



# EDINA MINNESOTA

## Housing & Redevelopment Authority Meeting Agenda

February 19, 2026, 7:30 AM

Edina City Hall, Council Chambers, 4801 W. 50th St.



### **Participate in the meeting:**

Watch the meeting on cable TV or [YouTube.com/EdinaTV](https://www.youtube.com/EdinaTV).

Provide feedback during Community Comment by calling 312-535-8110. Enter access code 2870 623 4818. Password is 5454. Press \*3 on your telephone keypad when you would like to get in the queue to speak. A staff member will unmute you when it is your turn to speak.

### **Accessibility Support:**

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#### **1. Call to Order**

#### **2. Roll Call**

#### **3. Pledge of Allegiance**

#### **4. Approval of Meeting Agenda**

#### **5. Community Comment**

During "Community Comment," the Chair will invite residents to share issues or concerns that are not scheduled for a future public hearing. Items that are on tonight's agenda may not be addressed during Community Comment. Individuals must limit their comments to three minutes. The Chair may limit the number of speakers on the same issue in the interest of time and topic. Individuals should not expect the Chair or Commissioners to respond to their comments tonight. The Chair will respond to questions raised during Community Comments at the next meeting.

#### **6. Adoption of Consent Agenda**

All agenda items listed on the Consent Agenda will be approved by one motion. There will be no separate discussion of items unless requested to be removed by a Commissioner. If removed the item will be considered immediately following the adoption of the Consent Agenda. (Favorable roll call vote of majority of Commissioners present to approve, unless otherwise noted in consent item.)

6.1. Approve HRA Minutes from Feb. 5, 2025

#### **7. Reports/Recommendations**

7.1. 7001 France Avenue - Project Update and Discussion

7.2. Policy for New Multifamily Affordable Housing Discussion

**8. Executive Director Comments**

**9. HRA Member Comments**

**10. Adjournment**



**Item Number:** 6.1

**Department:** Community Development

**Item Activity:** Action

**Prepared By:** Stephanie Hawkinson, Affordable Housing  
Development Manager

**Item Title:** Approve HRA Minutes from Feb. 5, 2025

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**Action Requested:**

Approved HRA Minutes from Feb. 5, 2026

**Information/Background:**

**Supporting Documentation:**

1. HRA Minutes from Feb. 5, 2026

**MINUTES  
OF THE REGULAR MEETING OF THE  
EDINA HOUSING AND REDEVELOPMENT AUTHORITY  
FEBRUARY 5, 2026  
7:30 A.M.**

***I. CALL TO ORDER***

Chair Hovland called the meeting to order at 7:30 a.m. then explained the processes created for public comment.

***II. ROLL CALL***

Answering rollcall were Chair Hovland, Commissioners Agnew, Jackson, Pierce, and Risser.

Absent: None.

***III. PLEDGE OF ALLEGIANCE***

***IV. MEETING AGENDA APPROVED – AS PRESENTED***

**Motion by Commissioner Jackson, seconded by Commissioner Pierce, approving the meeting agenda as presented.**

Ayes: Agnew, Jackson, Pierce, Risser, and Hovland

Motion carried.

***V. COMMUNITY COMMENT***

No one appeared.

***V.A. EXECUTIVE DIRECTOR'S RESPONSE TO COMMUNITY COMMENTS***

Executive Director Neal responded there were no past Community Comments.

***VI. ADOPTION OF CONSENT AGENDA AS PRESENTED***

**Motion by Commissioner Jackson, seconded by Commissioner Agnew, approving the consent agenda as presented:**

***VI.A. DRAFT MINUTES OF REGULAR MEETING OF JANUARY 15, 2026***

Ayes: Agnew, Jackson, Pierce, Risser, and Hovland

Motion carried.

***VII. REPORTS AND RECOMMENDATIONS***

***VII.A. USING TAX INCREMENT FINANCING TO ACHIEVE COMMUNITY GOALS – PRESENTED***

Economic Development Director Neuendorf stated that this item pertains to Edina's practice and policy regarding the use of Tax Increment Financing (TIF) to finance public and private improvements.

Mr. Neuendorf also presented information regarding the purpose of TIF, TIF in Edina, 2022 TIF policy, order, and timing of TIF, and the types of expenses TIF can be used for.

The Commissioners gave feedback on TIF being a tool they can use in the City, having TIF discussions earlier on, and the financial benefit going into the General Fund sooner.

Mr. Neuendorf stated that TIF should be used when something is likely to happen, not just hoping something will happen.

The Commissioners asked questions regarding limiting the sizing duration, using TIF for land price, and the duration of the TIF district impacting pooling for affordable housing.

Mr. Neuendorf stated that they have used TIF in Edina since 1974, and it has been used primarily as a reimbursement. He also stated that he is very cautious about inflating land prices.

The Commissioners expressed concerns regarding how affordable is defined and how frequently TIF is combined with zoning.

The Commissioners gave feedback regarding looking at the timing issue and having a discussion about TIF earlier on, and striking the right balance to have a stable levy.

The Commissioners expressed concerns that the guidelines may be challenging for the developers.

**VIII. EXECUTIVE DIRECTOR COMMENTS** – Received

**VIII. A.SPARC LOAN FOR 3916 W. 50TH STREET - PROJECT UPDATE**

**IX. HRA MEMBER COMMENTS** – Received

**X. ADJOURNMENT**

**Motion made by Commissioner Agnew, seconded by Commissioner Pierce, to adjourn the meeting at 8:27 a.m.**

Ayes: Agnew, Jackson, Pierce, Risser, and Hovland

Motion carried.

Respectfully submitted,

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Scott Neal, Executive Director



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**Item Number:** 7.1

**Department:** Community Development

**Item Activity:** Discussion

**Prepared By:** Bill Neuendorf, Economic Dev Mgr

**Item Title:** 7001 France Avenue – Project Update and Discussion

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**Action Requested:**

No action required; for discussion only.

**Information/Background:**

Summary

Mortenson Development and Orion Investments own the vacant site at 70th and France and seek a modified financial partnership with the Edina HRA as they renew efforts to redevelop the site. Despite the excellent location, traditional efforts to secure financing have not been successful in this challenging economic environment.

In lieu of Pay-as-you-go TIF Notes, the developers request that the HRA consider alternative public financing strategies to stimulate the construction of the office building and residential building in two separate phases. If HRA involvement is not affirmed, the developers may need to fully reconsider plans for the site.

A frank discussion is sought to inform the developers as they prepare plans to move forward.

Background

In June 2022, the HRA and City entered into TIF Redevelopment Agreements with Orion Investments and Mortenson Development dba MDI France Ave, LLC to redevelop the aging commercial buildings at 7001 France Avenue. This 5.8-acre site was previously occupied by an outdated branch bank and outdated office building.

Although the initial relocation of the US Bank facility was completed successfully and the site cleared, the subsequent development of Site A (new residential high rise) and Sites B/C (new office and new parking garage), has been delayed due to post-pandemic hesitancy in the capital markets that typically provide financing for these types of large scale complex projects. Dramatic increases in construction costs and interest rates exacerbated the financial challenges for this site.

Exploring Alternative Strategies

In 2025, City staff met with the developers to better understand the economic challenges and to discuss possible strategies that the HRA and City might consider to 'jump start' the next phase of construction at this highly visible commercial intersection.

A possible strategy whereby the HRA issued public debt for the garage was explored in fall 2025. But this approach was abandoned because it created too much financial risk for the HRA.

Based on the positive momentum in the current office leasing environment, the developers believe that the Site B office can move forward in the next 1-2 years if a financing solution can be found to construct the Site C parking garage.

After progress is made on Sites B & C, the developer will refocus attention on Site A residential building.

#### Overview of Revised Financing Proposal

The developers will present a new proposal for discussion. No formal action is required at this time. But a frank conversation is helpful to guide the developers toward their next steps. Staff has made it clear to the developers that strategies that are likely to cause a reduction in the City's AAA bond rating are not of interest to the HRA. Key elements of the proposal include:

- Eliminate the \$17 million TIF Note for Site B
- Extend the duration of the TIF District, if necessary
- Developer to build and finance the office on Site B and the parking garage on Site C
- Construct the parking garage in two phases to reduce initial costs
- Use surface parking on Site A until residential market enables the final phase of construction at some time in the future
- HRA to lease the parking garage and use tax increment collected from Site B to contribute toward debt payment
- Developer to maintain and operate parking garage

#### Next Steps

While no formal action is requested at this time, it will be helpful to understand the HRA Board's level of interest in pursuing a creative financing approach that allows the approved mixed-use project to continue to move forward.

If the HRA is generally supportive of leasing the parking garage and using incremental taxes to pay the lease, staff will complete the additional research and prepare a Term Sheet for formal consideration by the HRA and City. This Term Sheet will be used by the developer as they pursue leasing commitments and financing commitments. After the developer reaches pre-leasing goals, this Term Sheet would be expanded into a binding Lease and Redevelopment Agreement.

#### Questions to Consider

1. Is the HRA willing to consider creative, strategic, and responsible strategies to provide public financing that enables Sites B/C to move forward and procure private investors and lenders?
2. If not, is the HRA willing to see the anticipated \$250+ million mixed use vision for this 5.8 acre site not realized?

**Resources/Financial Impacts:**

None. City staff will work on this project as part of their normal duties. Costs of third-party professionals engaged to provide specialized skills on behalf of the City/HRA will be born by the developers.

**Relationship to City Policies/Plans/Budget Pillars:**

Public financial involvement can be applied strategically to strengthen the tax base that serves as the foundation of the community. Using TIF financing to achieve public realm improvements such as new roadways, new sidewalks, new public parking and new outdoor public plazas contributes to a more vibrant and livable community.



Strong Foundation



Livable City

**Values Impact:**



Equity

After completion, there will be new employment opportunities in several industries at this site.



Health

After completion, the site will include new walking routes available to the public. The new building(s) will be designed with modern health and environmental standards.



Stewardship

The HRA's role is to promote and enable redevelopment of under-used properties. Financial involvement to achieve desired outcomes is good stewardship of HRA resources.



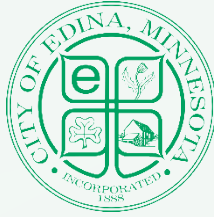
Sustainability

After completion, the site will include modern storm water features and the new building(s) will be designed to comply with modern environmental codes and standards.

**Supporting Documentation:**

Documents marked with "Board Portal" do not meet [ADA Web Content Accessibility Guidelines \(URL\)](#) and are not included in the public packet. To request a board portal document, please [submit a data request \(URL\)](#).

1. 7001 France Staff Presentation
2. 7001 France - Mortenson Orion Presentation (Board Portal)



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# 7001 France Avenue Project Update and Discussion

Presentation to: HRA Board of  
Commissioners

Bill Neuendorf, Economic Development  
Manager

EdinaMN.gov February 19, 2026

# 1.0 Overview of Today's Discussion

- Strategizing for Transformational Mixed-Use Redevelopment at 7001 France Ave.
  - 1) Overview
  - 2) Background
  - 3) Challenges
  - 4) Economic Conditions
  - 5) Possible Strategies for Success
  - 6) Discussion and Next Steps



## 2.1 Background, Previous Concepts

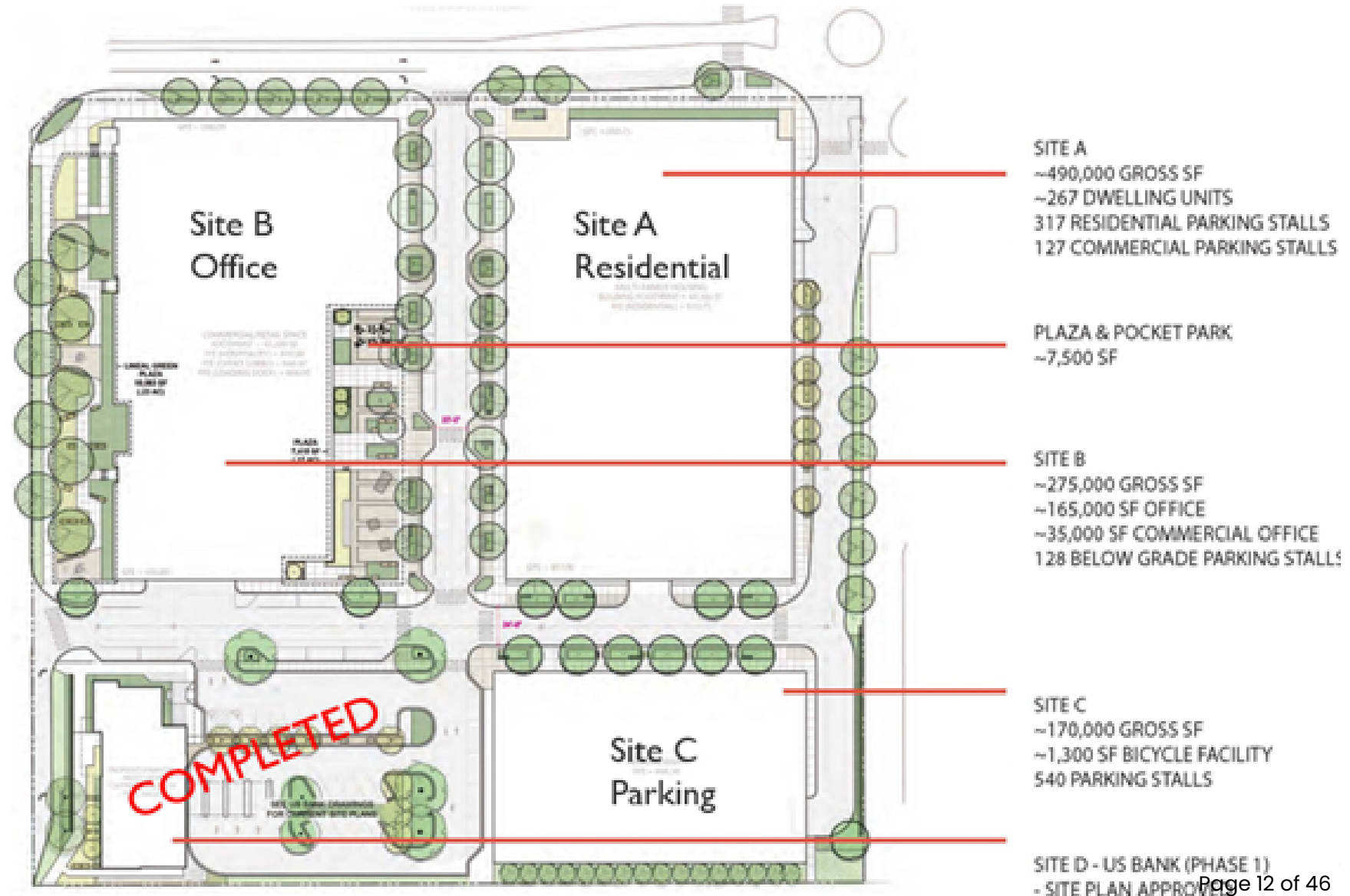
- Other developers expressed early interest
  - Surface parking discouraged in favor of more intense development patterns and greater level of investment
  - Height preferred on east side of France Ave. (rather than west)



## 2.2 Background, Site Plan

- Entitlements

- Site plan approved
- Zoning approved
- Plat approved
- Site Plan expired, requires re-approval



## 2.3 Background, Site B Rendering

- Site B
  - Professional office building
  - Retail / restaurant
  - Public plaza
  - Underground parking



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## 2.4 Background, NE Rendering

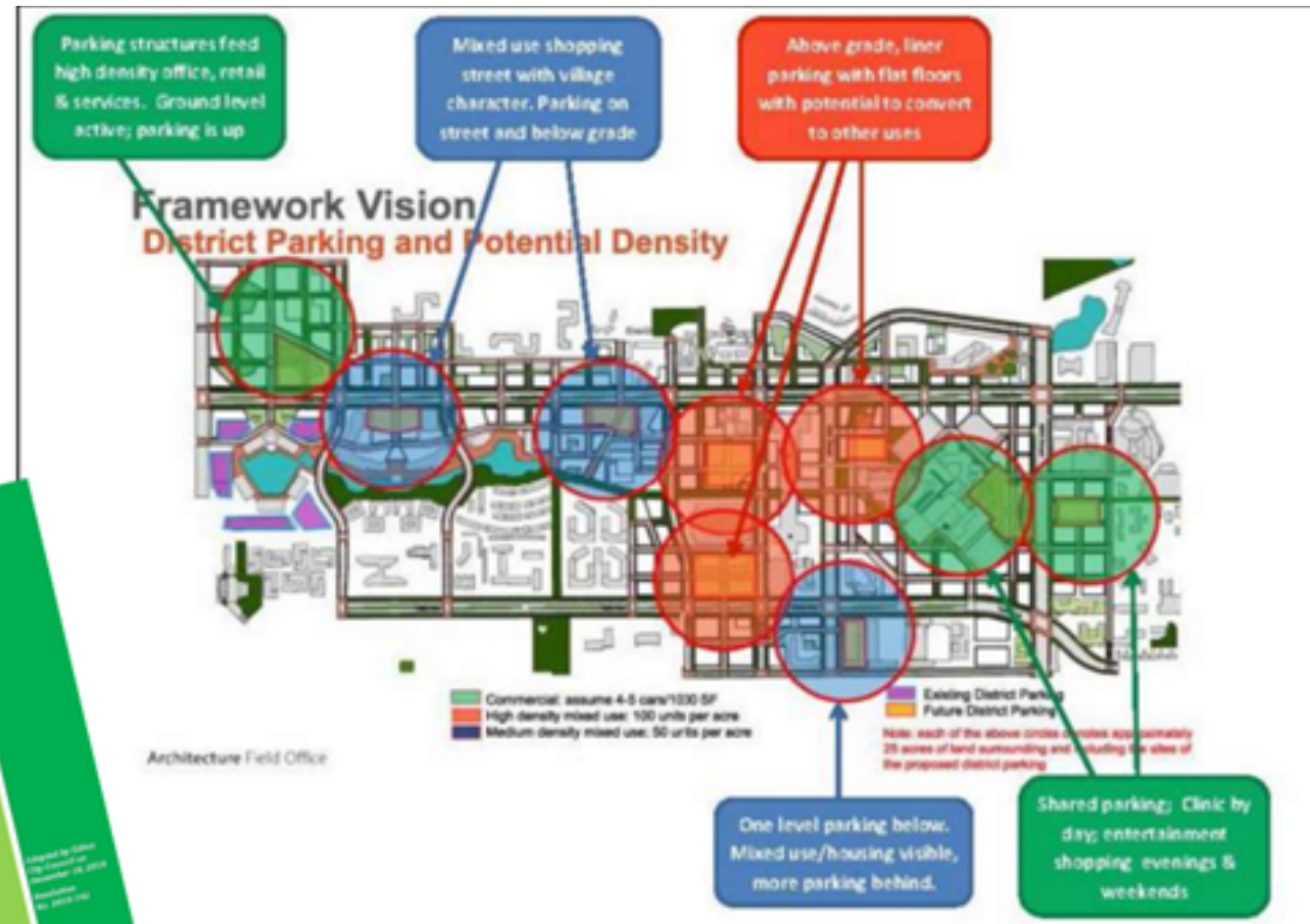


## 2.5 Background, Site C Rendering



## 2.6 Greater Southdale District Plan

- Key Objectives
  - Strategic Density
  - Subdivide large parcels
  - Public access routes
  - Shared parking
  - Public realm spaces



Source: Greater Southdale Plan, pages 112-113



## 2.7 Background, Tax Base Growth

	<b>Base Condition (2022)</b>	<b>Conditions after Redevelopment Complete</b>	<b>Estimated Tax Base Growth</b>
Estimated Market Value	\$14.9 M	\$184.8 M	+ 12x
Annual Property Taxes Paid	\$484,579	\$2,467,494	+ 5x



## 2.8 Background, Community Benefits of Redevelopment

- a) Transformational investment to modernize the outdated site
- b) Elevate economic status and business profile of Greater Southdale Area
- c) \$250+ million total private investment
- d) Deliver Class A facilities to compliment and inspire surrounding properties
- e) New employment opportunities
- f) New retail and service opportunities
- g) New residential opportunities
- h) Strengthen tax base (property and sales tax)
- i) Generate fees for City sewer and water systems
- j) Generate revenue for Edina's Affordable Housing Trust Fund
- k) Generate revenue for park system
- l) Provide alternative routes for cars, trucks and pedestrians to reduce reliance on France Avenue
- m) Create new vibrancy with street level merchants
- n) Create new public realm spaces to elevate landscaping along public roadways
- o) Create new public plazas to contribute to civic life
- p) Create new public parking to allow for continued success of nearby retailers



## 2.9 Background, Renewal Dist

- TIF District Established
  - Obsolete condition of former office buildings satisfied statutory requirements to enable TIF financing
  - 5.8-acres
  - Established 2022
  - Demolition 2023
  - First collection year 2026
  - Deadline for qualified expenses

2036

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Duration 15 to 25 years TBD



## 3.1 Financial Challenges and Other Hurdles

- Bank required to be relocated before work on office and residential could begin
- National construction and investment climate changed during that year
  - Interest rates increased dramatically
  - Capital investment markets retracted rapidly and persistently
  - Construction costs increased and remain high
  - Rental rates stagnant
- Hybrid work drives down value of existing office buildings in other locations
- Costs outpace rent growth of luxury rental units



# 4.0 Economic Conditions – Spring 2026

## Market Conditions

- a) Strong interest in office leasing
  - Willingness to pay premium for best-in-class
- b) Flat conditions in residential leasing at current pricing
  - Costs outpace rent projections
- c) Interest rates stable, possibly declining
- d) Investment interest pending
- e) Costs remain high
- f) Financial gaps remain in both office and residential projects

- g) Hesitancy by capital investors
- h) Caution by mortgage lenders
- i) Previous TIF pledge inadequate to advance either project

## New Public Finance Conditions

- 10-years to incur qualified TIF costs
- Possibility of extending 15-year TIF collection term to 25-year
  - Subject to City Council / Public Hearing
- Possibility of federal Opportunity Zone 2.0
  - Federal tax advantages for investors



## 5.0 Possible Strategies to Consider

- a) Focus on Site B/C office in 2026-27
  - postpone Site A residential to future
- b) Traditional private financing
- c) Typical TIF Pay Go Notes,
  - issued for each phase upon completion (if necessary)
- d) Front fund public realm costs with SPARC or HRA interfund loan
- e) Incur tax exempt debt for public realm improvements
  - Caution recommended
- f) Incur tax exempt debt for public parking structure
  - Strong caution recommended
- g) **Enter into long term lease for parking and issue private debt**
  - **Developer preferred option**
  - **Additional review needed**
- h) Other creative options that do not yield undue finance risk to HRA or City



## 6.0 Discussion & Next Steps

- Is the HRA willing to consider creative, strategic, and responsible strategies to provide public financing that enables Sites B/C to move forward and procure private investors and lenders?
  - If so, staff and developer will investigate options and prepare a Term Sheet and Lease Agreement for future HRA consideration.
  - If not, developer will continue to “pause” this project and consider new plans that are more consistent with current market conditions.



# 6.1 Discussion & Next Steps

- More study needed before Lease Agreement / Term Sheet is prepared
  - a) Responsibilities of developer and HRA
  - b) Documentation needed for 'soft commitment'
  - c) Construct garage in two phases
  - d) Site plan changes subject to standard City review process
  - e) Pre-leasing conditions
  - f) Private financing conditions (developer equity and privately placed debt)
  - g) Conditions to trigger full design of parking
  - h) Conditions to issue private debt and begin construction of parking
  - i) Lease Term
  - j) Lease Rate – based on tax increment generated from Site B office
  - k) Debt repayment if tax increment falls short
  - l) Miscellaneous revenue generated from parking
  - m) Maintenance and operational expenses
  - n) Interim parking during final construction
  - o) Conditions for begin second phase and Site A residential
  - p) Impact to HRA financial position, if any
  - q) Public access rights
  - r) Ownership of Site C after debt retired
  - s) Others TBD





**Item Number:** 7.2

**Department:** Community Development

**Item Activity:** Discussion

**Prepared By:** Stephanie Hawkinson, Affordable Housing Development Manager

**Item Title:** Policy for New Multifamily Affordable Housing Discussion

**Action Requested:**

Discussion only.

**Information/Background:**

In 2015 the Edina Housing Foundation proposed an Affordable Housing Policy ("Policy") that requires new residential development with greater than 20-units to include affordable housing units equaling 10% of the combined units' square footage. In subsequent actions the Policy was amended to include a Buy-In option, change the percentage based on the number of units verses square feet, a proportionality provision, and a requirement for non-discrimination of source of rental payment (such as Housing Choice Vouchers) among other things. The Policy is periodically reviewed to determine if there are gaps in coverage, confusing elements, for ease in understanding, and to make sure the goal of creating affordable housing opportunities is met.

The most recent Policy update occurred in December 2022 to increase the buy-in amount and to require the inclusion of the affordable units when maximum densities are reached rather than allowing for a payment in lieu. Nonetheless, as it's been almost 11 years since the Policy was initially approved, and even longer since it was initially discussed, it may be time to review the rationale for a Policy to determine if the rationale still stands, or if the Policy needs a more thorough revision to address current objectives.

The Policy was created to address themes that are familiar today. As stated in a 2015 report:

"Based upon a review of housing trends in Edina, it is apparent that the diversity of the city's housing stock has declined as a result of increasing property values and a reduction in the availability of more modest cost dwellings. Redevelopment has, in many cases, contributed to property value increases that further the difficulty of providing affordable housing in the city. Privately developed new residential housing that is being built in the city generally is not affordable. Many developers are interested in investing in Edina, but few are willing or able to provide affordable housing without encouragement and assistance from the City.

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

The Policy addresses four main goals:

- To have the private sector develop affordable housing.
- To integrate affordability into market rate developments throughout the city rather than concentrated.
- To address the need for affordable housing outside the 100% affordability model.

Staff is working on amending the policy to clarify the following elements:

- Create separate sections for rental housing and ownership housing to address their unique characteristics;
- Review the percentage of units required at 60% Area Median Income ("AMI") and explore the option of recognizing a small percentage of 30% AMI units;
- As Planned Unit Developments trigger the affordability requirement, explore alternative triggers if fewer PUDs are approved; and
- Clarify a process in the event a deviation from the Policy is appropriate and desired.

Prior to proceeding with proposed changes, Staff would like input on the overall goals for the Policy and HRA Commissioners' input of elements to include.

**Resources/Financial Impacts:**

No fiscal or capacity impact.

**Relationship to City Policies/Plans/Budget Pillars:**

The Policy on New Multifamily Affordable Housing aligned with the Comprehensive Plan and the Housing Strategy Task Force Implementation Plan. Since its passage, the City has made great strides in creating more housing opportunities. The passages below are sections of the 2040 Comprehensive Plan that support the proposed changes to the Policy.

Goal 2: Encourage the development and maintenance of a range of housing options affordable to residents at all income levels and life stages.

1. Encourage the production of additional affordable housing units and retention of existing affordable housing units to meet the city's housing needs and its Metropolitan Council affordable housing need allocation of 1,804 units.

Goal 4: Support the development of a wide range of housing options to meet the diverse needs and preferences of the existing and future Edina community.

3. Promote affordable and workforce housing that includes a range of housing prices and options, based on the principle that those who contribute to the community should have the opportunity to live here.
7. Support the development of both mixed income and 100% affordable housing throughout Edina where there is access to transit.

**Values Impact:**



Engagement

Affordable housing fosters a sense of belonging by providing stable, inclusive communities where all residents feel valued and connected. In crafting the Comprehensive Plan and the Housing Strategy Task Form implementation plan, extensive public engagement was involved.



Equity

Access to affordable housing in different phases of life creates opportunities to minimize housing disparities that disproportionately impact people of color, seniors, and people with disabilities. Incorporating affordable units within market-rate developments minimizes the stigma associated with living in affordable housing.



Health

Safe and affordable housing is one of the most basic and powerful social determinants of health. Quality housing improves the health of vulnerable populations and is a cornerstone of a strong and healthy community.



Stewardship

Investing in affordable housing ensures responsible management of resources to create sustainable, long-term housing solutions for community stability. Incorporating affordable units into market-rate housing is far more financially feasible for public resources than building the affordable units independently.



Sustainability

Affordable housing and climate action are closely related because the way homes are built and where they are located contributes to community greenhouse gas emissions. Building sustainable, dense housing can reduce the carbon emissions from the built environment while also creating more affordable housing options that are walkable, have lower utility costs and are resilient to climate change. The current policy supports affordable units in higher density developments.

**Supporting Documentation:**

Documents marked with "Board Portal" do not meet [ADA Web Content Accessibility Guidelines \(URL\)](#) and are not included in the public packet. To request a board portal document, please [submit a data request \(URL\)](#).

1. New Multi-family Affordable Housing Policy
2. Presentation



- City Council
- City-Wide
- Department

Approved: 11/1/2015  
Revised: 12/8/2022

## **NEW MULTI-FAMILY AFFORDABLE HOUSING**

The City and Housing and Redevelopment Authority recognize the need to provide a range of affordable housing choices for those who live or work in the City. Since the land appropriate for new multi-family residential development is limited, it is essential that a reasonable proportion of such land be developed into affordable housing units. As such, the City of Edina adopts the following New Multi-Family Affordable Housing Policy.

### **FOR THE PURPOSES OF THIS POLICY:**

1. "Unit" means either a for-sale dwelling or a rental dwelling in which a lease is signed prior to occupancy.
2. "Financial Assistance" provided the City includes but is not limited to tax increment financing, land write downs, pass-through funding for purposes other than environmental remediation and other forms of direct subsidy.
3. Any specific projects requesting exemptions to the affordable housing requirements of this policy must seek recommendation from the Edina HRA and approval from the Edina City Council based on alternative public purpose.
4. All new multi-family developments of 20 units or more must adhere to this policy and must be zoned PUD Planned Unit Development.
5. Affordable Rental Housing Income and Rents are defined as both gross incomes (adjusted for family size) and gross rental rates (adjusted for bedroom count and include utility allowance and any fees that are a requirement of occupancy as per Section 42 of the Internal Revenue Service Code.) that are updated annually by the Minnesota Housing Finance Agency (MHFA) and published at [www.mnhousing.gov](http://www.mnhousing.gov). 2020 income and rental limits can be found at the end of this policy.
6. Affordable Ownership Housing Income and Sales Price are affordable to and initially sold to persons whose income is at or below 80% of Area median Income.

### **THIS POLICY APPLIES TO ALL NEW MULTI-FAMILY DEVELOPMENTS THAT:**

1. Include 20 units of more.
2. Require rezoning or a Comprehensive Plan Amendment.
3. Receive financial assistance from the City of Edina and/or the Edina Housing and Redevelopment Authority.
4. Are developed on property purchased from the City of Edina even if no financial assistance is being provided by the City unless the waiver is recommended by the Edina HRA and approved by the Edina City Council.

## THE POLICY

1. New rental multi-family developments subject to this policy shall provide a minimum of 10% residential units at 50% affordable rental rates or 20% residential units at 60% affordable rental rates as defined below. The units shall be occupied by households at or below 60% of the Multi-Family Tax Subsidy Income Limits (MTSP).
2. New for-sale developments shall provide a minimum of 10% of residential units at affordable sales prices as defined below.
3. The affordable unit mix must be approximately proportional to the market rate unit mix.
4. Rental and for-sale/owner occupied affordable units shall provide the following:
  - a. on-site parking (either surface or enclosed) for affordable units and the cost related to parking must be included affordable sales price or affordable rental rate. At least one enclosed parking space shall be included in the purchase price of a for-sale unit in the same manner offered to buyers of market rate units.
  - b. Affordable and market rate residents will have equal access to all entries, lobbies, elevators, parking and amenities. Examples of amenities include storage lockers, balconies, roof decks, outdoor patios, pools, fitness facilities, and similar unit and project features.
  - c. Exterior appearance of affordable units shall be visually comparable with market rate units in the development.
5. New rental housing will remain affordable for a minimum of 20 years if seeking a PUD and zoning amendment without City financing or 30-years if City financing is approved. This requirement will be memorialized by a Land Use Restrictive Covenant.
6. New for-sale or owner-occupied developments will remain affordable for a minimum of 30 years and this requirement will be memorialized by a Land Use Restrictive Covenant. The Land Use Restrictive Covenant will contain a provision providing the Housing and Redevelopment Authority or Edina Housing Foundation the right of first refusal to purchase affordable units.
7. The developers and/or owners of multi-family rental housing projects subject to this Policy by receiving financial assistance shall accept tenant-based rental housing assistance including but not limited to Section 8 Housing Choice Vouchers, HOME tenant-based assistance and Housing Support. Tenants with rental assistance may occupy an affordable dwelling unit with the rent charged not exceeding the maximum allowed by Metro HRA or the assistance provider. Furthermore, the rent charged may not exceed the maximum allowed by the most restrictive funding source. This requirement will be enforced through a contract between the City of the project owner pursuant to which the owner will be required to adopt business practices that promote fair housing and provide documentation of compliance with these requirements to the City. This requirement will be further enforced through the City's monitoring policies and procedures.
8. Owners of City-assisted housing projects shall affirmatively market affordable housing opportunities. All multi-family housing providers subject to this policy must submit an Affirmative Fair Housing Marketing Plan (AFHMP) at least every 5 years and a Survey and Certification regarding AFHMP outcomes annually. Owners must advertise housing opportunities on HousingLink or another medium acceptable to the City concurrent with any other public or private advertising.
9. Recognizing that affordable housing is created through a partnership between the City and developers, the City and/or Housing and Redevelopment Authority will consider the following incentives for developments that provide affordable housing:
  - a. Parking requirement reductions
  - b. Tax increment financing for projects that exceed the minimum requirement

- c. Deferred low interest loans from the Housing and Redevelopment Authority and/or Edina Housing Foundation
  - d. Property Tax Abatement
10. It is the strong preference of the City that each new qualifying development provide its proportionate share of affordable housing on site. However, the City recognizes that it may not be economically feasible or practical in all circumstances to do so. As such, the City reserves the right to waive this policy (only if circumstances so dictate, as determined by the City). In lieu of providing affordable housing in each new qualifying development, the City may consider the following:
- a. Dedication of existing units in Edina to 110% of what would have been provided in a proposed new development. These units would need to be of an equivalent quality within the determination of the City.
  - b. Financial risk and participation in the construction of affordable dwelling units of an equivalent quality by another developer on a different site within the City.
  - c. An alternative proposed by a developer that directly or indirectly provides or enables provision of an equivalent amount of affordable housing within the city. An alternative could be payment of a Total Buy In (TBI) fee, a cash payment to the City in lieu of providing affordable housing units. The TBI shall be equal to \$175,000 per unit rounding up to the next whole unit. The TBI would be due in cash or certified funds in full to the City at the time of issuance of the building permit. A building permit will not be issued unless the TBI is paid in full. The City Council may allow the housing developer to pre-pay the TBI to satisfy a future Affordable Housing Opportunity on a case-by-case basis. TBI will be deposited into the Affordable Housing Trust Fund to be used for the development and preservation of affordable housing.
11. As allowing maximum density was intended to serve as a density bonus for the inclusion of affordable units, for mixed use developments that have densities 50% or greater of the maximum allowed density, affordable units must be included in the development. For residential developments with densities 75% of the maximum allowed density, affordable units must be included in the development. For example:
- a. If zoning allows between 50-100 units per acre, and the residential development is 50-87 units per acre, the developer/owner may elect to include the affordable units into the development, pay the TBI fee, or an approved alternative.
  - b. If the proposed development is 88-100 units per acre, the development must include affordable units within the building.
12. The owners and their agents of multi-family rental and ownership properties subject to this policy must cooperate with the City's compliance officer during the affordability period. Non-compliance may be grounds for suspension of the rental license.
13. Guidelines for implementing this Affordable Housing Policy can be found in the Inclusionary Housing Policy Program Guide.

## 2022 INCOME AND RENTAL LIMITS

Please refer to the income and rent tables published on [www.mnhousing.gov](http://www.mnhousing.gov).

### 2022 OWNERSHIP HOUSING INCOME AND SALES PRICE

	GROSS INCOMES			GROSS RENTS	
	60%	50%		60%	50%
1 Person	\$49,320	\$41,100	Studio	\$1,233	\$1,027
2 Persons	\$56,340	\$46,950	1 Bedroom	\$1,320	\$1,100
3 Persons	\$63,360	\$52,800	2 Bedroom	\$1,584	\$1,320
4 Person	\$70,380	\$58,650	3 Bedroom	\$1,830	\$1,525
5 Persons	\$76,020	\$63,350	4 Bedroom	\$2,041	\$1,701

Acquisition Limit in this policy definition: \$355,000

2022 income limits as published on the Metropolitan Council website are as follows: 80% of AMI (\$89,400)

Income limits and maximum sales prices are updated annually. See [www.mnhousing.gov](http://www.mnhousing.gov) and <https://metro council.org/Communities/Services/Livable-Communities-Grants/Ownership-and-Rent-Affordability-Limits.aspx>

Originally adopted: November 1, 2015

As amended: February 7, 2018

As amended: April 3, 2018

As amended: October 2, 2018

As amended: March 5, 2019

As amended: March 25, 2021

As Amended: December 8, 2022

# Policy Discussion for New Multifamily Affordable Housing

February 19, 2026



The CITY of  
**EDINA**



# Background Information

- Policy was adopted in 2015 to respond to rising housing costs with very little affordable housing being developed.
- Prior to Policy, HRA and Staff negotiated with Developers on case-by-case basis.
- The City Council directed the Edina Housing Foundation to draft a Policy.
- Examples were pulled from similar cities around the country and twin cities.



# Initial Policy Goals

- To have the private sector develop affordable housing.
- To integrate affordability into market rate developments across the City so not to isolate affordable housing in specific areas.
- To address the need for affordable housing outside the 100% affordability model.



# Policy Application

If a Development has 20 or more units

AND one or more of the following:

- City or HRA awards financing
- City grants a zoning change/PUD or Comprehensive Plan amendment
- Development built on City/HRA owned land



# Policy Elements (December 2022)

- 10% of units rent restricted to 50% AMI rent levels or 20% of units restricted to 60% AMI rent levels.
- Rental units affordable for 20-years unless there is City financing, then 30-year affordability period.
- Ownership units have a 30-year affordability period.
- Proposed development approaching maximum density must include the affordable units.
- Preference for affordable units on-site, but there is flexibility built in:
  - Buy-in Fee of \$175,000/affordable unit not provided in development.
  - Financial risk of similar level in another affordable housing development within the City.
  - Preservation of 110% of units that would be provided in development that are of equivalent quality.

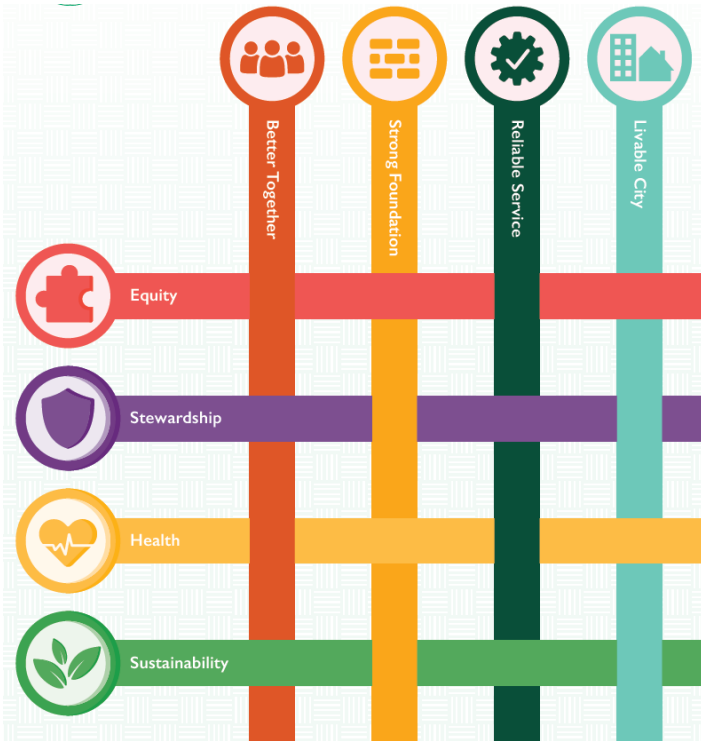


# Contemplated Changes to Policy

- Create separate sections for rental housing and ownership housing to address their unique characteristics;
- Review the percentage of units required at 60% Area Median Income ("AMI") and explore the option of recognizing a small percentage of 30% AMI units;
- As Planned Unit Developments trigger the affordability requirement, explore alternative triggers if fewer PUDs are approved; and
- Clarify a process in the event a deviation from the Policy is appropriate and desired.



# Guiding Framework: Budget Pillars & Values



## Community Wellbeing and Affordable Housing

- Safety
- Accessible housing options
- Stress reduction
- Engaged community
- Neighborhood Stability
- Social Connectedness



# Affordability Priorities from 2025 Work Sessions

Housing Type	Population Served	HRA Financial Gap/unit
1. NOAH Family Ownership	AMI 60-120%	High
2. New Townhomes Ownership	AMI 80% - \$120%	Med-High depending on income reached.
3. New Multifamily Rental	AMI < 80% AMI	Low-Med
4. New Duplex/Triplex Ownership	AMI 80% - 120% AMI	High

# Discussion Topics

- Do you want to integrate affordability in with market rate apartment units?
- Do you support the creation of housing for households with incomes at 50-60% of AMI?
  - This income bracket generally requires apartment living rather than ownership housing.
- Do you want to continue the buy-in option or require the inclusion of the affordable units?
- Should this policy continue to apply to multifamily ownership housing?
- Do you support the existing criteria that trigger the policy (# new units created, zoning change, public land)?

# Supporting Documentation



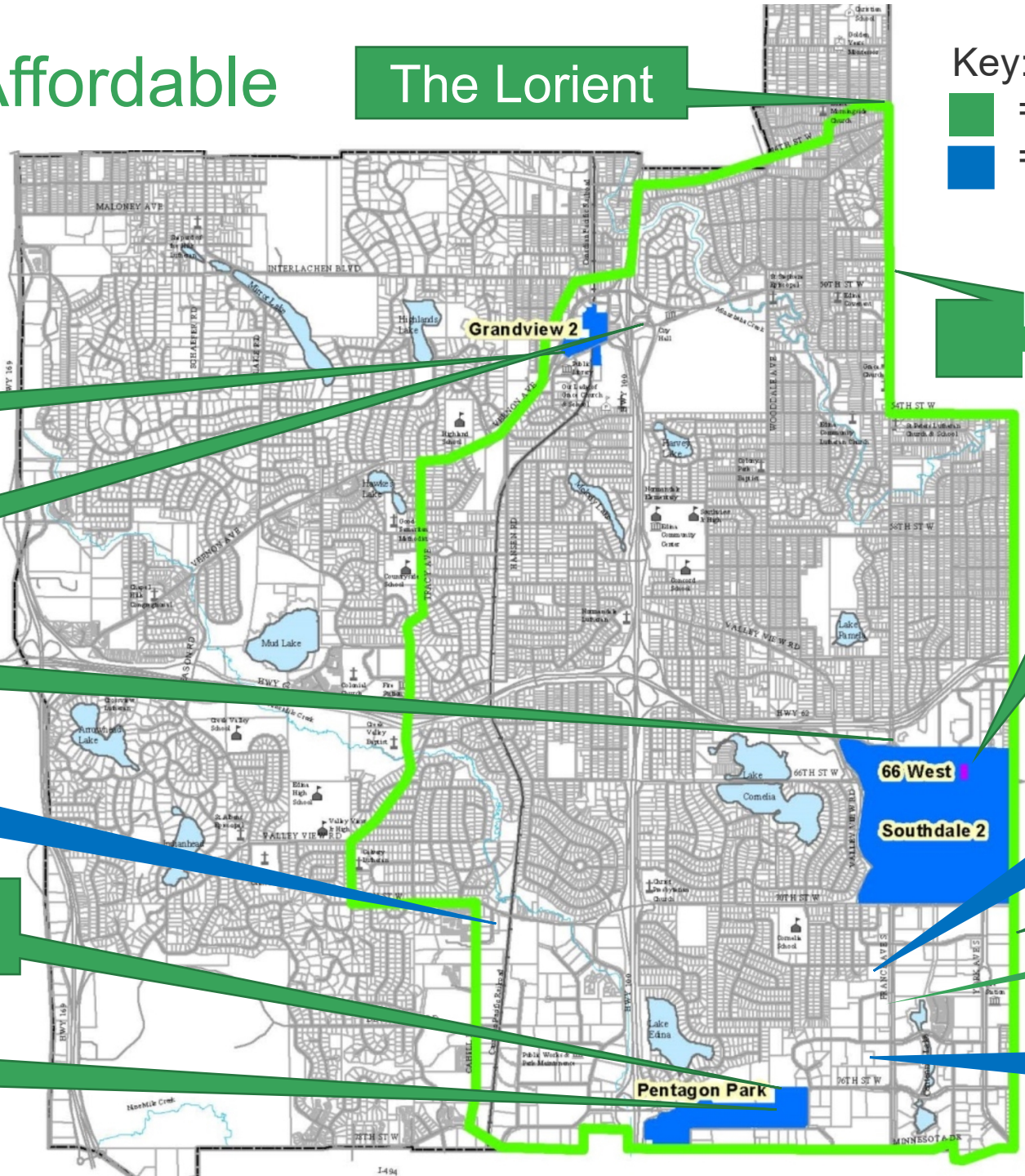
The CITY of  
**EDINA**

# Multifamily Affordable Housing Production

The Lorient

Key:

- Market rate with affordable units
- 100% Affordable



Nolan Mains

Avidor

Maison Green

Aurora

Amundson Flats

The Finch

The Oaks

Millenium

4040 Flats

Yorkshire of Edina

The Setting

The Sound on 76th

# Policy Elements: Buy-In Fee

Current Fee: \$175,000 per affordable unit not included (10% of total units)

- It is far more cost efficient for a Developer to Buy-in rather than include affordable units.
- Over a 20-year period a developer's revenue on a market rate unit far exceeds the initial Buy-in of \$175,000.
- Based on a high-level analysis using Maison Green as an example, the Buy-in fee would need to be \$330,000/unit to equate with the rent losses on an affordable units over 20-years.
- Fee is deposited in the Affordable Housing Trust Fund and may be used for a variety of affordable housing initiatives.



# Inclusion vs. Buy-in Comparison

## Inclusion:

- Maison Green– 20 units
- The Oaks– 20 units
- Lorient – 3 units
- Avidor – 18 units
- Aria – 8 units (4.3%)
- Millenium – 11 units (4.8%)
- Nolan Mains – 10 units
- The Finch – 28 units
- The Setting – 15 units

**TOTAL: 133 units**

## Buy-In:

- The Fred – in lieu of 41 units
- Bower – in lieu of 19 units
- 7001 France\* – In lieu 27 units
- Lorient – In lieu of 2 units
- 4425 Valley View – In lieu of 3 units
- The Loden – in lieu of 25 units
- The Onyx – in lieu of 25 units

**TOTAL: In lieu of 142 units**

\*Approved but did not proceed



# Income Limits (2025)

Household Size	50% of AMI	60% of AMI	115% of AMI
1 person	\$46,350	\$55,620	\$106,605
2 people	\$53,000	\$63,600	\$121,900
3 people	\$59,600	\$71,520	\$137,080
4 people	\$66,200	\$79,440	\$152,260
5 people	\$71,500	\$85,800	\$164,450



# Rent Limits (2025)

Bedrooms	30% of AMI	50% of AMI	60% of AMI
Studio	\$695	\$1,158	\$1,390
1 Bedroom	\$745	\$1,241	\$1,490
2 Bedrooms	\$894	\$1,490	\$1,788
3 Bedrooms	\$1,032	\$1,721	\$2,065
4 Bedrooms	\$1,152	\$1,920	\$2,304

