any questions or concerns regarding the proposed recommendations and next steps.

Policy consideration: Accessory dwelling units (ADUs) have the potential to meet some of St. Louis Park’s housing goals in the 2040 comprehensive plan, as well as help fulfill a city council strategic priority.

Summary: In January 2019, city council decided to discuss ADUs. The 2040 comprehensive plan indicates ADUs will be allowed in the city. Developing ADU regulations was a high priority in the planning commission’s approved 2019 work plan. An ADU is a self-contained residential unit with its own living space, kitchen and bathroom. ADUs are permanent installations that are legally part of a larger property that includes a standard single-family house. This housing is designed to be flexible for evolving family circumstances and could generate rental income for the property owners. ADUs may be located inside the principal building or may be in a detached accessory building on the same parcel.

Ultimately, the planning commission recommendations would introduce ADUs and regulate the associated buildings in the city in a manner that is very consistent with what could already be built on single-family properties for other accessory uses. This has promise to integrate ADUs in a manner that will fit in with the character of low-density residential areas. More than a dozen policy and administration issues were explored by the commissioners and their recommendations are outlined in the discussion section of this report.

Next steps: Staff proposes to prepare a draft ordinance and schedule a public hearing at an upcoming planning commission meeting. The planning commission could consider the proposed ordinance in March. The city council could consider the ordinance in April.

Financial or budget considerations: As the number of ADUs increases, increased staff time and potentially added staff may be necessary to address complaints and ensure compliance with city codes.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion June 10, 2019 study session staff report and meeting minutes (Documents that are hyperlinked are available in the community development department for viewing, as well.)

Prepared by: Rita Trapp, consulting planner with HKGi
Sean Walther, planning and zoning supervisor

Reviewed by: Karen Barton, community development director

Approved by: Tom Harmening, city manager
Discussion

**Background**: *Accessory dwelling unit (ADU)*: a self-contained residential unit with its own living space, kitchen and bathroom. ADUs are permanent installations that are legally part of a larger property that includes a standard single-family house. This housing is designed to be flexible and may generate rental income for the property owners.

ADUs can sometimes be referred to as: carriage or coach houses, accessory housing units, accessory apartments, backyard cottages, secondary dwelling units, granny flats, mother-in-law suites, second suites or garden apartments. These units may be located inside the principal building on a lot or may be in a detached accessory building on the same parcel.

Examples of Accessory Dwelling Units (ADUs)

*ADUs in blue; main residence in white*

*Internal ADUs could take up an entire level of a principal building or just part of any level. Also, they may be built as additions.*

*Detached ADUs could be stand-alone buildings, built as additions to detached garages or replace existing garage storage with housing.*
**Recommended direction:** The planning commission worked throughout 2019 to identify the potential regulations to allow ADUs. The planning commission recommended the following:

- Allow internal, attached and detached ADUs as described in the background above. This provides flexibility to meet different property owner needs and unique property situations.

- Allow ADUs in the R-1, R-2 and R-3 zoning districts on single-family lots. Limiting ADUs to single-family lots has been recommended as an appropriate first step in allowing a new use in the community. Also, there would be additional building code requirements when a structure has three or more units that would limit the broad implementation of ADUs to more than single-family homes.

- Allow ADUs on all buildable single-family lots without restrictions relating to a minimum lot size. Thus, if a lot can have a single-family home, then it would also be allowed to have an ADU provided it meets the performance standards. This allows a greater number of lots to qualify to have an ADU and more equitable opportunities throughout the low-density residential areas of the city.

- Limit ADUs to one (1) per lot.

- Limit the size of internal ADUs, which are within or attached to the principal dwelling, to no more than 40% of the gross floor area of the principal single-family dwelling in order to ensure that ADUs are accessory to the principal dwellings.

- Require all ADUs to be at least 300 square feet in area.

- Limit detached ADUs to no more than 800 square feet or 25% of the back yard, whichever is less. Allow detached ADUs that are up to 576 square feet in area even if they exceed 25% of the back yard. These regulations are consistent with the current size restrictions for detached accessory buildings today, except ADUs would now be allowed.

- Prohibit sale of the ADU independent of the principal building and lot. It must remain an accessory use to the principal building and all on one lot.

- Allow ADUs on properties that are not owner occupied. The planning commission recommended excluding a requirement that the owner of the lot needs to reside in either the ADU or the principal building. The planning commission recommended allowing renting of the ADU and the principal structure because the city’s rental licensing requirements and enforcement mechanisms would be effective tools to manage most public health, safety, nuisance and compliance issues associated with ADUs.

- Prohibit short-term vacation rental of the ADU or the principal residence, as currently enforced by the city. Define short-term vacation rentals as leasing properties for a term of less than one month.
• Allow ADUs without requiring more off-street parking. It is not recommended that additional parking be required for an ADU. However, it is recommended that the city maintain the limit of vehicles that can be parked outside on a lot. This would not prohibit property owners from adding off-street parking for the ADU, if desired. They just could not have more than 3 to 5 vehicles parked outside on a lot, depending upon the number of licensed drivers residing on the property. This also, does not limit on-street parking that may be generated from the uses on the property.

• Regulate the location of ADUs like other structures on a site. Limit principal building heights, setbacks, and footprints the same as they are regulated today, whether the principal building includes an internal ADU or not. Also, generally apply the same detached accessory structure standards to ADUs. This approach will best integrate ADUs more seamlessly to the character of the existing neighborhoods, because the buildings will be similar in size and location as other structures that could be built under the city’s rules today. Two exceptions are recommended by the planning commission and described below.

  Require larger side and rear yards for a detached ADU than required for a detached garage. Currently, detached garages may be 2 feet from a side or rear property line. In order to have openings, such as doors and windows, ADUs will need to be 5 feet from a side or rear property line under the building code.

  Also, the planning commission felt more space should be provided from a rear property line when it abuts another residential property, so a rear yard of 15 feet was recommended.

  Most detached garages are built slab on grade, and do not have frost footings required by the building code for occupied dwellings; therefore, it is not likely existing garages would be repurposed with an ADU. Instead, it would in nearly all cases require demolishing the existing detached garage to build an ADU in its place.

• Limit the occupancy of ADUs differently than principal dwellings. Given size limitations of ADUs, it was recommended that occupancy in an ADU be limited to two people over 18 and their children. This recommendation was intended to also differentiate ADUs from duplexes where two families would be allowed to reside. Staff initially explored allowing only two persons to reside in an ADU. This would be like the city’s current restriction on the number of boarders allowed in a single-family residence. The recommended approach was suggested to avoid a situation where a couple residing in an ADU must leave upon having children, or a single parent or guardian must leave if they suddenly are caring for two children.

**Next steps:** Staff proposes to prepare a draft ordinance and schedule a public hearing at an upcoming planning commission meeting. The planning commission could consider the proposed ordinance in March. The city council could consider the ordinance in April.
Executive summary

Title: Proposed allocation of 2020 Community Development Block Grant (CDBG) funds

Recommended action: No action required at this time. This report is being provided to inform council of the proposed allocation of 2020 CDBG funds.

Policy consideration: Does the city council concur with the recommendations made for the allocation of $147,050 in 2020 CDBG funds?

Summary: Each year the city must decide how to use its annual allocation of CDBG funds. CDBG funds are U.S. Housing and Urban Development (HUD) funds distributed through Hennepin County. The city must submit its proposed use of the allocation to Hennepin County by February 28, 2020. Prior to submittal, the city must hold a public hearing. The hearing and official city council action is scheduled for February 18, 2020. The city’s estimated direct allocation is $147,050 which is $9,950 less than our 2019 allocation.

This year’s proposed use of CDBG funds reflect the city’s priorities to preserve existing housing and increase affordable home ownership opportunities with $117,050 for the low-income deferred rehab loan and $30,000 to Homes Within Reach. Beginning in 2018, fifteen percent of the overall CDBG budget is being set aside by Hennepin County for public service activities and awarded through a single combined, competitive RFP covering all the cities in the county program.

Financial or budget considerations: CDBG funds allow cities discretion, within HUD guidelines, to fund projects that meet the national low-income objectives and the needs of the cities. The federal budget has not been finalized; however, Hennepin County estimates the St. Louis Park 2020 allocation will be $147,050. The 2020 CDBG year runs from July 1, 2020 through June 30, 2021.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Discussion

Prepared by: Marney Olson, assistant housing supervisor
Reviewed by: Karen Barton, community development director
Approved by: Tom Harmening, city manager
Discussion

Background: The national objectives of the CDBG program are to benefit low- and moderate-income persons, prevention or elimination of slum or blight and/or to meet a particular urgent community development need. The CDBG program allows for up to 15% of allocated funds to be used to fund public services. The city council has typically focused CDBG funds on improvements to the housing stock for low-income families or on affordable homeownership. Beginning in 2018 Hennepin County sets aside fifteen percent of the overall CDBG budget for public service activities awarded through a single combined, competitive RFP. Hennepin County has advertised the RFP process and sent information to a long list of public service providers including past recipients. The city has provided a letter of support to STEP for their applications.

Present considerations: The proposed use of the $147,050 estimated allocation include $117,050 for the low-income single-family home deferred rehab loan administered by Hennepin County and $30,000 to Homes Within Reach which is the affordable housing land trust. If there are any increases or decreases to the allocation the deferred rehab loan will be adjusted accordingly.

The low-income single-family deferred loan program is a deferred rehab loan program for homeowners with annual incomes at or below 80% area median income. The rehab focuses on improvements to bring homes into code compliance, address deferred maintenance and provide long-term maintenance-free housing. The maximum loan amount is $30,000 and is deferred until the sale of the home or forgiven after 15 years. There are currently 34 households on the waiting list, demonstrating the need to continue allocating CDBG dollars to this program.

Homes Within Reach is a program of the West Hennepin Housing Land Trust (WHAHLT) that purchases homes and sells them to low-income homeowners. Buyers pay for the cost of the building only and lease the land for 99 years. St. Louis Park funds are leveraged with Met Council and Hennepin County HOME funds. The city has partnered with Homes Within Reach since 2006. To date, Homes Within Reach has purchased, rehabbed and sold 17 homes, two of which were foreclosed and two were tax-forfeited properties. The city and Homes Within Reach are currently partnering on an energy efficient demonstration home, and they also have a purchase agreement for a tax forfeiture in St. Louis Park that will close in 2020.

Next steps:

- February 6, 2020: Publication of public hearing notice
- February 12, 2020: Discussion at Housing Authority Board Meeting
- February 18, 2020: Public hearing and resolution approval of proposed activities
- February 28, 2020: Deadline for submission of CDBG application to Hennepin County
Executive summary

**Title:** Affordable Housing Trust Fund (AHTF) Use Guide: Amended

**Recommended action:** The purpose of this report is to provide the council with the amended guidelines to direct the operation and use of the AHTF.

**Policy consideration:** Does the council agree that the guidelines as proposed in the AHTF Use Guide reflect the intended use and distribution of the Affordable Housing Trust Fund and incorporate the comments received from the council at the December 9, 2019 council study session?

**Summary:** At the October 15, 2018 city council meeting, the council approved the adoption of an ordinance to create an AHTF policy that identified the fund objectives, funding resources and eligible uses of the funds. The AHTF was established to provide a source of funds to facilitate the housing needs of low- and moderate-income individuals and families in St. Louis Park. The fund will be a permanent endowment and continually renewable source of revenue to provide loans and grants to housing developers for costs associated with the creation of new affordable multi-family rental and owner-occupied housing, for the rehabilitation and preservation of existing Naturally Occurring Affordable Housing (NOAH) residential rental housing, for rental assistance and homeownership assistance to low- and moderate-income individuals and families. The fund is administered by the city and the primary source of funding is an annual budgeted allocation of HRA levy funds, which will be available beginning in 2020.

At the December 9, 2019 study session, the council reviewed and provided input on a draft AHTF Use Guide to direct the operation and use of the AHTF. The attached Guide has been amended to reflect the council’s input. Provided no further discussion is required by the council, the guide will be brought to a future council meeting for consideration of approval.

**Financial or budget considerations:** The primary sources of funding for the AHTF will be an annual budgeted allocation of funds from the city’s HRA tax levy as approved by the city council, and through pooled tax-increment; although the city may finance the fund with any money available to a local government unless prohibited by state law.

**Strategic priority consideration:** St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

**Supporting documents:** Discussion

AHTF policy

AHTF use guide: amended

**Prepared by:** Michele Schnitker, housing supervisor and CD deputy director

**Reviewed by:** Karen Barton, community development director

**Approved by:** Nancy Deno, deputy city manager/HR director
Discussion

Background: Local affordable housing trust fund: The Minnesota legislature passed a bill in 2017 that allows local communities to establish housing trust funds. The housing trust fund must be established by ordinance and administered by the city. Money in a housing trust fund may only be used to:

- pay for administrative expenses not to exceed 10% of the balance of the fund;
- make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
- match other funds from federal, state, or private resources for housing projects; and/or
- provide down-payment assistance, rental assistance, and homebuyer counseling services.

The city may finance the fund with any money available to a local government, unless expressly prohibited by state law. Sources include, but are not limited to:

- donations;
- bond proceeds;
- grants and loans from a state, federal, or private source;
- appropriations by a local government to the fund;
- investment earnings of the fund;
- Tax Increment Financing (TIF) pooled funds; and
- housing and redevelopment authority levies.

At the October 15, 2018 city council meeting, the council approved the adoption of an ordinance to create an AHTF policy that identified the fund objectives, funding resources and eligible uses of the funds. The proposed primary sources of funding for the city’s trust fund is an annual budgeted allocation of HRA levy funds and pooled tax increment, which will be available beginning in 2020.

At the December 9, 2019 council study session, the council reviewed and provided input on the draft AHTF Use Guide which will direct the use of the fund including eligible uses of the funds, program income requirements, the application process, minimum threshold requirements, and preference considerations. The Guide was amended to reflect the input provided by the council and has been attached for council review.

Next steps: Provided the amended Guide accurately reflects the council’s input and does not require further review and discussion, the Guide will be presented at a future council meeting for the council’s approval.
City of St. Louis Park
Affordable Housing Trust Fund Policy

I. PURPOSE

The City of St. Louis Park has established an Affordable Housing Trust Fund to provide a source of funds to facilitate the housing needs of low- and moderate-income individuals and families of the City. The Affordable Housing Trust Fund shall be a permanent endowment and continually renewable source of revenue to provide loans, loan guarantees and grants to for-profit and non-profit housing developers for capital and soft costs necessary for 1) the creation of new affordable rental and owner-occupied housing; 2) for the rehabilitation and preservation of existing multi-family residential rental housing including Naturally Occurring Affordable Housing (NOAH); and 3) rental assistance and homeownership assistance to low- and moderate-income individuals and families.

This policy is intended to set forth the general requirements and guidelines regarding the use of the Affordable Housing Trust Fund. The city council may modify the terms at any time.

II. FUNDING THE AFFORDABLE HOUSING TRUST FUND ACCOUNT

The primary source of funding for the Affordable Housing Trust Fund is an annual budgeted allocation of funds from the city’s Housing and Redevelopment Authority (HRA) Tax Levy as approved by the city council. Other sources of funding for the Affordable Housing Trust Fund may include, but are not limited to the following:

1. Private cash donations from individuals and corporations designated for the Affordable Housing Trust Fund.
2. Payments in lieu of participation in current or future affordable housing programs, as allowed.
3. Matching funds from a federal or state affordable housing trust fund; or a state program designated to fund an affordable housing trust fund.
4. Principal and interest from Affordable Housing Trust Fund loan repayments and all other income from Trust Fund activities.
5. The sale of real and personal property.
6. Federal and state grants.
7. Local government appropriations, development fees and other funds as designated from time to time by the City Council.
8. Tax Increment Finance (TIF) pooled funds.

City staff is directed to take all actions necessary to capitalize and maintain the fund balance in the Affordable Housing Trust Fund to the extent that funds are subject to restrictions as to their use by virtue of the source of such funds. The Affordable Housing Trust Fund will contain sub-accounts to ensure that such restrictions as to the reuse of the funds are met.
III. OBJECTIVES

The objective of the Affordable Housing Trust Fund is to assist in funding programs and projects that create new affordable rental and homeownership housing opportunities and to rehabilitate and preserve existing affordable housing units in St. Louis Park. Initiatives will strive to provide balanced and sustainable affordable housing options responsive to the present and future diversified needs in the community for extremely low-, very low-, low- and moderate-income households including: persons on fixed incomes, such as seniors and persons with disabilities; young families just starting out; indigenous persons; persons of color; and veterans.

The Affordable Housing Trust fund will promote community revitalization and reinvestment by creating and preserving viable, safe and well-maintained affordable housing developments and expanding options for affordable homeownership for extremely low-, very low-, low- and moderate-income households.

IV. USE OF THE AFFORDABLE HOUSING TRUST FUND

As a matter of policy, the Affordable Housing Trust Fund will only be used to assist proposed projects or programs to develop or preserve affordable housing opportunities for extremely low-, very low-, low- and moderate-income individuals and families.

The following general guidelines will be followed in connection with the use of funds from the Affordable Housing Trust Fund:

1. The types of uses of the Affordable Housing Trust Fund will include, but not be limited to the following: (i) the making of loans at interest rates below or at market rates, including no-interest, deferred, and forgivable loans, in order to strengthen the financial feasibility of proposed projects; (ii) the guaranteeing of loans; (iii) the provision of gap financing for affordable housing developments; (iv) the financing of acquisition, demolition, and disposition; (v) the financing of the construction of public improvements and utilities to aid proposed affordable residential developments; (vi) the financing of rehabilitation, remodeling, or new construction of affordable housing; (vii) tenant and project based rental assistance; (viii) administrative costs associated with affordable housing programs (not to exceed 10 percent of the fund’s balance); and (ix) any other uses as permitted by applicable law and approved by the council.

2. The Affordable Housing Trust Fund may be used to provide interim financing of public cost for affordable housing projects in anticipation of a permanent financing source (i.e. construction financing, bond sale, etc.).

3. To the extent possible the Affordable Housing Trust Fund will be secured by liens, letters of credit, tax increment, or other forms of reasonable security.

4. Consideration regarding the establishment of applicable terms on loans from the Affordable Housing Trust Fund, including interest rates and deferral provisions, will be established by the city at the time of approval of a specific project or program.
V. PROCESS

In establishing projects and programs to be financed using the Affordable Housing Trust Fund, the city shall to the extent possible:

1. Establish guidelines and criteria for each project or program to be assisted, unless the project or program already exists.
2. Establish a timeframe for completing the project or program and the repayment terms to the Affordable Housing Trust Fund, if applicable.
3. Prepare a financing plan for the project or program for review and approval by the city council and by other entities as may be required by state law.
City of St. Louis Park
Affordable Housing Trust Fund (AHTF) Use Guide

I. AHTF FUNDING

The purpose of the Affordable Housing Trust Fund is to support the creation or preservation of housing that is affordable to people with incomes that do not exceed 80% of the area median income (AMI), as defined by HUD. The St. Louis Park City Council allocates resources to the AHTF as part of the annual city budget process. These funds may include HRA Levy, Housing TIF and local dollars. The total available funding in any given AHTF year may also include newly allocated resources or reallocated funds from prior AHTF years. The city will allocate funding from the available sources to projects as guided by the city’s annual budget and applicable policy. Not all funding may be awarded in a given year.

II. ELIGIBLE APPLICANTS

Eligible applicants include non-profit, public or for-profit private developers.

1. To be funded, an applicant must have sufficient experience and/or demonstrate sufficient capacity and training in housing development and management to successfully secure financing, construct, complete, and operate the proposed project, as determined by the city.

2. Applicants must show prior experience and current capacity to complete the project. All members of the development team must demonstrate the qualifications necessary to complete the project.

III. ELIGIBLE HOUSING PROJECTS

Development projects which create and/or preserve affordable housing units are eligible to receive funding, including affordable rental units, homeownership units and rent subsidies. The residential portions of mixed-use and live/work projects that meet the affordability requirements of these guidelines shall be eligible for assistance. Funding may also be provided to assist in the creation of common areas, meeting space, and other space for use by the residents of the subsidized units. Projects covered by the City of St. Louis Park’s Inclusionary Housing Policy may be assisted, provided the assistance from the AHTF is used to create a deeper level of affordability or an increase in the number of affordable units than is required under the Inclusionary Policy.

IV. ELIGIBLE AND INELIGIBLE ACTIVITIES

The AHTF may be utilized for the housing activities as outlined in the Affordable Housing Trust Fund Policy, Section IV. Use of the Affordable Housing Trust Fund which includes new construction; acquisition of property; conversion of non-residential to residential use; conversion of rental units to limited-equity cooperative
housing, condominiums or co-housing; relocation; and/or rehabilitation costs, provided that the conditions below are met.

1. New Construction Activities: All reasonable costs associated with new construction including:
   a. Acquisition of property;
   b. Gap financing for affordable units created at the 30%, 50%, 60% and 80% AMI affordability level;
   c. Enhancement of county, state and federal affordable housing programs;
   d. Land acquisition and land banking for affordable housing creation;
   e. Infrastructure improvements associated with the creation of affordable housing units;
   f. Low cost financing or grants in support of the creation of accessory dwelling units affordable to households at or below 60% AMI;

2. Preservation of NOAH rental units and rent-restricted affordable rental units:
   a. Reasonable costs associated with acquisition and/or rehab to secure long-term preservation of NOAH units affordable at or below 60% AMI;
   b. The purchase price of a property to be acquired shall not exceed its appraised value, unless the Community Development Director finds that the project has enough merit to justify paying a higher price, in which case the price shall not exceed the appraised value by more than 10% without the expressed consent of the city council.
   c. Rehabilitation shall include activities to make the building code compliant and to abate lead contamination or other health related contaminations.

3. Creation of affordable homeownership opportunities affordable to households with incomes at or below 80% AMI:
   a. Closing costs and down-payment assistance;
   b. Long term affordability gap funding in the form of a subordinate mortgage;
   c. Financial assistance of property acquisitions to promote homeownership opportunities utilizing the land trust model.

4. Rent subsidy and tenant protection initiatives:
   a. Rent subsidies to support paying the difference between affordable rents and market rate rents;
   b. Relocation assistance for low-income, displaced renters.

5. AHTF funds may also be used for permanent or transitional housing for homeless families and individuals, and for the modernization, rehabilitation and repair of public housing.

Other eligible activities may include affordable housing initiatives to support the affordable goals as outlined in the city’s comprehensive plan, to meet housing needs as defined in the city’s comprehensive housing market study and the Met Council Affordable Housing Allocated Goal and other activities as determined by the city council.
V. DISTRIBUTION OF FUNDS

The AHTF will function as an endowment fund to fund loans, provide loan guarantees and grants in accordance with this section. The AHTF will be administered by the Community Development Director. No disbursements shall be made from the AHTF without the prior approval of the city council.

Fund requirements:
1. Rental/Homeownership distribution
   A minimum of sixty-five percent (65%) of fund must be used for rental housing; up to twenty-five percent (25%) for homeownership housing; up to ten percent (10%) for administrative costs.

2. Income targets
   One hundred percent (100%) of the AHTF must benefit low-income households at or below sixty percent (60%) AMI for rental housing and at or below eighty percent (80%) AMI for homeownership housing.

3. AHTF low-income targets: Five-year goals:
   a. Rental
      i. At least thirty percent (30%) of the funds eligible for disbursement annually shall be targeted for use to create affordable units for households whose incomes are at or below thirty percent (30%) AMI.
      ii. At least fifty (50%) of the funds eligible for disbursement annually shall be targeted for use to create affordable units for households whose incomes are at or below fifty (50%) AMI.
   b. Ownership
      i. At least five (5%) of the funds eligible for disbursement annually should be targeted for use to create affordable homeownership units for household incomes at or below sixty-five percent (60%) AMI.
      ii. Distribution of funds related to the AHTF low income targets will be based on an average five-year rolling basis of actual funds distributed and will be monitored annually for progress in attaining the five-year goals.

4. AHTF can only be used to develop affordable housing units in a project located within the City of St. Louis Park.

5. AHTF money may not be used for operating expenses of any program or supporting services such as childcare or other social programs.

6. Costs covered by housing trust fund resources must not be covered by any other resource.

7. Use of leveraged resources is strongly encouraged.

8. The city will provide assistance only to projects that require assistance to achieve the AHTF Program’s goals and objectives. It must be demonstrated that other sources of funds are not available or adequate.

9. Developments with 10 or more units funded by the AHTF program shall be required to adhere to the city’s Inclusionary Housing Policy.
VI. DEVELOPMENT/PROGRAM AFFORDABILITY REQUIREMENTS

All applications for funding must meet the minimum requirements listed below.

1. **Rents**
   The following guidelines shall apply to multi-family rental projects:
   a. Eligible housing projects must have rents as follows:
      i. Not less than forty percent (40%) of all the units must be affordable to households whose income does not exceed sixty percent (60%) of AMI; or
      ii. Not less than twenty percent (20%) of all the units must be affordable to households whose income does not exceed 50% of AMI;
   In addition:
      iii. Not less than five percent (5%) of all the units must be affordable to households whose income does not exceed 30% of AMI;
      iv. Preference may will be given to projects that include additional units affordable at 30% AMI exceeding the number of units as required above;
      v. Rents on the remaining units may be set at market rate;
      vi. Income averaging may be allowed to achieve the affordability requirements;
      vii. Other lender requirements (such as the State of Minnesota programs or financing requirements) may change these affordability requirements. However, the affordability limits must still meet the minimum affordability levels outlined in the AHTF guidelines unless an exception is approved by the city council
   b. All AHTF assisted rental units shall be occupied by households with incomes at or below the targeted income category.
   c. Applicants may propose to produce affordable units exceeding the required number of units with lower income or affordability ranges than prescribed herein, in which case, the lower income ranges shall be used to set rents for the affordability term. The income limits apply to the initial occupancy of the unit and all subsequent re-occupancy. Units whose construction is wholly or in part funded by the AHTF shall be specified in the project's development loan agreement executed with the City of St. Louis Park.
   d. Rent ceilings are to be based on the Area Median Income (AMI) for the Minneapolis-St. Paul Metropolitan Statistical Area issued by the Department of Housing and Urban Development (HUD) and are to be adjusted annually to reflect new area median income.
   e. Rent ceilings shall include utilities based on the utilities schedule used for the Federal Housing Choice Voucher Tenant-based Rental Assistance Program administered by the St. Louis Park Housing Authority. Rent ceilings shall be set for the units and are not based on the tenant’s household income. This may result in households paying more than 30% of their incomes for rent or paying less than 30%. Utility allowance, income and rent information data does change over time and the most current data should be utilized at the time of application submission.
f. All units shall be leased in accordance with the City of St. Louis Park’s Inclusionary Housing Policy Guide or MN Housings Low Income Housing Tax Credit (LIHTC) program requirements if a LIHTC development.

g. The rent ceilings of the restricted units shall be finalized prior to making the final AHTF funding recommendation to the city council.

h. **Projects receiving AHTFs must not discriminate against tenants who would pay their rent with federal, state or local public assistance, including tenant based federal, state or local subsidies, including, but not limited to rental assistance, rent supplements, and Housing Choice Vouchers.**

2. **Homeownership Housing Developments**

The following guidelines shall apply to homeownership projects:

a. There are no minimum requirements for the number of affordable homeownership units in a project or complex which can receive assistance from the AHTF. However, homeownership units otherwise required to provide these affordability levels through the Inclusionary Housing Policy are not eligible for an AHTF subsidy.

b. Sale prices of affordable units funded with AHTF subsidy must be set at a price affordable to households with incomes at or below 80% of AMI as calculated and published annually by the Metropolitan Council. For the purpose of setting a sales price, “affordable” shall be defined as housing costs including mortgage payments, property taxes, insurance, and Homeowner’s Association dues (if applicable) that are no greater than 35% of gross income for a household at 80% of AMI. will be factored into the affordable homeownership cost.

c. All affordable homeownership units shall be made available to first-time homebuyers or persons who have not owned a home in the past three years or previous owners of limited equity cooperatives or similar type of housing that have occupancy restrictions.

d. The City shall develop procedures for addressing maximum sales prices, methods of selection of buyers, types of units to be assisted, forms of assistance, forms of resale controls and other administrative controls as found necessary by the Director of Community Development to ensure that units continue to be affordable to, and sold to, households in the appropriate income category. Ownership projects shall contain resale affordability controls to achieve compliance with the goal of long-term affordability.

e. Housing sale prices shall be set based upon prevailing mortgage interest rates and may include the value of second mortgage assistance provided by the AHTF.

f. Properties acquired for the purpose of becoming part of a limited equity form of ownership shall be considered as homeownership housing rather than rental properties. However, in occupied buildings, existing tenants will have the right to remain in their units as tenants or limited equity owners. The developer shall assist existing tenants obtain additional necessary financing if they are interested in becoming limited-equity owners.

**VII. AFFORDABILITY TERM**
Affordability restrictions will apply to all AHTF funded projects. The AHTF will require the longer of the 25-year term of affordability required by AHTF or the affordability period pledged in the application. The term will be from the date of the project’s completion or implementation.

VIII. TYPES OF ASSISTANCE

Funds from the Affordable Housing Trust Fund may be used flexibly to support affordable housing initiatives and ensure the financial feasibility of the projects. Funding awards will be made available in the form of a loan or a grant. The following list is meant to be illustrative, but not exhaustive, of possible types of assistance provided through the AHTF.

1. Deferred payment loans.
2. Low or no interest amortizing loans.
3. Down payment and closing cost assistance for first-time homebuyers.
4. Credit enhancements and mortgage insurance guarantees.
5. Matching funds for public resources that sponsor affordable housing projects.
7. Funds for rental assistance

IX. APPLICATION SUBMISSION

1. AHTFs may be awarded through both:
   a. Periodic funding competitions (Request for Proposals) to which housing program and housing developers are invited to submit housing proposals for AHTF awards; and/or
   b. In response to developer and program requests for funding through an open pipeline basis.

X. REVIEW BY ST. LOUIS PARK

In selecting projects for funding, preference will be given to those projects that will create new housing units in a manner consistent with the St. Louis Park’s AHTF policy. In order to ensure that these limited resources are utilized in the most effective manner possible consistent with the policy, funding thresholds and preferences have been established to guide the decision-making process. Principles of sound underwriting, and risk management will be applied when reviewing proposals.

Thresholds
The following minimum threshold criteria must be met or exceeded by all projects to be considered for AHTF financing. Projects exceeding these minimums will be given preference.

1. The minimum term of affordability must be 25 years;
2. All AHTF units in the project must be affordable to households at or below 80% of AMI for homeownership units and at or below 60% AMI for rental units;

3. Each project submitted for consideration for funding by the AHTF shall be evaluated with respect to financial feasibility; Projects with an unfunded gap in financing will not be selected for an award

4. Applications must be consistent with the AHTF policy;

5. Each project submitted for consideration for funding by the AHTF shall be evaluated with respect to its “readiness to proceed” based on the status of site control, zoning, financing commitments, status of construction drawings, selection of the general contractor, permitting and other commonly used indicators. Funding preference shall may be given to those projects that are most likely to be able to commence development in a timely manner upon approval of funding; and

6. AHTF funds may not be used to support market-rate units.

Additional consideration will be given to the following:

1. Review of underlying assumptions about construction costs, revenues, operating expenses, and financing;

2. The level and type of assistance provided by the AHTF to a specific project must be the minimum amount necessary to achieve the desired degree of affordability without compromising the overall development quality;

3. The amount of the request for AHTF funds as a percentage of the total development cost;

4. Income targeting presented in the application will be applied in the review;

5. Proposals will be underwritten and awards of AHTF funds will be structured to ensure that funds will be repaid to the AHTF, whenever possible;

6. For rehabilitation projects, a physical inspection of the property by the city will be necessary;

7. Developers must submit financial statements and documentation of experience in housing development and demonstrate the following:
   a. Professional development experience, reasonable financial strength, and the ability to undertake the proposed project, at the discretion of the city;
   b. Ability to obtain adequate financing; and
   c. Capability to manage the project successfully after completion or hire a professional management company with experience in managing affordable housing in compliance with AHTF requirements.

8. Preference may will be given to projects that provide housing affordable to households for large families and projects that provide affordable housing for households with incomes at or below 30% AMI; and

9. Secured permanent capital funding commitments must be project specific and include written documentation stating the amount, terms, and conditions from the designated contributor. Rental and operating assistance may also be accepted with the amount, terms and conditions from the designated contributor. Words synonymous with “consider” or “may” (as in “may award” or “pending”) are not considered secured permanent capital funding.
10. For permanent supportive housing, whether the applicant has secured on-going funding for the supportive services that address the special needs of the proposed target population.

XI. REVIEW OF APPLICATIONS BY HOUSING AUTHORITY BOARD

City staff will review and evaluate applications. Evaluations and funding recommendations shall be presented to the St. Louis Park Housing Authority Board (HA). The HA shall consider the outcome of the staff’s review and recommendations. The HA will review the applications recommendations in the context of other pending requests for capital funding and the community development impacts of the recommended award. Following staff’s review and the ranking of the proposals, funding recommendations shall be presented to the city council for review and approval. the HA Board will make recommendations for project funding to the City Council.

Housing Authority Board responsibilities
The Housing Authority Board shall have the following responsibilities related to the AHTF:
1. Review and recommend policies, goals and objectives for the AHTF program to the city council;
2. Publish and distribute requests for proposals and notices for funding availability as needed;
3. Review project funding requests and recommend to the city council distributions from the AHTF; and
4. No disbursements may be made from the AHTF account without the Housing Authority Board review and authorization of the City Council.

XII. THE CITY’S RIGHT TO REJECT AND MODIFY PROPOSALS

The city reserves the right to reject and modify all proposals.

XIII. APPROVAL BY DIRECTOR OF COMMUNITY DEVELOPMENT

The Community Development Director issues the award letters for projects selected for funding by the AHTF. The award letter includes conditions that must be met by the borrower prior to closing on the AHTF funding.

XIV. TENANT-BASED VOUCHER ASSISTANCE:

City-assisted housing projects, including projects receiving AHTFs, are required to accept tenant-based rental housing assistance, including, but not limited to Housing Choice Vouchers, HOME tenant-based assistance, Group Residential Housing, Kids in the Park and Stable Home rent assistance and comply with affirmative marketing requirements.
XV. **FUNDING AWARDS MAY BE CONTINGENT UPON AVAILABILITY OF FUTURE FUNDING:**

Due to the extended length of time that is typically required for projects to be fully funded and minimum funding commitment and expenditure timeframes imposed by HUD, the city council at its sole discretion may make contingent AHTF awards to projects from projected future local funding that has not yet been budgeted or projected federal funding that has not yet been committed to the city. The city council may elect to make AHTF funding awards contingent upon the future availability of funding.

XVI. **FEES: PROPOSAL AND ORIGINATION**

1. **Origination Fee:** If a project is awarded funding, an origination fee of 1% of the AHTF award will be collected at closing.

2. The city will retain 12% of the AHTF Loan funds until the final draw after construction completion.

XVII. **FAIR HOUSING POLICY**

It is the policy of the city to ensure fair housing opportunity in all city programs and to administer its housing programs affirmatively, so that all residents of similar income levels have equal access to city programs regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status or sexual orientation. Participants of the AHTF will be required to use affirmative fair housing marketing practices in soliciting renters, determining eligibility, and concluding all transactions as addressed in Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the fair housing protections provided by the Minnesota Human Rights Act, which adds creed, marital status, status with regard to public housing, and sexual orientation. In part, regarding rental housing issues, Title VIII, the Human Rights Act make it unlawful to: (i) discriminate in the selection/acceptance of applicants in the rental of housing units; (ii) discriminate in terms, conditions or privileges of the rental of a dwelling unit; (iii) engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit; (iv) make or publish (or have anyone else make or publish) advertisements that indicate preferences or limitations based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation; (v) tell a person that because of race, color, creed, relation, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation, a dwelling unit is not available when it is; and (vi) deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation.
XVIII. ADMINISTRATION

The administration of the AHTF is the responsibility of the Community Development Department. If there are questions about the AHTF Program, contact:

Karen Barton, Community Development Director  
Community Development Department  
City of St Louis Park  
5005 Minnetonka Blvd  
St. Louis Park, MN 55416  
Phone Number: 952-924-2684  
E-mail address: kbarton@stlouispark.org

XIX. HOUSING TRUST FUND DEFINITIONS

The following definitions apply to terms used within these Guidelines:

1. **Affordable Housing**: housing that is provided at an affordable rent or an affordable housing cost to low-income (80% AMI), 60% AMI and/or very low-income (50% AMI) and/or extremely low-income (30% AMI) households.

2. **Applicant**: any individual, person, firm, partnership, association, joint venture, corporation, limited liability company, entity, combination of entities or authorized representative who undertakes, proposes or applies to the City for an affordable housing development project.

3. **Area Median Income or “AMI”**: is established for metropolitan areas or non-metropolitan counties by the U.S. Department of Housing and Urban Development (HUD), pursuant to 42 U. S. C. Chapter 1437 et seq., to establish local income classification levels.
   a. **Extremely Low-Income Household**: a household having an income not exceeding thirty (30%) percent of AMI adjusted for household size and as defined by the U.S. Department of Housing and Urban Development.
   b. **Very Low-Income Household**: A household having an income not exceeding fifty (50%) percent of AMI adjusted for household size and as defined by the U.S. Department of Housing and Urban Development.
   c. **Low Income Household**: a household having an income not exceeding eighty (80%) percent of the AMI adjusted for household size and as defined by the U.S. Department of Housing and Urban Development.
   d. **Moderate-income Household**: a household having an income not exceeding one hundred twenty percent (120%) of the AMI adjusted for household size and as defined by the U.S. Department of Housing and Urban Development. Households with income between 120% and 80% of AMI are considered “moderate income.”

4. **Bridge Loan**: an interim or short-term loan which can be used to finance all or part of the development project’s costs until a permanent loan or the next stage of longer-term financing can be obtained. Money from the replacement financing is generally used to "take out" (to pay back) the bridge loan.

5. **City**: The City of St. Louis Park
6. **Co-housing:** A living arrangement which is owned and managed by the residents and combines private living quarters with common dining and activity areas in a community whose residents share tasks.

7. **Cooperative Housing:** A legal agreement or arrangement in which an association or corporation owns a group of housing units and the common areas for the use of all the residents. The individual participants (shareholder) own a share in the cooperative which entitles the shareholder to occupy an apartment or unit as if they were owners, to have equal access to the common areas and to vote for members of the Board of Directors which manages the cooperative.

8. **Limited Equity Housing Cooperative:** offers ownership opportunities to lower income households while limiting the return from resale that the household can receive from the housing. It contrasts with “market rate” cooperatives, where memberships can be transferred at market value. Limited Equity Housing Cooperatives are organized as nonprofit corporations.

9. **Construction Loan:** a short-term, interim loan for financing the cost of construction. Payments from the loans are called construction draws and are made at periodic intervals as the construction progresses. These loans are typically converted or taken out by a “permanent loan” and or financing.

10. **Development Project:** means the new construction or the renovation of a residential building or mixed-use building which includes residential units.

11. **First-time Homebuyer:** someone who has not owned a home in the past three years.

12. **Joint Venture Agreement:** A legally binding contract which is formed by two or more parties for a specific purpose. A Joint Venture is an enforceable agreement formed by a partnership or other acceptable legal entity, and its scope is usually limited to one development project.

13. **Market Rate:** Apartments and other residential dwellings that are available on an unsubsidized basis to the general public for lease, rent, or for the purchase of homeownership.

14. **Permanent Loan:** A long-term loan which is usually not less than 7 years and which payments made by the borrower to the lender on the loan can be fully amortized and/or deferred.

15. **Pre-development:** Time period which includes project feasibility studies, site acquisition and preliminary design studies for a development project usually (but not always) preceding the acquisition of a property site.

16. **Residual Receipts:** The income remaining after expenses, in any given time period.

17. **Silent Second:** A second mortgage or lien that is often obtained at preferential (subsidized) terms. The second (or subordinate) lien might bear no interest and may not be repayable until the first mortgage or deed of trust is repaid, or the property is sold (and hence remains “silent”), or may be forgiven in whole or in part after a certain period of time has elapsed.
Executive summary

Title: Cedar Place redevelopment

Recommended action: Please provide staff with feedback on the proposed redevelopment.

Policy consideration: Does the proposed redevelopment meet the city’s affordable housing and neighborhood development goals? Would city council consider a planned unit development on this one-acre parcel? Does council support allowing more of the building exterior to be clad with fiber cement panel than typically allowed?

Summary: Patrick Crowe submitted applications for a comprehensive plan amendment, planned unit development (PUD), and preliminary and final plat in order to construct a new 79-unit apartment development at the following addresses: 4900 Cedar Lake Road, 4905 Old Cedar Lake Road and 5005 Old Cedar Lake Road. The comprehensive plan amendment would re-guide one of the parcels from office (OFC) to high density residential (RH). The proposed plat would combine three parcels into one new parcel. The PUD would rezone the property from high-density multiple-family residence (R-C) to a new PUD district. The project will comply with the city’s inclusionary housing and green building policies. Construction would start in spring 2020 and open for leasing in fall 2021.

The site is 1.05 acres in area, which is less than the 2 acres usually required for a PUD. However, city council may waive this requirement. Staff support the use of a PUD zoning for this property as it allows for conditions and requirements that fit the context and character of the individual site and advances the city’s climate action goals.

The applicant proposes to use more fiber cement panels (Nichiha) on the exterior of the building than the zoning code typically allows. The city council has approved this material in place of other class 1 materials (i.e. brick, natural stone, glass, etc.) for other buildings in the city including in the PLACE Via Sol development. Staff recommends allowing the material for this development to be consistent with what has been allowed on other developments.

Next steps: Planning commission held a public hearing on February 5, 2020. Parks and recreation advisory commission will review the development on March 18, 2020. Staff will bring the project to city council in April 2020.

Financial or budget considerations: The developer applied for tax increment financing (TIF) assistance to defray a portion of its extraordinary expenses. Staff and financial consultant Ehlers are reviewing the request and will bring a recommendation to the economic development authority (EDA) in the next month. Also, staff estimate the development would pay $118,500 in park dedication fees and $17,775 in trail dedication fees.

Strategic priority consideration: St. Louis Park is committed to providing a broad range of housing and neighborhood oriented development.

Supporting documents: Aerial of site, site renderings, site plan

Prepared by: Jacquelyn Kramer, associate planner
Reviewed by: Sean Walther, planning and zoning supervisor
Karen Barton, community development director
Approved by: Tom Harmening, city manager
Aerial of site
Site renderings
Study session meeting of February 10, 2020 (Item No. 7)
Title: Cedar Place redevelopment

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