

HENNEPIN COUNTY

SOUTHWEST LRT COMMUNITY WORKS



Corridor Housing Strategy

A plan to support and encourage a full range of housing choices in METRO Green Line Extension station areas

www.hennepin.us/southwestlrt



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About the strategy

In May 2012, the Southwest LRT Community Works Steering Committee endorsed the creation of a housing strategy for the Southwest Corridor and directed the program's Housing Workgroup to carry out the development process. The purpose of this strategy is to help fulfill the Southwest Community Work's vision, goals and investment guiding principles to position corridor communities as places for all to live, providing a full range of housing choices, especially within a half-mile of the METRO Green Line Extension.

Southwest LRT Community Works Vision

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

About the Housing Workgroup

The Housing Workgroup for Southwest LRT Community Works comprises staff from all six corridor cities, Hennepin County, Family Housing Fund, Twin Cities LISC, Minnesota Housing, Metropolitan Council, the Southwest Corridor Project Office and ULI-Minnesota.

Workgroup members have collaborated on background research and funding to support development of a corridor-wide housing strategy for the Southwest Corridor (METRO Green Line Extension). It is acknowledged that there may be many ways for communities to meet local and regional housing goals and that each community, through its elected and appointed leaders, will have its own legitimate priorities, funding and policy choices and may seek different balances at different points in time.

We present this document to identify options for strategies and goals and to provide considered staff input on a coordinated approach. There is no single or particular vision of urban development, and corridor communities have leeway to adopt various policies necessary to achieve their valid interests. It is also recognized that multiple factors go into investment decisions and locations for constructing or renovating housing units.

Southwest LRT Community Works Adopted Goals

Economic competitiveness and job growth

promote opportunities for business and employment growth

Housing choices

position the Southwest LRT communities as a place for all to live

Quality neighborhoods

create unique, vibrant, safe, beautiful, and walkable station areas

Critical connections

improve affordable regional mobility for all users.

Housing Workgroup members

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For additional information on Southwest LRT Community Works, its members, partners and initiatives, as well as contact information, please visit www.swlrcommunityworks.org.

BACKGROUND

Southwest LRT Community Works Guiding Principle for investment — Housing

*Providing a full range
of housing choices —
positioning the
Southwest LRT
communities
as a place for all to live*

Southwest LRT Community Works and its funding partners have been working together since 2012 to inventory existing housing options in the corridor, understand what the future housing demand may be and the likely demographics of people interested in living along the corridor. In addition, the work includes developing a deep understanding of the current and potential local, county, state and federal technical and financial resources to support a full range of housing choices. Informing this work was a series of stakeholder engagement activities in 2015 to gather feedback from groups including funders, developers, housing advocates, city councils and commissions, along with Southwest Corridor-specific studies listed in the box below.

Additionally, individual cities have undertaken housing studies, outlined tools and strategies in their comprehensive plans and set individual housing goals. These efforts, along with other resources and technical assistance, have been compiled and taken into consideration to inform a Southwest Corridor-wide Housing Strategy along the Green Line Extension. Southwest LRT Community Works envisions this corridor-wide strategy as a complement to other housing planning and policy work. It provides objectives, suggested housing targets and potential implementation strategies that are options to help Corridor stakeholders work towards a full range of housing choices in LRT station areas.

Recent Southwest Corridor housing studies

Southwest Corridor-wide Housing Inventory (2013)

a chronicle of existing housing and demographics along the corridor

Southwest LRT New Starts Affordable Housing Rating Evaluation Summary, MZ Strategies (2013)

an outline of existing SW Corridor Cities plans and programs that support affordable and workforce housing that can be applied to the LRT Corridor

Southwest Corridor Investment Framework (2013)

Transitional Station Area Action Plans for each of the 17 station areas, including recommendations on likely sites for housing development

Southwest Corridor Housing Gaps Analysis (2014)

projects future housing demand, provides market analysis and outlines recommendations and tools to achieve a full range of housing choices.

Southwest LRT New Starts Submittal (2014)

updated information on costs, ridership and land use/ economic development both current and future, as part of the federal LRT funding process

Why a coordinated housing strategy?

The Southwest LRT Corridor is well known as job-rich, with over 270,000 jobs expected by 2030. Housing will play a key role in maximizing economic development and supporting job growth along the Southwest Corridor, as well as in helping the LRT line to be successful. Workers who can live close to their jobs save money in transportation costs; a full range of housing choices within station areas will help support a balanced employment base; and lifecycle housing in communities and increased housing density around transit stations will support the LRT line with consistent or increased ridership.

However, studies along Southwest Corridor point to the majority of new housing being high-end /luxury development. This leads to a concern that without a coordinated strategy, development in station areas may not produce a full range of housing choices, either by cost or unit size and type. Recent studies by the Dukakis Center for Urban and Regional Policy of 42 neighborhoods and 12 metropolitan areas revealed that when transit is added, housing stock becomes more expensive. These and other studies indicate that existing and future housing located strategically near light rail transit experiences a rise in value and rents at a more rapid pace than the general market. This increase helps to spur economic development and at the same time has a tendency to reduce the opportunities for lower-to-moderate income people and transit-dependent individuals who may desire and benefit most by living in station areas. Rising housing costs generally hit low-income working households the hardest, which elevates the risk of involuntary displacement for people already living in those areas, who may no longer be able to afford to own or rent due to the increase in values.

Why work together?

Creating a full range of housing choices is a difficult challenge, yet it will be one measure of the success of Southwest LRT (METRO Green Line Extension) and the communities it serves. Collaboration is key to adequately addressing the challenges, particularly in developing affordable housing.

A collaborative approach increases the corridor's ability to be competitive and adds leverage to secure public and philanthropic resources. It also sends a positive message to the development community that the corridor cities are "all-together" in supporting a mix of housing choices, and helps to create alignment to achieve regional housing goals.

"Ensuring that there is a full range of housing choices with access to transit in our cities builds economic prosperity and competitiveness by attracting and retaining residents to support key employers."

— Family Housing Fund

"... we must act now to ensure that the housing built in these locations provides for a mix of incomes or a once-in-a-lifetime opportunity will be lost."

— Center for Transit Oriented Development

Successful collaboration and shared benefits

A Housing Strategy for the Southwest Corridor may enable corridor cities, Hennepin County and other public and private partners to do more — better — together than they can do alone. For instance, it may help them to:

Create and sustain healthy communities

By providing a full range of housing choices all along the Southwest corridor, cities will be better able to create and sustain the livable, vibrant neighborhoods that contribute to overall city well-being. Housing that is affordable to a mix of incomes around all station areas increases choices for residents looking to live near work, family or educational opportunities. It also reduces transportation costs and creates equity in communities.

Provide lifecycle housing for existing residents

Whether it's housing for young people just out of college, move-up housing for growing families or housing options for seniors looking to age in place, the right mix of housing can help cities retain residents and build strong, stable communities. A Corridor-wide Housing Strategy will help cities respond to the needs of their existing residents and accommodate community needs.

Achieve individual city goals:

The Housing Strategy will assist cities in meeting their individually adopted housing goals and may allow them to increase their Housing Performance Score to qualify for resources from the Metropolitan Council including the Livable Communities Demonstration Account program (LCDA) and other sources.

Leverage resources

Southwest Corridor cities and Hennepin County can use the housing strategy to leverage additional public and private resources, compete better for limited grant funds and philanthropic dollars and attract greater private development than any entity may be able to do in acting alone.

Increase economic competitiveness

There is an economic case for providing the best opportunities for access to quality housing for those with modest incomes. If essential workers along the corridor cannot afford to live there anymore, it impacts not just individual cities but also the economic growth and competitiveness of the corridor and entire region.

Offer consistency of approach

Quality developers have a limited capacity to pursue projects. Project costs increase when inconsistent visions, goals and processes result in developers spending substantial time pursuing needed capital and regulatory approvals. By contrast, developers may be drawn to a redevelopment-ready area that has a collaborative housing approach and consistency of vision. This reduces the complexities of development, helps to solve problems and manages development risks. A corridor-wide Housing Strategy can provide clarity and consistency to the local and national development community, allowing cities and the County to take full advantage of unique transit-oriented development (TOD) opportunities and to be creative in development near transit that will grow the tax base now and into the future.

Sustain and improve the Southwest LRT New Starts Score

The Federal Transit Administration (FTA) considers policies, planning and programs that support development and retention of affordable housing along transit corridors. In its most recent New Starts ranking, the FTA spoke highly of the coordinated planning efforts and programs along Southwest Corridor, noting that “The region appears to have one of the most comprehensive sets of affordable housing initiatives in the country.” FTA ranked Southwest LRT “high” based on coordination and planning efforts around affordable housing, but ranked it only “medium-low” based on the formula for counting legally-binding affordable housing along the corridor. In order to make the LRT project as competitive as possible for federal funding, FTA will be looking for further action, such as adoption of a corridor-wide housing strategy, when it reviews Southwest LRT for the Full Funding Grant Agreement.

... The region appears to have one of the most comprehensive sets of affordable housing initiatives in the country.

— Capital Investment Program Project Profiles, Federal Transition Administration, 2016

How was the strategy created?

The Southwest LRT Community Works Steering Committee has adopted goals and guiding principles for investment that ground the work of this Housing Strategy. They provide the overarching strategy goal, as well as the basis for recommended targets for constructing and preserving housing and implementation strategies.

This document aims to provide one measure of what a “full range of housing choices” means within a specific time period. It also lays out a menu of implementation strategies and action steps as well as identifies key partner roles. While no one entity is likely to take on all of the implementation strategies, cities along the corridor can work together to share resources and information and use the strategies that best meet their community’s needs.

HOUSING GOAL AND AFFORDABILITY TARGETS

The Housing Gaps Analysis examined each station area and suggested development scenarios. These included potential numbers for new construction and also identified existing rental units in need of preservation. These scenarios form the baseline for unit targets along Southwest corridor by 2030, ten years after METRO Green Line Extension LRT service begins operations.

The Gaps Analysis suggests that if housing development is left solely to market forces, new development around station areas will be market-rate and luxury rental options — not the mix of housing types desired by corridor communities. Therefore, this housing strategy pays particular attention to tools and resources that support affordable housing development and preservation.

The Gaps Analysis also took a fiscally constrained approach to affordable housing recommendations in the corridor, which means that affordability targets may be lower than measures of affordability need. However, the implementation strategies include options to bring new resources to affordable housing development and preservation. Success with these strategies could allow additional units above the baseline targets to be created.

There is a need for a variety of options in terms of housing unit sizes, for-sale as well as rental opportunities and affordability levels. A key reason for this is the desire to retain community residents as their housing needs change and evolve over a lifetime. Larger housing sizes, especially three- and four-bedroom units, may be of particular need, as well as senior housing and entry-level home ownership opportunities. Additionally units for those earning 30% of area median income are particularly needed.

These baseline targets may be modified over time to respond to market conditions and new housing policy direction, including 2018 comprehensive planning. While cities are not expected to plan for all of their affordable housing need to be located in areas within a half-mile METRO Green Line Extension stations, this LRT transit investment provides unique opportunities to increase the likelihood that all income levels have access to TOD housing.

Southwest LRT Community Works Housing Goal:
Position the Southwest LRT communities as a place for all to live.

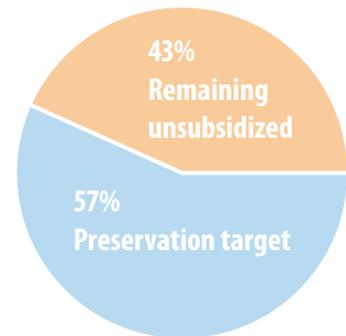
Southwest LRT Community Works guiding principle for investment: *Provide a full range of housing choices.*

New Construction: Add 11,200 new units within ½ mile of the Corridor, including 3,520 units affordable low to moderate income households (up to 100% AMI), with 2,265 of those units affordable to those at 80% AMI or below by 2030. This target also includes 1,314 new home ownership units, with 950 of those affordable to entry-level and mid-market owners.

Preservation: Preserve 3,800 unsubsidized affordable (<60% AMI) rental units by 2030, out of 6,700 unsubsidized affordable units within ½ mile of the Corridor.

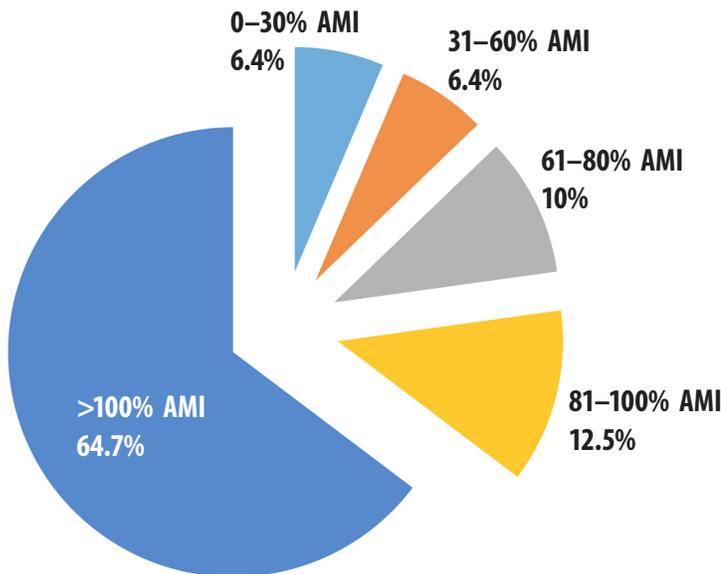
Corridor Preservation Target

Unsubsidized affordable rental = 6700 units

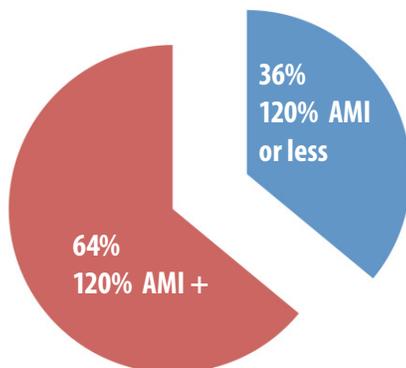


Affordability targets for new construction:

Rental



Homeownership



Defining affordable:

- *Area Median Income (AMI) is a calculation that funders and policymakers use to gauge affordability.*
- *Affordable housing is typically defined as housing that is affordable to low- or moderate- income families.*
- *Affordable housing costs should, in general, comprise no more than 30% of household income.*

Allocating housing along the Southwest Corridor

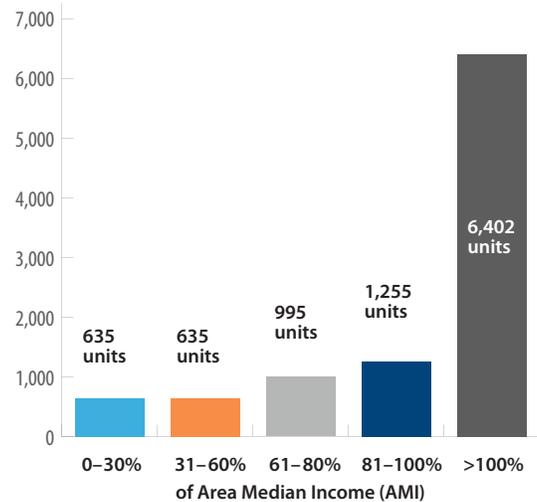
About allocation of need:

The Metropolitan Council developed a process of forecasting the region's need for housing units affordable to low- and moderate-income households. Local governments use these "need" numbers to aid them in fulfilling their affordable housing planning responsibilities.

The affordable housing strategy targets for Southwest LRT Corridor represent about about 35% of Metropolitan Council's Need Allocation for the five Corridor cities.

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

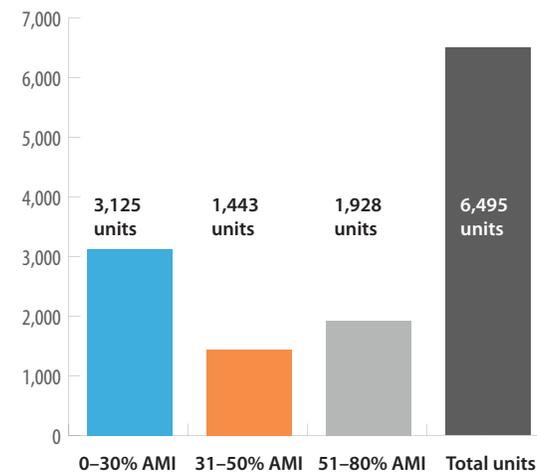
0 – 30% AMI: 635 units
 31 – 60% AMI: 635 units
 61 – 80% AMI: 995 units
 81 – 100% AMI: 1,255 units
 > 100% AMI: 6,402 units
Total units: 9,922



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

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

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



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

Note on Edina: No Southwest LRT stations are located in the City of Edina. However, a small portion of Edina falls within 1/2 mile of the Blake and Downtown Hopkins stations. Portions of Edina also fall within 1 mile of the Shady Oak, City West and Golden Triangle stations. Affordable housing development in Edina can contribute to affordable housing availability in the larger Southwest LRT Corridor area.

Edina citywide allocation of need: 878 units

- 0 – 30% AMI: 365 units
- 31 – 50% AMI: 234 units
- 51 – 80% AMI: 279 units

How much do people pay for “affordable” housing?

\$82,833

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

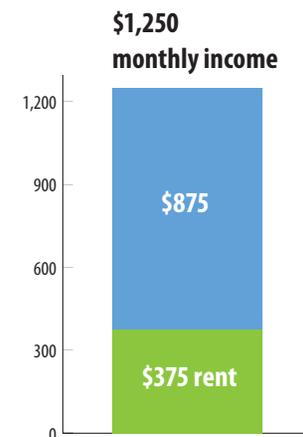
Based on area median income (AMI) for a four-person household*

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

\$50,580 Corridor household median income**

Southwest Corridor median income for workers

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



* United States Department of Housing and Urban Development 2014

** Southwest Corridor-wide Housing Inventory, 2013

Affordable rents, based on sample occupations and their average salaries

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

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

Why set corridor affordability targets?

The diverse cities along the corridor are each taking steps to plan for land uses; they also have housing strategies and goals outlined in their comprehensive plans. In addition, all of the corridor cities work toward housing goals that were negotiated with the Metropolitan Council. So what are the benefits of setting affordability targets together? There are many, including the following:

Respond to regional and federal funders

- **Federal Sustainable Communities Grant:** In 2011, Hennepin County was a sub-recipient of a federal Sustainable Communities Grant. Combined with Living Cities resources through Corridors of Opportunity, the Southwest Corridor was tasked with developing a set of measurable unit goals for housing along the corridor.
- **Corridors of Opportunity Transit Recipients need to address Fair and Affordable Housing:** In September 2011, the Corridors of Opportunity Policy Board adopted several recommendations for regional transit corridors to address Fair and Affordable Housing in their overall TOD strategies. The primary recommendation was for the adoption of measurable, corridor-wide goals and strategies to ensure sufficient housing, both new production and preservation, to serve a full range of incomes.

The Sustainable Communities grant and Corridors of Opportunity program have both ended. However, their guidance and best practices are still applicable for work in the Southwest Corridor. There are also important funding opportunities in the future, both for the LRT project and for competitive development resources.

Competitiveness for Federal Transit Administration (FTA) funding of infrastructure

In 2013, the FTA released new guidance for scoring transit projects that include existing and future plans for affordable housing. The FTA seeks to “ensure that as service is improved over time, there is a mix of housing options for existing and future residents.” In anticipation of the METRO Green Line Extension’s FTA application for the Full Funding Grant Agreement (FFGA), commitment and progress toward meeting affordable housing goals is essential, as this will be viewed competitively against other regions seeking the same limited funds.

Alignment with Metropolitan Council Housing Policies

A coordinated strategy along the corridor that aligns with Metropolitan Council’s housing policies, including the Housing Policy Plan (2014), will help cities in planning, tracking progress and addressing regional housing needs. Metropolitan Council has allocated new affordable housing need numbers, and will be negotiating affordable and life-cycle housing goals with participating cities in the future. A corridor-wide strategy that aligns with regional housing policies will help cities improve their competitiveness when seeking council resources.

The FTA seeks to “ensure that as service is improved over time, there is a mix of housing options for existing and future residents.”

— New and Small Starts Evaluation and Rating Process Final Policy Guidance, August 2013

Align development policies and resources throughout the corridor

Corridor-wide affordable housing targets, developed in collaboration and tied to existing city plans and Metropolitan Council allocation of need, will allow partners to focus efforts and public resources to identified gaps. Collaboration between partners will allow sharing of tools and information, while preserving each entity's unique identity and role in housing creation.

Track progress over time

Similar to the work being done along the METRO Green Line's Central Corridor, an affordable housing target in the Southwest Corridor will allow cities, Hennepin County and funders to track progress over time to help determine whether the corridor is moving towards its policy goals. Having specific numeric targets allows measurement against a baseline and can also help identify where targets may need adjustment due to market trends or development activity.

Promote fair housing

The Fair Housing Act of 1968 prohibits discrimination in housing and also requires recipients of federal funding to affirmatively further fair housing. A housing strategy can assist all Southwest Corridor communities in reducing barriers to and promoting fair housing and equal opportunity, while recognizing that each community will be balancing many policy options and may have multiple ways to meet its fair housing requirements.

ACHIEVING THE GOAL

Corridor-wide objectives

To promote the corridor-wide goal and housing unit targets, Southwest LRT Community Works supports four objectives. Each objective has related implementation strategies, which are offered as options among a range of tools, in support of the corridor-wide objectives. Through public/private partnerships, the implementation strategies detailed below may help achieve the objectives.

Objective 1 Develop new housing opportunities

Create new housing that includes a mix of unit types with values and rents affordable to people with a full range of incomes. Focus on creating mixed income neighborhoods as well as opportunities for mixed income projects. Support opportunities in home ownership as well as rental units.

Implementation strategies

Develop coordinated mixed-income (inclusionary housing) policies.

- These policies would apply to new housing development within corridor cities, particularly in areas targeted for new transit oriented development.
- Seek support for policy adoption by corridor cities.

Leverage private and philanthropic investments locally, regionally and nationally, along the corridor through a TOD Housing Fund.

- Link development prospects to Regional Pre-development Funders Roundtable to assist developments in navigating complex financing challenges.
- Participate in the development of private/public TOD Housing fund.
- Work with private lenders to evaluate underwriting criteria for TOD projects

Engage large corridor employers to strategically invest in the preservation and production of housing opportunities for low-to-moderate income employees.

- Engage employer groups in the corridor on workforce housing needs.
- Encourage employers to participate in private/public TOD Housing fund or other strategies to increase mixed income housing.

Develop and adopt a clear and consistent vision, goals and affordability targets for housing development within a half-mile of LRT stations.

- Increase developers' knowledge of city and county expectations in advance, rather than negotiating on every project.

Maintain and enhance policies around station areas to promote increased density and include a mix of uses consistent with federal and regional transportation policies.

- Provide flexibility to allow less parking around transit areas.

Implement infrastructure recommendations from the Southwest Corridor Investment Framework to provide connectivity in and around station areas and maximize development potential at station sites.

Utilize creative tools and resources to engage the public and policy leaders around key development opportunity sites.

Objective 2

Preserve existing housing opportunities

Preserve and enhance existing subsidized and unsubsidized housing stock to reduce the involuntary displacement of residents with low to moderate incomes. Develop preservation criteria for unsubsidized housing stock. Maintain opportunities to use Housing Choice vouchers in corridor units.

Implementation strategies

Review existing affordability agreements for subsidized properties.

- Determine length of contracts and assess conversion risk.
- Develop policies to preserve legally binding affordable housing units along the Corridor.
- Engage owners early in maintaining affordability and extending agreements.
- Pay particular attention to preserving units affordable to the lowest-income households: 30% AMI and below, up to 60% AMI. Prioritize preservation at lowest income levels.
- Track use of Housing Choice vouchers along the corridor and actively work to preserve units accepting vouchers.

Maintain and improve the quality of existing aging rental and ownership housing stock.

- Focus primarily on properties that are at values and rents affordable for low to moderate income people.
- Develop programs together with regional partners that provide for strategic acquisitions, low-interest loans and public-private partnerships.
- Work with owners to match lower income residents with unsubsidized affordable housing units and create a structure to maintain that affordability.

Objective 3 Expansion and Improvement of Technical, Financial and Regulatory tools

Utilize existing resources and develop new resources to achieve corridor housing targets by seeking funding sources and technical expertise to support the development and preservation of a full range of housing choices. Modify regulatory tools to support housing development and preservation. Actively seek opportunities for land-banking, land trusts, and use of public land for affordable housing development. Examine legislative changes to language that inhibits higher-density home ownership opportunities.

Implementation strategies

Evaluate corridor cities' interest in exploring the costs/benefits, mechanics and legislative authority for joint-financing mechanisms such as corridor-wide tax increment financing (TIF), fiscal disparities sharing, and other forms of value capture.

- Identify opportunity for large-scale TIF agreement rather than project-by-project TIF.
- Expand housing tax increment with a particular focus on TOD locations.
- Explore changes to fiscal disparities policy that would allow net payer cities to receive credit that could be used towards housing development.
- Explore creative financing tools for mixed income projects (e.g. 4% tax credits, mezzanine loans) in collaboration with Community Development Financial Institutions (CDFIs).

Objective 4

Market the corridor

Create a marketing plan to attract developers and new residents and draw existing residents and employees to TOD neighborhoods and a TOD lifestyle.

Implementation strategies

Provide marketing resources and expertise to promote the corridor and its housing vision to developers, employers, schools and future residents.

Develop metrics to track progress towards unit targets over time, using existing partners and resources.

Seek non- and for-profit developers with proven expertise in providing quality long-term affordable housing to the lowest income households.

Implementation strategies

Implementation strategies are offered as options among a range of tools in support of the corridor-wide objectives. Through stakeholder feedback, implementation strategies have been grouped into primary and secondary categories. Primary strategies have seen strong interest or agreement in terms of their usefulness in achieving the corridor-wide goal.

Additionally, strategies are identified as “*corridor-wide*” or “*city/county-specific*.” Corridor-wide strategies can be pursued collaboratively, while city/county-specific ones pertain to authorities held by cities or Hennepin County.

Primary Strategies

- Evaluate corridor cities’ interest in exploring the costs/benefits, mechanics and legislative authority for joint financing mechanisms such as corridor-wide tax increment financing (TIF), fiscal disparities sharing, and other forms of value capture. (*corridor-wide*)
- Maintain and improve the quality of existing aging rental and ownership housing stock. (*corridor-wide*)
- Leverage private and philanthropic investments locally, regionally and nationally, along the corridor through a TOD Housing Fund. (*corridor-wide*)
- Provide marketing resources and expertise to promote the corridor and its housing vision to developers, employers, schools and future residents. (*corridor-wide*)

- Develop metrics to track progress towards unit targets over time, using existing partners and resources. *(corridor-wide)*
- Develop and adopt a clear and consistent vision, goals and affordability targets for housing development within a half-mile of LRT stations. *(city/county specific)*
- Implement infrastructure recommendations from the Southwest Corridor Investment Framework to provide connectivity in and around station areas and maximize development potential at station sites. *(city/county specific)*
- Maintain and enhance policies around station areas to promote increased density and include a mix of uses consistent with federal and regional transportation policies. *(city/county specific)*

Secondary Strategies

- Develop coordinated mixed-income (inclusionary housing) policy language *(corridor-wide)*
- Review existing affordability agreements (subsidized properties) *(corridor-wide)*
- Engage large corridor employers to strategically invest in the preservation and production of housing opportunities for employees with low to moderate incomes. *(corridor-wide)*
- Utilize creative tools and resources to engage the public and policy leaders around key development opportunity sites. *(city/county specific)*
- Seek non- and for-profit developers with proven expertise in providing quality long-term affordable housing to the lowest income households. *(city/county specific)*
- Explore creative financing tools for mixed income projects (e.g. 4% tax credits, mezzanine loans) in collaboration with Community Development Financial Institutions (CDFIs). *(city/county specific)*

Partners in implementation

Creating a full range of housing choices in the Southwest Corridor can be enhanced through partnership and cooperation between the public sector and private partners, each with unique perspectives and implementation roles.

Southwest LRT Community Works

The primary role of this partnership is as a convener of policymakers and technical staff, including housing staff. Southwest LRT Community Works can offer guidance and technical assistance to partners as well as track progress on the Corridor-wide Housing Strategy.

Cities

Cities are on the front line in housing development and preservation and are key players in land use and zoning control necessary to achieve individual and corridor housing goals. It will be important to align the corridor-wide strategy with local housing planning and comprehensive plan efforts and to provide tools and resources to support a full range of housing options — all while recognizing different development markets and constraints on city resources to support housing, along with other TOD infrastructure needs.

Hennepin County

The county is a funder of affordable housing, primarily through AHIF and TOD grants. It also provides staff support to Southwest LRT Community Works. This strategy can be one of the factors considered in how the County allocates these funds.

Metropolitan Council/Southwest Project Office

The Metropolitan Council provides regional guidance on the Housing Policy Plan; works with cities on planning housing need through comprehensive plan implementation; negotiates housing goals; provides technical assistance on tools and policies; and provides funding to support affordable housing development through the Livable Communities program. The Southwest Project Office provides LRT project information to support developers/city infrastructure coordination requirements.

Developers

For-profit and non-profit developers have a crucial role in investing in the development and preservation of housing units in the Southwest Corridor. Developers work with cities and other partners to meet affordability targets and create station-area developments consistent with the strategy. They also provide critical input regarding market conditions, challenges and opportunities as they relate to implementing strategies along the corridor.

Employers

Corridor employers have a strong interest in recruiting and retaining top talent. Housing can be a key component in developing a stable workforce. Identifying ways to have continued dialogue with employers will be important to identify workforce housing needs.

Funders

Private, public and philanthropic funders play a key role in providing critical resources to support investment in a mix of housing types along the corridor. It will be critical to continue dialogue on financing criteria that support a mix of housing types in station areas and ensure that resources are aligned for preservation and creation of affordable housing along the corridor. Examples include: private financial institutions, public financial institutions, foundations/intermediaries, syndicators, and entities involved in site acquisition.

Advocates

Housing advocates have provided valuable feedback on the development of this Strategy and will continue to play an important role in identifying tools and resources for affordable housing development. The advocacy community can also help connect the Southwest Corridor Housing Strategy with larger housing policy agendas moving forward.

Next steps

Housing Workgroup

- Develop a work plan to move implementation strategies forward.
- Track progress on corridor-wide strategy implementation.
- Engage regularly with policymakers and stakeholders to ensure the housing strategy reflects current goals and market conditions.

Seek city/county support for the four key Corridor-wide Objectives

- Encourage integration of strategy tools within zoning and development plan review.
- Encourage use of strategy goals as a factor in funding allocation decisions.
- Incorporate and align the Corridor Housing Strategy in the development of or updates to individual housing policies and comprehensive plans.

Determine mix of unit types and affordability for the corridor

- Ask cities to identify station area mix of housing units, types and values.
- Pay particular attention to targets for larger unit sizes, senior housing and housing affordable to 30% AMI and below.
- Calculate amount of public/private subsidy necessary to fully achieve the housing targets.

Seek city goals for preservation and new construction at various affordability levels for each station area, to apply to corridor targets

- Adopt corridor targets that are consistent with city goals.
- Align with comprehensive plans
- Embed station area targets in city housing plans, taking into account affordable housing targets as well as market-rate unit needs.

Southwest Corridor Housing Strategy

Compiled by Southwest LRT Community Works' housing workgroup

Southwest LRT Community Works partners

Hennepin County

Hennepin County Regional Railroad Authority

Eden Prairie

Minnetonka

Hopkins

Edina

St. Louis Park

Minneapolis

Metropolitan Council

Urban Land Institute Minnesota

Minneapolis Park and Recreation Board

Minnehaha Creek Watershed District

SouthWest Transit

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