METROPOLITAN LIVABLE COMMUNITIES ACT

Affordable and Life-Cycle Housing Goals for Communities Initiating Participation or Renegotiating Goals - 1998

Livable Communities

January 1998

*T*he mission of the Metropolitan Council is to provide leadership in the effective planning of regional growth and redevelopment, and in the delivery of quality regional services.

The Metropolitan Council coordinates regional planning and guides development in the seven-county area through joint action with the public and private sectors. The Council also operates regional services, including wastewater collection and treatment, transit and the Metro HRA – an affordable-housing service that provides assistance to low-income families in the region. Created by the legislature in 1967, the Council establishes policies for airports, regional parks, highways and transit, sewers, air and water quality, land use and affordable housing, and provides planning and technical assistance to communities in the Twin Cities region.

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Executive Summary

During 1997, six communities have approved resolutions seeking to begin participation in the Local Housing Incentives Account of the LCA. These six cities, Anoka, Birchwood, Dayton, Independence, Lexington and Minnetonka Beach, have negotiated affordable and life-cycle housing goals with the Council as required by the LCA. In addition, four cities, Arden Hills, Chanhassen, Lino Lakes and Farmington, have renegotiated portions of their previous goals agreements either because their existing agreements specifically called for a reexamination of their goals for 1998, or because they want to more accurately represent their expectations regarding future affordable and life-cycle housing in their community.

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INTRODUCTION

The Metropolitan Livable Communities Act (LCA) focuses on community development efforts to support economic vitality, job growth and the efficient use of existing public services to avoid or limit the cost of regional infrastructure expansion. In addition, it supports and encourages metropolitan area communities in their efforts to provide greater housing choice through the increased availability of affordable and life-cycle housing options.

The law creates three funding accounts. These accounts make funds available each year in the form of loans and grants for: 1) affordable and life-cycle housing initiatives to meet the housing needs of people of all incomes and stages of life; 2) clean up of polluted lands for business development and job growth; and 3) local models of compact, creative and transit-oriented development and redevelopment.

As a condition for eligibility to compete for these funds, the LCA requires participating communities to negotiate affordable and life-cycle housing goals with the Metropolitan Council, and that the Council adopt these negotiated goals following a public hearing in January of each year. The housing goals in this report were negotiated to meet the requirements of the LCA.

BENCHMARKS AND HOUSING GOALS

As the Council began implementing the law in 1995, to create a framework for negotiating affordable and life-cycle housing goals with communities, it established benchmark ranges in six categories relative to communities' current housing situation. The benchmarks, which apply to housing in all communities within the urban service area and sewered rural centers, are to be used as parameters or guides for establishing housing goals in each of the six categories. Benchmark ranges were developed for each community for the following measures: the percent of affordable housing, both ownership and rental; the percent of non-single family detached units (attached units and mobile homes); the owner/renter split of the housing stock; and the density of residential development, both single family and multifamily.

In defining "affordable," the Council begins with the assumption that affordable means paying no more than 30 percent of income for housing costs. It then considers the prevailing maximum income limits for current housing assistance programs. For ownership housing, an income at 80 percent of median could afford a home at $120,00 or less during 1997. For rental housing, an income at 50 percent of median could afford a monthly rent including tenant paid utilities of $716 in 1997.

Benchmark ranges for each community take into consideration the existing situation or city index (percent and units per acre) for all communities within similar geographic areas, and at similar stages of growth and development. The benchmarks are a range of values that represent the average of the indices for all MUSA communities within eight planning sectors, and the average of the indices for all MUSA communities that were are a similar stage of development - fully developed, developing or freestanding growth centers, in 1990 (see map).

In the goals negotiation process the Council asked communities to establish goals for affordability and diversification of their housing stock by adopting goals that would maintain or increase their percent of such housing and their residential development densities through 2010. The Council did not ask communities to adopt specific housing unit goals. Of the six cities initiating participation in 1998, two adopted numeric goals, four adopted goals in narrative form.

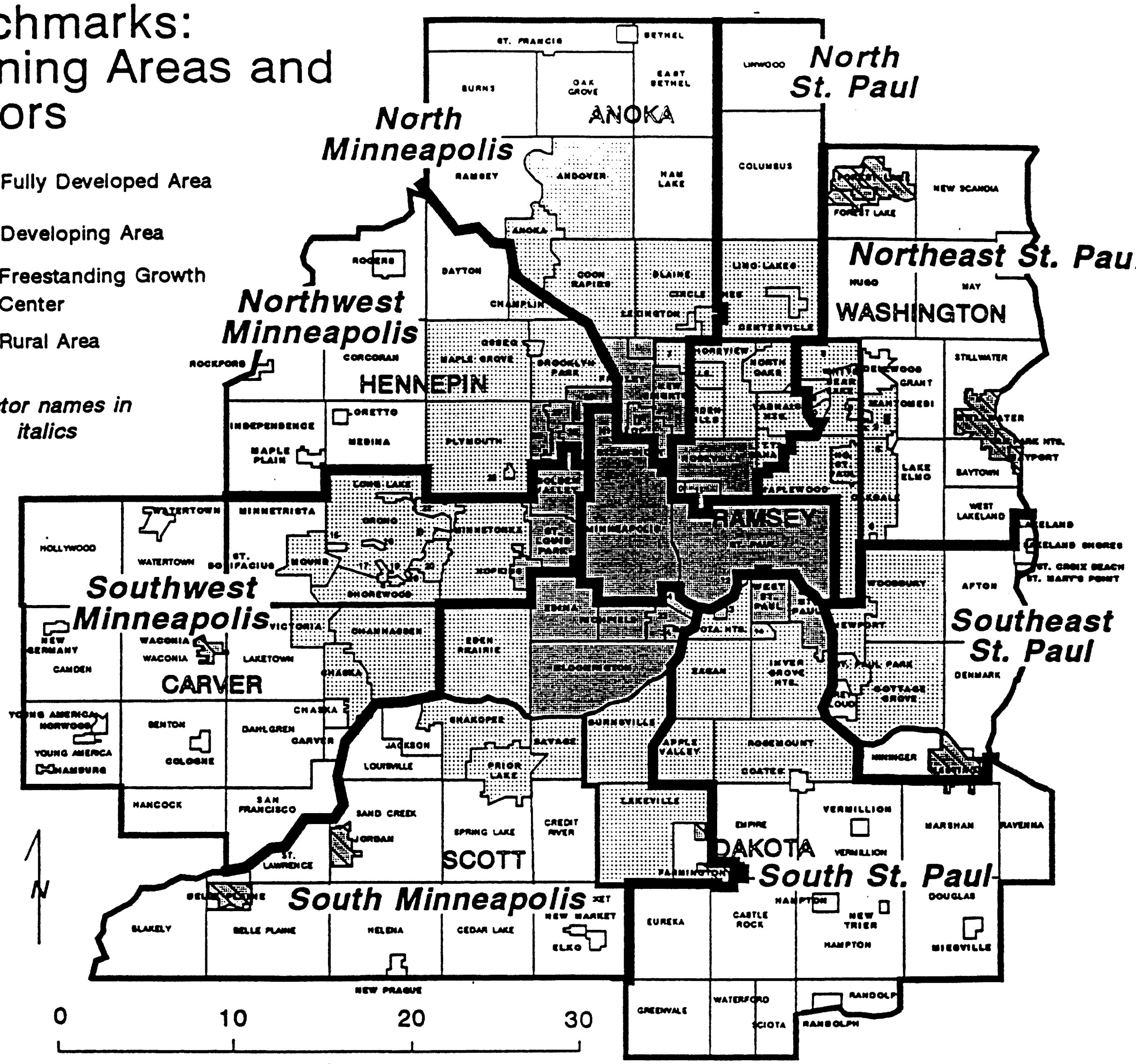
In 1997, six communities passed resolutions to begin participation in 1998 in the Livable Communities Act Local Housing Incentives Account. These six communities -- Anoka, Birchwood, Dayton, Independence, Lexington and Minnetonka Beach -- have all negotiated affordable and life-cycle housing goals with the Council through 2010.

During the year, two communities that had participated in the Local Housing Incentive Account in 1997 chose not to continue participation in 1998. These two communities are: Eagan and Spring Park.

These changes mean that the total number of communities participating in the LCA for 1998 will be 101.

In addition to the goals negotiated with the cities joining the LCA for 1998, four cities that were already LCA participants in 1997 renegotiated some of their goals this year. These cities did so either because their goals agreement had called for a reexamination of their goals for 1998, or because they want to more accurately reflect their expectations regarding the future of affordable and life-cycle housing in their community. These four cities were Arden Hills, Chanhassen, Lino Lakes and Farmington.

Benchmarks: Planning Areas and Sectors



RAMSEY County
ST. PAUL City
LINWOOD Township

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1. SPRING LAKE PARK
2. COLUMBIA HEIGHTS
3. WILLERNIE
4. BIRCHWOOD
5. PINE SPRINGS
6. LANDFALL
7. MOUNDSVIEW
8. WHITE BEAR TWP
9. GEM LAKE
10. LAUDERDALE
11. FALCON HEIGHTS
12. LILYDALE
13. MENDOTA
14. SUNFISH LAKE
15. SPRING PARK
16. MINNETONKA BEACH
17. TONK BAY
18. EXCELSIOR
19. GREENWOOD
20. DEEPHAVEN
21. WOODLAND
22. WAYZATA
23. AIRPORT
24. U.S. GOVT.
25. MEDICINE LAKE
26. ROBBINSDALE
27. CRYSTAL
28. NEW HOPE
29. BROOKLYN CENTER

NEGOTIATED LCA GOALS
FOR
NEW PARTICIPANTS IN 1998

Anoka

Anoka		CITY INDEX	BENCHMARK	GOAL
Affordability	Ownership	94%	69-87%	No less than the benchmark range
	Rental	66%	35-50%	No less than the benchmark range
Life Cycle	Type (Non-single family detached)	48%	33-35%	No less than the benchmark range
	Owner/renter Mix	54/46%	75/25%	No less than the benchmark range
Density	Single-Family Detached	2.5/acre	1.9-2.3/acre	No less than the benchmark range
	Multifamily	20/acre	10-13/acre	No less than the benchmark range

Birchwood

To carry out their housing principles the City of Birchwood Village proposes to (1) maintain its current level of housing affordability - as best it can given potential market forces on a completely developed city adjoining White Bear Lake; (2) be open to considering the possibility of increasing its share of attached housing and rental housing if, in the future, any significant redevelopment opportunities arise in the city, some part of which might be for new residential units; and (3) maintain its single family detached housing density, and consider the possibility of building multifamily housing at up to 10 units per acre if, in the future, a significant redevelopment opportunity arises in which multifamily housing is a possible component.

Dayton

Regional policy does not encourage development in permanent agricultural areas nor anything but very low density development in the urban reserve area. In particular, it does not support the expansion of low- and moderate-income housing there at this time. However, existing affordable and life-cycle housing in these rural areas should be maintained.

The city of Dayton agrees that it will maintain its current level of affordable and life-cycle housing recognizing that regional policy does not encourage further development of such housing in permanent agricultural or urban reserve areas.

Independence

Regional policy does not encourage development in permanent agricultural areas nor anything but very low density development in the urban reserve area. In particular, it does not support the expansion of low and moderate-income housing there at this time. However, existing affordable and life-cycle housing in these rural areas should be maintained.

The City of Independence agrees that it will maintain its current level of affordable and life-cycle housing recognizing that regional policy does not encourage further development of such housing in permanent agricultural or urban reserve areas.

Lexington

Lexington		CITY INDEX	BENCHMARK	GOAL
Affordability	Ownership	100%	69-87%	at least 69%
	Rental	56%	35-50%	at least 35%
Life Cycle	Type (Non-single family detached)	51%	33-35%	at least 33%
	Owner/renter Mix	60/40%	75/25%	at least 25%
Density	Single-Family Detached	2.1/acre	1.9-2.3 acre	2.3/acre
	Multifamily	42/acre	10-13/acre	13/acre

Minnetonka Beach

To assist its neighboring communities in maintaining and developing affordable and life-cycle housing which may include housing assistance, development of rehabilitation programs, local housing inspections and code enforcement.

RENEGOTIATED LCA GOALS
FOR 1998

Shading indicates new goal

Arden Hills		CITY INDEX	BENCHMARK	GOAL	
Affordability	Ownership	46%	68-69%	65%	
	Rental	47%	35-48%	38%	
Life Cycle	Type (Non-single family detached)	30%	35-36%	27%	27-36%
	Owner/renter Mix	86/14%	(64-75)/(25-36)%	83-17%	17-25% rental
Density	Single-Family Detached	2.0/acre	1.8-1.9/acre	1.8/acre	1.8-2.3/acre
	Multifamily	8/acre	10-12/acre	9/acre	9-12/acre

Chanhassen		CITY INDEX	BENCHMARK	GOAL	
Affordability	Ownership	37%	60-69%	50%	30%
	Rental	44%	35-37%	35%	
Life Cycle	Type (Non-single family detached)	19%	35-37%	34% 1991 Comp Plan	
	Owner/renter Mix	85/15%	(67-75)/(25-33)%	80/20%	Rental 10-20%
Density	Single-Family Detached	1.5/acre	1.8-1.9/acre	1.8/acre*	
	Multifamily	11/acre	10-14/acre	9-10/acre	

*This number represents an average of the city's anticipated single family detached development (RSF zoning). The city's minimum lot size in the RSF district is 15,000 square feet. This represents a density of 2.4-2.5 units an acre, which exceeds the benchmark goals. However, the city has many areas of large parcels that are being further subdivided at lower densities that would permitted in the zone, e.g., a one acre lot that is split into 1/2 acre lots. The city has agreed to meet the overall density average of 3.3 units an acre.

Lino Lakes		CITY INDEX	BENCHMARK	GOAL*	
Affordability	Ownership	68%	68-69%	60%	68%
	Rental	23%	35-48%	23%	25%
Life Cycle	Type (Non-single family detached)	5%	35-36%	10%	35%
	Owner/renter Mix	96/4%	(64-75)/(25-36)%	90/10%	75/25%
Density	Single-Family Detached	1.0/acre	1.8-1.9/acre	1.2/acre	2.3/acre
	Multifamily	0/acre	10-12/acre	5/acre	10/acre

*These goals will be renegotiated following completion of the city's comprehensive plan.

Farmington		CITY INDEX	BENCHMARK	GOAL	
Affordability	Ownership	92%	64-85%	75%	
	Rental	73%	32-38%	50%	
Life Cycle	Type (Non-single family detached)	24%	36-38%	36%	32-36%
	Owner/renter Mix	76/24%	(68-70)/(30-32)%	70/30%	
Density	Single-Family Detached	2.1/acre	2.3-2.5/acre	2.2/acre	
	Multifamily	15/acre	11-14/acre	14/acre	