

**Economic Development Authority
Agenda Item 5.A
Meeting of July 13, 2026**



Title: Agreement related to Homes Within Reach

Report from: Kendyl Larson, Housing Coordinator

Submitted Through: Alisha Gray, EDFP, Economic Development and Housing Manager
Darin Nelson, Assistant Treasurer
Julie Wischnack, FAICP, Community Development Director
Erik Nilsson, City Attorney
Mike Funk, Executive Director

Presenter: Julie Wischnack, FAICP, Community Development Director

Action Requested: Motion

Form of Action: Resolution

Votes needed: 4 votes

Summary Statement

The city and Homes Within Reach housing services agreement has reached its term, and a new agreement is required to be considered by the city council and EDA. The updated agreement amends and restates the housing services agreement, directing how capital and administrative grant dollars are spent (the resolution does not approve additional funding).

Recommended Action

Motion to adopt the resolution approving an amended and restated housing services agreement for the Homes Within Reach program.

Financial Consideration

Yes

\$250,000 - The agreement indicates \$250,000 in previous funding allocations. These dollars were previously approved by the city council for HWR between the years 2023 and 2026.

Background

Minnetonka and Homes Within Reach operate through a Housing Services Agreement. On July 17, 2023, the council and EDA approved a housing services agreement for the years 2023-2025. The term of the agreement ended on December 31, 2025, but it allows the council and EDA to amend and extend it when funding is committed. The agreement outlines the use of grant funds provided by the City of Minnetonka to Homes Within Reach for capital and administrative expenditures.

Housing services agreement

Staff have prepared a draft of the amended and restated housing services agreement. The agreement includes an automatic annual renewal unless terminated. Upon approval of additional funding, the

agreement will be automatically updated without needing reapproval by the city council or the board of commissioners.

The agreement notes \$250,000 in funding, which is the sum of previously allocated funds approved by the city council for the years 2023 through 2026. Of the \$250,000 contributions, \$200,000 was committed in 2023 and 2024 from the HRA levy for rehabilitation. The remaining \$50,000 was levied in 2025 and 2026 for ongoing program administration (\$25,000 per year). The city also has a \$1 million Line of Credit that HWR can use to purchase property in Minnetonka (which is repaid in full). Funds to be provided for future years will be considered during the annual EIP review and city council budget process and finalized in December for the following year. If additional funds are approved by the city council, staff will notify HWR of the approved funding amounts.

To access the funds, the agreement requires HWR to use a disbursement request form and, if purchasing a property, to provide the city with a pro forma indicating the purchase price, the assessed value of the land, and the rehabilitation activities and costs to be performed at the property. HWR will use the funds provided by the city to purchase residential properties and then re-sell the units to "qualified buyers," or buyers with an income no greater than 80% AML. Additionally, HWR will use operating funds to cover its operational expenses in providing affordable housing units to qualified buyers listed above.

Additionally, the draft 2027-2031 EIP identifies \$200,000 in HWR grant funding for acquisition and rehab, and \$25,000 for 2027 operating costs, from the HRA Levy. The EIP will be reviewed by the city council later in July.

Staff is recommending that the EDA adopt the resolution approving an amended and restated housing services agreement for the Homes Within Reach program.

ATTACHMENTS:

[Agreement](#)

[Resolution](#)