



**New Brighton City Council  
Work Session Agenda  
New Brighton City Hall | City Conference Room  
803 Old Hwy 8 NW, New Brighton , MN 55112  
5:00 PM April 7, 2026**

Members of the City Council will attend the meeting in person unless eligible to attend remotely per MN Stat. 13D.02

To participate in this meeting, members of the public may:

- **Attend the meeting in person.**
- **Watch the meeting electronically.** Tune into CTV Channel 8023 (CenturyLink) or Channel 16 (Comcast). To observe the meeting as a livestream or a webcast, visit [NBMN.info/View-A-Meeting](http://NBMN.info/View-A-Meeting)
- **Join the meeting electronically.** Members of the public who need to interact with our public officials about agenda items, City Administration, and matters that are otherwise of public concern to the City Council but are unable to or not comfortable attending the meeting in person, may join the meeting electronically at: <https://newbrightonmn.gov/zoom> (no app needed), by scanning the QR Code on the right, or by using their Zoom app to join and entering: Meeting ID 898 6240 2361, Passcode 867530



**I. Work Session Item**

1. Housing Action Plan Policy #2: DRAFT Inclusionary Housing Policy Review



<b>Agenda Section:</b>	<b>Work Session Item</b>
<b>Meeting Date:</b>	<b>April 7, 2026</b>

**REQUEST FOR COUNCIL CONSIDERATION – EXECUTIVE SUMMARY**

**ITEM DESCRIPTION: Housing Action Plan Policy #2: DRAFT Inclusionary Housing Policy Review**

**Action Requested: Discussion**

**Form of Action: N/A**

**Votes Needed: N/A**

<b>Summary Statement:</b>	<p>Breanne Kennedy from Thrive, LLC, will be with Council on 4/7/26 to review <b>DRAFT Policy #2: an Inclusionary Housing Policy</b>, as part of our ongoing Housing Action Plan efforts. EDC provided feedback on this draft policy on 4/1/26, and the Equity Commission will weigh in on 4/23/26.</p> <p>As you know, the City of New Brighton has been committed to advancing housing for several years. The Comprehensive Plan, Housing Study, and Housing Action Plan have set into motion the implementation of several policies to address housing concerns. In late 2025, the City Council set forth a number of policy priorities for housing, and that direction included discussion and consideration of an inclusionary housing policy.</p> <p>"Inclusionary housing policy" is a broad term that refers to (usually) a city-led ordinance that either requires or incentivizes the development of affordable housing units within a larger, market-rate project. It emphasizes that a certain amount of affordable housing and/or below-market rate units are needed when market-rate housing is being constructed. Several cities in the metro have recently adopted or are considering various forms of inclusionary housing policies, including Bloomington, Shorewood, Roseville, Little Canada, Brooklyn Park and Arden Hills.</p>
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	<p>The proposed draft language before Council on 4-7-26 includes the following provisions:</p> <ul style="list-style-type: none"> <li>• If public money or land write downs are requested for a housing project, the ordinance requires 10% of units in any larger development (over 20 units) to be affordable at 60% AMI (rental) and 115% AMI (owner).</li> <li>• Lists additional incentives for developers to add income-restricted units, including density bonuses, height bonuses, parking reduction fee waivers, and land write downs.</li> <li>• Includes a mechanism for enforcing the requirement (Plan and Agreement) which requires staff review and oversight.</li> </ul>
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<p><b>Recommendations:</b></p>	<p>Review the proposed draft program prior to the meeting, listen to the presentation, ask questions as desired, and provide feedback &amp; direction on any needed changes.</p> <p>Staff is specifically seeking feedback on the following provisions:</p> <ul style="list-style-type: none"> <li>• What approach is best for New Brighton? Incentive or Requirement?</li> <li>• Allowance for on-site and cash contribution (requires Housing Trust Fund establishment, at a later date) (Non-allowance for off-site)</li> <li>• Applicability to acquisition/re-hab (when city \$\$ are involved)</li> <li>• Threshold (20 units or more?)</li> <li>• Affordability applicability, and at what level?</li> </ul>
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<p><b>Applicable Deadlines:</b></p>	<p>This will be Council's primary opportunity to review and comment on Draft Policy #2. All policies, in finalized forms, will come back to Council for final review at a later time.</p>
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<p><b>Community Impact:</b></p>	<p>Adoption of an Inclusionary Housing Policy will make it clear to all housing developers what must be accomplished in order to qualify for public funding assistance. These policies, if written correctly, can ensure more affordable housing units are constructed and greater densities are achieved in appropriate locations. If implemented improperly, these</p>
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	<p>policies can dissuade housing developers from doing business in communities under the claim that projects cannot pencil out with the local requirements in place. Ensuring the policy is a win-win for all parties will be critical to determining the community impact of this effort.</p>
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<p><b>Legislative History:</b></p>	<p>Sept 2025 -- City Awarded a Met Council Policy Development Grant to complete a Housing Action Plan.          Oct 2025 -- Council authorized a contract with Thrive LLC to lead the Housing Action Plan efforts.          Nov 2025 -- EDC, the Equity &amp; Planning Commissions, and the City Council are provided introductory information and are asked to take the Housing Action Plan Survey to identify the specific topics to be explored by this planning effort.          Jan 2026 -- Topics to be studied are finalized by Council.          Feb 2026 -- Policy #1 (Housing Rehab Program) drafted and reviewed          March 2026 -- Housing Rehab Program finalized and partner selected          April 2026 -- Housing Rehab Program Anticipated to be approved on 4/14/26; Draft Policy #2, Inclusionary Housing Policy, reviewed for the first time.</p>
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<p><b>Strategic Priority:</b></p>	<p><u><b>Economic Development</b></u></p>
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<p><b>Fiscal Impact:</b></p>	<p><b>Financial Consideration?</b></p>	<p><b>No</b> (although the policy will guide future financial decisions on whether public money will be used in a housing project)</p>
	<p>Revenue/Expenditure Amount:</p>	<p>\$</p>
	<p>Financing Source:</p>	<p><b>N/A</b></p>
	<p>Notes:</p>	

<p><b>Attachments:</b></p>	<p>1.</p>	<p>Inclusionary Housing Policy Draft</p>
	<p>2.</p>	<p>Inclusionary Housing Presentation Slides</p>

## **Inclusionary Housing Policy - Draft 2**

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### **SECTION 01: FINDINGS.**

The City Council finds and declares the following:

- a) The health, safety and economic welfare of present and future residents depends on the availability of a range of housing choices affordable to persons and families who comprise the city's workforce;
- b) Stable, safe, and affordable housing has measurable health benefits for persons and families;
- c) There is a need to encourage and assist in the development of affordable housing for families who are part of the workforce who fall within the extremely low to low income categories;
- d) The preservation of naturally occurring affordable housing (NOAH) is of concern as rental housing costs are increasing; accordingly, creating tools and incentives for the redevelopment or substantial renovation of NOAH units, which may impact their relative affordability, is a city priority;
- e) The City's Comprehensive Plan, as required by the Metropolitan Council, sets forth policies related to the development of affordable housing; and
- f) It is in the best interests of the residents of this community to develop initiatives to provide various affordable housing programs to aid in the development, financing and acquisition of affordable housing.

### **SECTION 02: PURPOSE.**

The purpose of this policy is to:

- a) Maintain a balanced community that provides housing for households at all income levels;
- b) Ensure that affordable housing is available to the employees of businesses that are located in or will be located in the city and the region;
- c) Implement the affordable housing goals, policies, and objectives contained in the City's Comprehensive Plan and City Council's Strategic Priorities;
- d) To support the continued creation and preservation of all housing types at all income levels and not constrain market rate housing creation and preservation within the city;

- 32 e) Establish an affordable housing program that offers an array of tools, incentives, and  
33 compliance options for promoting flexibility in development while at the same time  
34 is adaptable to changing economic circumstances and market conditions;
- 35 f) Allow for the City Council to periodically review and revise these requirements for  
36 changing economic circumstances and to ensure responsiveness to local housing  
37 needs and real estate market conditions; and
- 38 g) Allow a bundling of more than one of the city's affordable tools, options, and  
39 methods toward a single development in an effort to provide the greatest chance of  
40 reaching the extremely low and very low income populations in need of affordable  
41 housing.

42 **SECTION 03: AUTHORITY.**

- 43 a) M.S. § 462.358, subd. 1a, provides that a municipality may adopt and maintain in  
44 effect any law, ordinance, rule, or other measure that is adopted for the purpose of  
45 increasing the supply of affordable housing using land use mechanisms such as  
46 affordable housing ordinances, notwithstanding any other provisions of the law;
- 47 b) M.S. § 462.358, subd. 11, provides that a municipality may enter into an agreement  
48 with an applicant that provides for a portion of housing units be affordable with  
49 established pricing and long-term affordability, notwithstanding any other  
50 provisions of the law; and
- 51 c) M.S. § 473.859 requires municipal comprehensive plans to promote the creation of  
52 affordable housing for low and moderate income individuals and families.

53 **SECTION 04: DEFINITIONS.**

54 The following words and terms, when used in this chapter, have the following meanings  
55 unless the context indicates otherwise.

56 **ACCESSORY DWELLING UNIT.** See **DWELLING, ACCESSORY.**

57 **AFFORDABLE HOUSING UNIT** qualifies as such when no more than 30% of the gross  
58 income of the household is required to pay for such housing and utility costs, fees and  
59 charges AND is rented for an amount that is affordable to households at or below 60% of  
60 AMI.

61 **AFFORDABLE HOUSING DEVELOPER.** A developer of housing whose portfolio serves  
62 households at or below 60% of AMI.

63 **AFFORDABLE HOUSING PLAN.** The plan submitted by a developer as part of a final site and  
64 building plan or final development plan approval pursuant to city code and zoning  
65 requirements.

66 AREA MEDIAN INCOME (AMI). The median household income as most recently determined  
67 by the United States Department of Housing and Urban Development for the Minneapolis-  
68 St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for  
69 household size and number of bedrooms.

70 DENSITY BONUS UNIT. A unit, as a result of an increase in density, permitted above the per  
71 acre limit established by the city code.

72 DEVELOPMENT. A new or existing residential housing development at a site, including a  
73 mixed-use development with a housing component, for which approvals have been or are  
74 being sought from the city.

75 DEVELOPER. Any person, individual, firm, partnership, association, joint venture, company,  
76 corporation or any combination of said entities.

77 ELIGIBLE HOUSEHOLD. A household with an annual income at less than or equal to the  
78 required AMI of an eligible housing unit.

79 HOUSEHOLD. One person or more living alone or two or more persons sharing residency.

80 HOUSING TAX INCREMENT. Increments from a housing district that can be used to finance  
81 affordable housing projects or public improvements that are directly related to the project,  
82 as well as administrative expenses pursuant to state law.

83 MARKET RATE UNIT. A residential dwelling unit marketed for sale or lease above 115% of  
84 AMI.

85 NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH). Existing owner-occupied or  
86 rental residential housing that is (a) affordable for at least 20% of the units to a household  
87 at or below 60% of AMI, (b) classified in the Class B and C real estate categories, and (c)  
88 was constructed between 1940 and 1990.

89 OWNER. The individual or entity who holds title to a property as indicated in Hennepin  
90 County's property records.

91 PRIMARY RESIDENCE. The legal and verified permanent residence of a household.

92 RESIDENTIAL DEVELOPMENT. A residential or mixed use development, that includes any  
93 single family, duplex, townhouse, condominium dwelling, co-living, or other residential  
94 unit. RESIDENTIAL DEVELOPMENT includes the conversion of rental housing to  
95 condominiums or similar residential uses if applicable.

96 SITE. A lot, or group of adjacent lots intended, designated or approved to function as an  
97 integrated unit, that is proposed for development in accord with the provisions of this code  
98 and is in a single ownership or has multiple owners, all of whom execute a joint application  
99 for development.

100 SUBSTANTIAL REHABILITATION. When the cost of improvement of an affordable housing  
101 building exceeds 20% of the value of the property, excluding land, after improvements.

102 **SECTION 05: APPLICABILITY**

103 This policy is applicable to new residential construction, regardless of type of dwelling unit,  
104 **if a city-funded public subsidy of any sort is requested.**

- 105 a) Single Family/townhome development. For newly constructed or infill single-family  
106 detached residential developments with 20 or more newly created dwelling or co-  
107 living units , at least 10% of the newly created units must be affordable to low-  
108 income family households up to 115% AMI.
- 109 b) Multi-family development. For newly constructed, converted, or infill multi-family,  
110 residential developments with 20 or more newly created dwelling or co-living units,  
111 at least 10% of the newly created units must be affordable to households at or  
112 below 60% of AMI.
- 113 c) Calculating affordable units. In determining the number of housing units required  
114 under this chapter, any decimal fraction less than 0.5 is rounded down to the  
115 nearest whole number and any decimal fraction of 0.5 or more is rounded up to the  
116 nearest whole number. When a density bonus is being granted any additional units  
117 authorized and approved as a density bonus are not counted in determining the  
118 required number of affordable units.
- 119 d) Phasing. Developments subject to this chapter include but are not limited to  
120 development that is undertaken in phases, stages, or otherwise developed in distinct  
121 parts.
- 122 e) Preservation and rehabilitation. When a NOAH property with 20 or more units that  
123 receives some form of financial assistance from the city is transferred, or is  
124 otherwise conveyed to a new owner or member of the prior owner, or undergoes  
125 substantial rehabilitation, then at least 9% of the units must be preserved as  
126 affordable to households at or below 60% of AMI through approval of an affordable  
127 housing plan and execution of an affordable housing agreement. This section does  
128 not apply to a NOAH property of 19 or fewer units. "Financial assistance" only  
129 includes direct financial assistance from the city and does not include participation  
130 in the 4d property tax program or the Section 8 housing choice voucher program.

131 **SECTION 06: AFFORDABLE HOUSING TOOLS AND INCENTIVES.**

132 Developers creating any of the following housing types which create 20 or more total  
133 dwellings, or that preserve 20 or more NOAH dwelling units, are eligible to use any of the  
134 following affordable housing tools and incentives for which the development may qualify:

135 **SECTION 07: DENSITY BONUS.**

- 136 a) To incentivize the creation of eligible housing units, a residential development  
137 qualify for the following density bonuses, through the needed reduction in minimum  
138 lot size area per unit for each affordable unit provided at varying household income  
139 levels as follows:
- 140 1. Each extremely low and very low income household unit qualifies the overall  
141 development for two bonus dwelling units up to a maximum of a 50% increase  
142 over current zoning; and
  - 143 2. Each low income household unit affordable to households at or below 60% of  
144 AMI qualifies the overall development for one bonus dwelling unit up to a  
145 maximum of a 50% increase over current zoning.
- 146 b) In no instance may density bonus units be allocated to parcels designated by the  
147 comprehensive plan for residential densities of less than five dwelling units per  
148 gross acre.

149 **SECTION 08: OPEN SPACE REDUCTION.**

- 150 a) To incentivize the creation of eligible housing units, a residential development that  
151 includes at least 9% of its total dwellings or co-living units being affordable to  
152 households at or below 60% of AMI may reduce the required minimum usable open  
153 space as follows (unless the City Council determines that the reduction is likely to  
154 create a specific adverse public health, safety, or welfare impact or would otherwise  
155 conflict with local, state or federal regulations, rules, or laws):
- 156 1. A development with at least 9% of its units qualifying as extremely low income  
157 affordable housing may reduce minimum usable open space requirements by up  
158 to 50%;
  - 159 2. A development with 9% of its units qualifying as very low income affordable  
160 housing may reduce minimum usable open space requirements by up to 25%; or
  - 161 3. A development with 9% of its units qualifying as low income affordable housing  
162 may reduce minimum usable open space requirements by up to 10%.
- 163 b) The minimum usable open space reductions provided in this section are not  
164 cumulative. Each qualifying development is eligible for only one minimum usable  
165 open space reduction of 10%, 25%, or 50% depending on the level of affordability  
166 provided.

167 **SECTION 09: HEIGHT BONUS.**

168 To incentivize the construction of a mixture of eligible housing units for households at or  
169 below 60% of AMI, the developer of a multiple-family development with at least 9% of its  
170 total dwellings or co-living units being affordable to households at or below 60% of AMI  
171 qualifies for a height bonus of one additional story and 10 additional feet above the height  
172 limit established in the underlying zoning district.

173 **SECTION 10: PARKING REDUCTION.**

174 To incentivize the creation of eligible housing units, a residential development that  
175 includes eligible units qualifies for a 30% reduction in the total number of parking spots  
176 required.

177 **SECTION 11: LAND WRITE-DOWN FOR AFFORDABLE HOUSING ON CITY-OWNED LAND.**

178 Any sales price reduction on city-owned land must be approved by the City Council. Where  
179 a land write-down is approved, the city shall require at minimum 20-year deed restriction  
180 on those units identified as affordable.

181 **SECTION 12: AFFORDABLE HOUSING TRUST FUND.**

182 The city may consider awarding funding from the Affordable Housing Trust Fund, if created  
183 through ordinance.

184 **SECTION 13: HOUSING TAX INCREMENT FINANCING (TIF).**

185 Upon showing of a demonstrated need, the city may offer the use of a Housing TIF district,  
186 or proceeds from a Re-development TIF district, if applicable, to incentivize the creation of  
187 housing developments that designate a minimum 20% of proposed units as affordable to  
188 households at or below 50% of AMI. In such cases, TIF will only be used proportionately in  
189 exchange for more affordable units, or when the use of TIF will provide a greater level of  
190 affordability (or both). Housing TIF districts will not be used to finance market rate  
191 projects.

193 **SECTION 14: AFFORDABLE HOUSING PLAN REQUIREMENTS.**

194 a) Affordable housing plan. Each residential development to which this chapter applies  
195 must submit an affordable housing plan to the city as a part of any application for  
196 development.

- 197 b) Content. The affordable housing plan must include the following:
- 198 1. A summary of the tools, methods, and related approaches being used to meet  
199 the requirements;
  - 200 2. The development philosophy and description of project performance metrics  
201 including but not limited to, development returns (such as return on costs),  
202 return on equity, and both leveraged and unleveraged internal rate of return;
  - 203 3. The number, location, and description of the structure (i.e. attached, semi-  
204 attached, or detached, size, and cost of the proposed market rate and  
205 affordable units, etc);
  - 206 4. Description of affordable housing tools and incentives being requested;
  - 207 5. A site plan and floor plan depicting the location of affordable and market rate  
208 units;
  - 209 6. The income levels to which each affordable unit will be made affordable;
  - 210 7. The methods to be used to advertise the availability of affordable units;
  - 211 8. For a phased development, a phasing plan that provides for the timely  
212 development of the number of affordable units proportionate to the number of  
213 market rate units for each proposed phase of development;
  - 214 9. Written confirmation that households with U.S. Department of Housing and  
215 Urban Development (HUD) Housing Choice Voucher rent assistance will be  
216 considered for tenancy in rental development;
  - 217 10. Written confirmation that the development will remain in compliance with  
218 monitoring and auditing requirements;
  - 219 11. The methods to be used to maintain affordability and the duration over which  
220 affordability will be maintained; and
  - 221 12. Any additional information reasonably requested by the Department of  
222 Community Assets & Development

223 **SECTION 15: RENTAL PRICE LEVELS FOR AFFORDABLE UNITS AND ECONOMIC STABILITY.**

- 224 a) The affordable housing plan is required to specify rental rates based on both  
225 household income categories and unit sizes. All units must be leased exclusively to  
226 qualified households that meet eligibility criteria. At the time of lease execution, the  
227 monthly rent for each designated affordable unit must be set at a level that is  
228 affordable for households earning no more than 60 percent of the Area Median  
229 Income (AMI).

- 230 b) After the signing of the initial lease with an eligible household, , the lease may be  
231 renewed to the same household as follows:
- 232 1. Unless in conflict with the requirements of other funding, an extremely low,  
233 very low, or low income household whose household income rises may remain  
234 an eligible household for one additional period of up to five years provided the  
235 household income does not exceed 140% of the applicable median income  
236 adjusted for family size.
  - 237 2. An extremely low, very low, or low income household whose household  
238 income falls below the income level for which the household originally  
239 qualified due to loss of employment that is not the result of a local, state or  
240 federal crime and the household is otherwise in good standing as a tenant, may  
241 qualify to receive partial rent assistance from the Affordable Housing Trust  
242 Fund (if one is created and funds are available), for up to two years provided  
243 the household can meet the requirements of the eligible housing guidelines.
  - 244 3. As a household transitions out of eligibility for an eligible housing unit, the  
245 next unit of similar size and type that becomes vacant must be assigned an  
246 affordable rent and be made available to a household whose income is at or  
247 below the unit's required AMI as established in the development agreement  
248 required pursuant to Section 17 .
- 249 c) Upon the request of the city, a household or property manager must submit  
250 documentation in a form acceptable to the city that the household remains eligible  
251 for an eligible housing unit.

252 **SECTION 16: ELIGIBILITY FOR AFFORDABLE UNITS.**

253 No household may purchase or lease an eligible housing unit created as a result of this  
254 chapter unless the household is a qualifying household pursuant to the requirements of  
255 this chapter and the household occupies the housing unit as its primary residence.

256 **SECTION 17: AFFORDABLE HOUSING AGREEMENT.**

- 257 a) Prior to the issuance of a building permit for any units in an affordable housing  
258 development or any development, including NOAH preservation, in which an  
259 eligible housing unit is required, the applicant must have entered into a  
260 development agreement with the city. The development agreement must set forth  
261 the commitments and obligations of both the city and the applicant, including those  
262 requirements and limitations set forth in this chapter, such as, but not limited to, the  
263 affordable housing plan.

- 264 b) The applicant must execute any and all documents deemed necessary by the city in a  
265 form to be established by the city, including without limitation, covenants, deed  
266 restrictions, and related instruments, including requirements for income  
267 qualification to ensure the continued affordability of the eligible housing units in  
268 accordance with this chapter.
- 269 c) The development agreement may contain a right of first refusal statement providing  
270 the city, or another entity, with the option to purchase the property to preserve the  
271 eligible housing units before the development is placed on the open market for  
272 resale.

273 **SECTION 18: COMPLIANCE OF AFFORDABLE HOUSING AGREEMENT AND AFFORDABILITY**  
274 **CONTROLS.**

- 275 a) The affordable housing development agreement must compel the applicant or  
276 applicant's agent responsible for managing eligible housing units in a rental  
277 development to submit an annual report by February 1 for the previous calendar  
278 year that includes the following information for each development site:
- 279 1. A list of all eligible housing units;
  - 280 2. Vacancy information;
  - 281 3. The monthly rent for each eligible housing unit;
  - 282 4. Monthly income for tenants of each eligible housing unit;
  - 283 5. Information sufficient to determine whether tenants of rented units qualify as  
284 extremely low, very low, low or moderate-income households; and
  - 285 6. Any other information as required by the city, while ensuring tenant privacy  
286 rights.
- 287 b) For all sales of for-sale eligible housing units, the parties to the conveyance must  
288 execute and record such documentation as required by the affordable housing  
289 development agreement. Such documentation must include the applicable  
290 provisions of this chapter and provide, at a minimum, each of the following:
- 291 1. The eligible housing unit must only be sold to and occupied by eligible  
292 households for the first 20 years from the date of the initial certificate of  
293 occupancy; and
  - 294 2. The housing unit must be conveyed subject to restrictions that maintain the  
295 affordability of such eligible housing units for eligible households.

296 c) In the case of rented housing units, the owner of the housing development must  
297 execute and record such documentation as required by the affordable housing  
298 development agreement. Such documentation must include the applicable  
299 provisions of this chapter and provide, at a minimum, each of the following:

- 300 1. The eligible housing units must be leased to and occupied by eligible  
301 households;
- 302 2. The eligible housing units must be leased at rent levels affordable to eligible  
303 households for a period of 20 years from the date of the initial certificate of  
304 occupancy; and
- 305 3. Subleasing of eligible housing units is not permitted without the express  
306 written consent of the Department of Community Assets & Development.

307 **SECTION 19: ESTABLISHMENT OF TRUST FUND.**

308 The city may establish an Affordable Housing Trust Fund for the purpose of collecting  
309 funds related to the city's affordable housing programs pursuant to this chapter as well as  
310 providing a fund to be funded by a variety of other, eligible sources. .

311 **SECTION 20: SEVERABILITY.**

312 If any section, subsection, paragraph, sentence or clause of this chapter is held to be  
313 unconstitutional, the remaining portions will remain valid and in force. The City Council  
314 hereby declares that it would have passed each section, subsection, sentence, paragraph,  
315 and clause despite the finding of unconstitutionality of one or more of the sections,  
316 subsections, paragraphs, sentences, or clauses.

317 **SECTION 21: PENALTY.**

318 Violation of any provision of this chapter will be a misdemeanor. Civil penalties may also be  
319 issued pursuant to (fill in with proper NB references). However, nothing in this ordinance  
320 will be construed to limit the city's other available legal remedies for any violation of the  
321 law, including without limitation, criminal, civil and injunctive actions.

**New Brighton**

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# Housing Action Plan – Policy #2 – Inclusionary Housing Policy

City Council – April 7

Economic Development Commission - April 1

Equity Commission – April 16

## Purpose of this Work

- Refresh knowledge about who lives in New Brighton and the types of housing offered
- Re-state the goals of the city that are related to housing
- To prioritize three immediate actions to implement to achieve these goals
- Research, review, and bring forward three housing-forward policies
- Outline a plan for use of Local Affordable Housing Aid, and other available resources

GOALS AND STRATEGIES



**GOAL 1** Preserve a Diverse Stock of Well-Maintained Housing and Neighborhoods

STRATEGIES



**1**  
Maintain and Enhance Existing Housing Stock

**2**  
Provide a wide variety of housing types

**3**  
Promote walkable, safe, and connected neighborhoods

**4**  
Ensure a supply of affordable housing

ACTIONS



- 1.1 Establish and fund a housing re-hab program
- 1.2 Evaluate condition of existing housing stock
- 1.3 Review code requirements for maintenance

- 2.1 Provide co-op conversion support

- 4.1 Establish a manufactured home re-hab fund
- 4.2 Provide land trust conversion support
- 4.3 Provide first time or first generation home-buyer assistance

GOALS AND STRATEGIES



GOAL 2 Produce More Housing in New Brighton

STRATEGIES



5

Develop more market rate, affordable, senior, and co-op apartments

6

Allow more ADUs

7

Provide a mix of market rate and affordable housing developments

ACTIONS



5.1 Build a housing development capital fund

5.2 Take an active role in identifying sites and recruiting developers

5.3 Undertake zoning reform to allow multi-family in more parts of the city

6.1 Zoning reform to allow ADUs (this has been completed)

7.1 Develop an inclusionary housing policy

	Total
CREATION OF A HOUSING DEVELOPMENT FUND	3.2
HOME RE-HABILITATION PROGRAM	4.13
HOME RE-HABILITATION PROGRAM TARGETED TO MANUFACTURED HOMES	4.0
CONVERSION PROGRAM FROM RENTAL TO CONDO/CO-OP UNITS	2.8
DEVELOPER ENGAGEMENT FOR NEW CONSTRUCTION	3.0
LAND TRUST PROGRAM	3.3
ZONING AMENDMENTS TO PERMIT HOUSING IN MORE AREAS	3.6
A POLICY THAT REQUIRES AFFORDABLE UNITS IN EVERY PROJECT (i.e. INCLUSIONARY HOUSING) WITH FINANCIAL SUPPORT FOR SUCH UNITS)	3.9
A POLICY THAT REQUIRES AFFORDABLE UNITS IN EVERY PROJECT (i.e. INCLUSIONARY HOUSING) WITHOUT FINANCIAL SUPPORT FOR SUCH UNITS)	3.1
DOWN PAYMENT ASSISTANCE FOR FIRST-TIME HOMEBUYERS	3.3
DOWN PAYMENT ASSISTANCE FOR FIRST-GENERATION HOMEBUYERS	4.1

## Recommendations from Housing Action Plan

1. *Move forward with a home re-habilitation program and also include provisions for manufactured homes*
2. **Move forward with an incentive based inclusionary housing program**
3. Complete a zoning audit, with recommendations for ordinances, to make zoning more housing friendly
4. Develop a targeted housing developer engagement strategy

Draft Policy

## Inclusionary Housing Policy – Why?

- Desire for mixed income housing
- Desire for more affordable options
- Partnership with developers
- Lays out a framework for decision-making for city financial participation

Draft Policy

## Inclusionary Housing Policy – Key Points

- Lists incentives for developers to add income restricted units
- Incentives include density bonuses, height bonuses, parking reduction fee waivers, land writedowns and TIF/LAHA or other city funding
- Must have a mechanism for enforcing this (Plan and Agreement) which requires staff review and oversight

# Inclusionary Housing Policy – Policy Questions

- Incentive or Requirement?
- Allowance for on-site and cash contribution (requires Housing Trust Fund establishment, at a later date)
- Non-allowance for off-site
- Applicability to acquisition/re-hab (when city \$\$ are involved)
- Applicability
  - New and acq/re-hab?
  - Threshold (20 units or more)
- Plan and Agreement (time to monitor and enforce)
- Affordability applicability
  - At what level?
  - At time of rental or on-going?

Draft Policy

## Income Eligibility

Income criteria: Recommend 60% of AMI and 115% for owner occupied

## Draft Policy

# How does it work?

1. Takes a very similar form to many inclusionary programs throughout the metro area (less complicated)
  2. Applies only when a development asks for city money/land write downs
  3. Administered through city land use process and development agreement
1. Requires a plan and annual reporting

Draft Policy

# Pros and Cons

Pros	Cons
Provides affordable housing integrated into projects	Can be costly in public subsidy
Adds to the supply of affordable housing	Interferes in “market” transactions
Accompanies resources	May not be enough to meet gap
Shows commitment to housing for all	Requires more development negotiation, more legal costs, and annual reporting/enforcement

Draft Policy

## Next Steps

1. Incorporate Feedback/Direction (offline)
2. Bring back final policy for adoption (May/June)

# Timeline

TASK ID	TASK NAME	START DATE	END DATE	WEEKS	W45	W46	W47	W48	W49	W50	W51	W52	W53	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20
1	<b>Project Kick-Off and Duration</b>	11/4/2025	3/4/2026	18	[Green bar]																											
1.1	Bi-Monthly staff check ins	11/4/2025	3/4/2026			X		X		X		X		X		X		X		X		X		X		X		X		X		X
1.2	EDC/Council priority exercise	11/25/2025	11/25/2025																													
1.2	History, data, and analysis	11/4/2025	11/19/2025		[Green bar]																											
1.3	Current plan summary	11/4/2025	11/19/2025	3	[Green bar]																											
1.4	slide deck	11/25/2025	11/25/2025	1																												
1.5	council presentation-priorities	11/25/2025	11/25/2025	1																												
1.6	Policy Survey	11/1/2025	12/1/2025		[Green bar]																											
2	<b>Draft housing action items</b>	12/1/2025	1/14/2026	7																												
2.1	Slide deck	12/15/2025	1/1/2026	3																												
2.2	EDC/Equity Commission Review	1/7/2026	1/15/2026																													
2.3	Council presentation	1/13/2026	1/13/2026	1																												
3	<b>Policy #1</b>																															
3.1	Draft Policy	1/13/2026	2/10/2026	5																												
3.2	Slide deck	1/13/2026	1/30/2026	3																												
3.3	EDC/Equity Commission Review	2/1/2026	<del>2/4/2026</del>																													
3.4	Policy #1 -Presentation to Council	2/10/2026	2/10/2026	1																												
4	<b>Policy #2</b>																															
4.1	Draft policy	2/10/2026	3/3/2026	4																												
4.2	Slide deck	2/15/2026	2/20/2026	2																												
4.3	EDC/Equity Commission Review	2/7/2026	2/20/2026																													
4.4	Policy #2 - Presentation to Council	3/3/2026	3/3/2026	1																												
5	<b>Policy #3</b>																															
5.1	Zoning Audit and Strategy Development	3/3/2026	4/7/2026	6																												
5.2	Slide deck	3/15/2026	<del>3/20/2026</del>	2																												
5.3	EDC/Equity Commission Review	3/15/2026	3/20/2026	2																												
5.4	Presentation to Council	4/7/2026	4/7/2026																													
5	<b>Final Approval of All Policies</b>	5/12/2026	5/12/2026	1																												