

City of Hopkins

Affordable Housing Trust Fund

City Council

February 18, 2025

Presented by Revée Needham, Community Development Manager

Agenda

- Local Housing Trust Fund Grant Program
- Affordable Housing Recap
- Local Housing Trust Fund Overview
- Ordinance
- Community Engagement



Local Housing Trust Fund Grant Program

- \$5.8 million appropriated by MN Legislature
- Program matches 1:1 in local funding up to \$150,000 and 2:1 for additional \$150,000 in local funding
- Local match cannot be state or federal funds
- Grant funds must be used within 4 years



Local Housing Trust Fund Grant Program

- Must be used for households at or below 115% of state median income
- May be used for
 - Development, rehabilitation or financing of housing
 - Downpayment assistance
 - Rental assistance
 - Homebuyer counseling services
 - Administrative expenses, up to 10% of grant



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Affordable Housing

- Housing is considered affordable when a household spends no more than **30%** of its income on housing costs
- Measured with Area Median Income (AMI)

2024 Rental Housing

# Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI
Efficiency	\$652	\$1,087	\$1,304	\$1,739
1 Bedroom	\$699	\$1,165	\$1,398	\$1,864
2 Bedrooms	\$838	\$1,397	\$1,676	\$2,235
3 Bedrooms	\$969	\$1,615	\$1,938	\$2,584
4 Bedroom	\$1080	\$1,801	\$2,161	\$2,881

2024 Home Ownership

Family Income Level	Affordable Home Price
80% AMI (\$97,800)	\$290,300
60% AMI (\$74,520)	\$217,400
50% AMI (\$62,100)	\$178,600
30% AMI (\$37,250)	\$100,800



Local Housing Trust Funds

- Local Housing Trust Funds (LHTF) are funds established by local governments by dedicating local public revenue for housing
- LHTFs are flexible & able to respond to community needs. LHTFs can fund a variety of programs and can be tailored to specific geographic areas, income groups, types of housing, housing gaps (i.e. senior housing, etc.), and more.



Local Housing Trust Funds

- 70+ LHTFs across the State
- LHTFs exist in St. Louis Park, Edina, Minnetonka, Eden Prairie, among others



EDINA
MINNESOTA



AHTF in Hopkins

- Ordinance mirrors State Statute requirements
- Reviewed by City Attorney
- Specific programs and policies for the fund uses would be drafted later

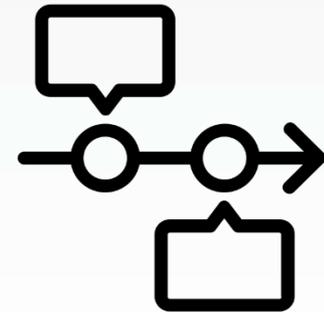


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Next Steps

- March 4: return to Council with request to fund AHTF, second reading of ordinance
- March 19: deadline for staff to apply to grant program
- May-July: MN Housing notifies applicants of grant application status



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Next Steps

- Staff are waiting for any updates from HUD and availability of funding for sprinkler system at Dow Towers
- Community Engagement opportunity to include survey for the general public and more targeted outreach to specific providers on prioritizing housing fund uses



Questions?

- Motion to Approve a First Reading of Ordinance 2025-1222 Amending the Hopkins City Code.

