Urban Land Institute
Minnesota/
Regional Council of Mayors

Opportunity City Pilot Program
Summary Report

City of Brooklyn Park

May 11, 2009
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Urban Land Institute Minnesota (ULI MN):
ULI Minnesota actively engages public and private sector leaders to foster collaboration, share knowledge and join in meaningful, strategic action to position our region for economic growth and prosperity.

Regional Council of Mayors (RCM)
Supported by ULI Minnesota, the nationally recognized Regional Council of Mayors was formed in 2005 and represents Minneapolis, Saint Paul and 36 municipalities in the developed and developing suburbs. This collaborative partnership provides a nonpartisan platform that engages mayors in candid dialogue and peer-to-peer support with a commitment towards building awareness and action focused on housing, sustainability, transportation and job growth.
Brooklyn Park’s Story

The City of Brooklyn Park is in an enviable position regarding the diversity of its resident base and housing stock. It has a housing market which supports a diverse population base. Housing is available for the young single, the young family, mid-career households and active seniors. This is evident in the high retention rate of residents over the past several years. Nearly 33% of those who move from a house in Brooklyn Park find another home in the City. This is a function of available housing choices in style, location and affordability. In addition, residents choose to stay in the City if they have vested social and educational interests in the community. Increasing the young family retention rate reduces the debilitating school district pupil “churn” that many other suburban cities are experiencing. The City will also experience senior growth while more “boomers” remain in place. New young, active seniors will be attracted to housing nearer their children, and some will eventually move into senior specific housing that offers assistance in the City if available.

With many vacant, developable acres for mixed uses and modern functional styles of housing, the City is well situated to adopt community housing policy that caters to a new housing market and captures the resident of the future.

That said, the City also faces challenges relating to the depressed housing market, older concentrated apartment stock and negative community attitudes toward future higher-density housing. This is coupled with the debilitating effects of foreclosures experienced in the City. Anticipating additional foreclosures, providing options to foreclosure and preventing housing and neighborhood decline is already a high City priority. These efforts will be ongoing for many years until the market fully recovers.

Overcoming the community challenges as the City moves forward will require strong public leadership and strategic community outreach surrounding neighborhood stabilization. The City has a bright, dedicated community development staff that is poised to respond to these challenges with the guidance and support of its policy makers. Considering national trends and best practices in future land use decisions will help the City be economically and competitively viable.
City Housing Goals and Policies:

The Opportunity City Pilot Program has five key themes in support of a full range of housing choices:

- Preservation and rehabilitation.
- Production of housing units that support varied resident life cycles and incomes.
- Use of regulatory incentives.
- Sustainability.
- Jobs/housing balance connected to transportation systems.

The review of the City of Brooklyn Park’s goals and policies indicates a wide range of support for these key themes. The various community goals are incorporated into the City’s current comprehensive plan and are summarized below.

Promote a wide range of life-cycle housing choices and opportunities accessible to the entire community.

- Increase the number of housing choices oriented to special needs of seniors.
- Encourage redevelopment of medium to high density housing in appropriate areas.
- Promote “live-work” housing opportunities.
- Promote high quality housing at all income levels, including affordable.

Focus on neighborhood preservation and housing investment to promote stable neighborhoods.

- Utilize and expand the scattered-site program to rehabilitate or remove substandard homes.
- Reduce the number of substandard structures and code violations.
- Promote neighborhood vitality and inspire continued consumer confidence in the future of Brooklyn Park’s residential neighborhoods.
- Support anti-crime initiatives.
- Foster neighborhood ties and encourage neighborhood interaction.
- Implement goals set forth in the SNAP study to reduce concentration of 1-bedroom rental units in the Zane Avenue corridor.

Identify appropriate locations for infill housing opportunities.

- Explore reclassification of unsuccessful non-residential properties for new housing.
- Promote higher-density housing, especially in areas of close proximity to transit and employment corridors and as a component in the design of future commercial mixed use corridors.

Evaluate Community Factors:

In every city, there are internal and external factors that hinder the city’s ability to provide a full range of housing choices. In Brooklyn Park, several factors were evident, as determined through interviews with staff, meetings with the multi-family study group and service providers.

Resistance to Housing Diversity

- There is a negative association between existing older multi-family housing and new/current type and style.
- There is scepticism that new multi-family housing design will be better than what has been built in the past which hinders the city’s ability to attract new multi-family projects.
- Past housing conflict hinders the city’s ability to positively market the city to new residents.
- The need for housing diversity as it relates to future resident and business growth is not connected.

Older, Concentrated Apartment Housing Stock

- There is a concentration of large apartments of the same market, type and age. These lack modern amenities attractive to newer residents.
- There are lower than market rents due to the age and condition of older apartments.
- There is a negative association between apartment living and crime – the perception is tied to land use rather than other conditions such as management and adequate background checks.

Lower Incomes & Home Values

- Compared to similar cities, there are lower wages, incomes and overall home values.
- There is geographic disparity in incomes and home values between the south and north sides of the City.

Increasing Diverse Population

- There are increasing communication challenges.
- Different cultures require alternate services & housing needs.

Transportation/Transit Limitations

- Challenge moving traffic east to west - 610 expansion and connection needed & lag between new development and transit needs.

Significant Impact of Foreclosures

- Largest percentage of foreclosed homes in Hennepin County – found across all home values and neighborhoods.
Program Review:
The City of Brooklyn Park’s housing strategy has been to diversify and upgrade the housing stock, create value and address the aging of homes. Over the last few years, the City has created a variety of housing programs for home renovation, new housing and redevelopment. The programs target a wide range of household incomes and specific housing issues from health and safety items to large renovations and infill development. The following is a summary of the programs reviewed as part of the housing audit. More detail on the review of each program is provided in attachment 5.

Redevelopment & Apartment Renovation. One of the City’s goals is to expand the supply of housing choice through the redevelopment and rehabilitation of the housing stock in key areas of the City. This has been done through the commitment of City funds and partnerships with state and county agencies to create new housing units and preserve and renovate existing apartments. That investment has resulted in the following.

- Village Creek & Town Gardens was created with $29 million in public investment for 291 new townhome units, public infrastructure, parks and mixed uses with the goals to increase property value by $90 million by 2014.
- More than 450 apartment units were transformed through public deferred loans and grants that resulted in significant increases in values per unit and stability of the most affordable housing in the City.

Ownership Housing Reinvestment. Several programs target ownership housing renovation. The City, along with its public partners, has dedicated several million dollars to single-family and townhome renovation.

- The programs stabilize the older housing stock by addressing health and safety items, stabilizing and increasing the housing values and providing methods of repayment and recapture at an affordable price to residents.
- More than 700 units in the City have been renovated through various programs.
- The scattered site rehab and replacement program provides opportunities for new for-sale housing at an affordable price.

New Single-Family Opportunities. The City offers opportunities for new single-family housing at an affordable price. The City supports the community land trust and Habitat for Humanity methods to build and/or rehab homes within new developments or scattered throughout the City. Home under these models are sold at an affordable price to new residents in the City. These options provide long-term affordability within the City. Several Habitat for Humanity homes have been built but no homes under the land trust model have been purchased or built in the City.

Housing Services. The City financially supports and promotes the use of the Center for Energy & Environment (CEE) which administers the City, County and State renovation loans. In addition CEE provides remodeling advisors available to City residents. CEE serves as an extension of City staff on the administration and processing of home reinvestment programs.

City Official Controls & Land Use Strategies. In addition to specific housing programs, the City uses several methods through its land use and official controls to support and promote new development, redevelopment and reinvestment of the City’s housing stock and the future use of more than 600 acres of vacant land with the opportunity for master planned mixed use communities.

- Development Overlay District - To support design flexibility in higher density project areas the city uses a development overlay district.
- Planned Unit Development (PUD) - The City uses the PUD process for smaller redevelopment and infill areas to allow more flexibility in the use of the land when redeveloped.
- Mixed Use Zoning - The City has a mixed use zoning designation that targets the large undeveloped land in the city and helps to support future mix of uses.
- Tax Increment Financing (TIF) - The City uses TIF and the distressed housing district specifically for housing purposes to remove blight and create or preserve affordable housing.
- Housing & Redevelopment Authority (HRA) & Economic Development Authority (EDA) Levy. The City uses both its HRA and EDA levy powers to ensure an annual commitment to housing. The levies support housing reinvestment, redevelopment and the creation of new affordable homes.
- Tax Credits and Tax Exempt Bonds - The City supports the use of both tax credits and tax exempt bonds for the preservation and renovation of affordable housing.
- Point-of-Sale and Rental Licensing. The City supports the use of both point-of-sale and rental licensing inspection programs to help ensure minimum housing maintenance standards.

Foreclosure Recovery Strategies. To address the significant amount of foreclosures, the City has developed both foreclosure recovery and prevention strategies.

- Targeted identification of properties for purchase, rehab and resale through a variety of partnerships and funding options.
- Providing increase outreach and communication to reduce the increase in foreclosures.
- Coordination of both internal and external city resources to reduce negative property impacts within neighborhoods.
Community Change—Key Points:

The City of Brooklyn Park has attracted a variety of young and middle-aged households by having access to new housing and a broad base of housing options. This is reflective in the ability to retain households as they age and seek other housing options. Homeowners make up 70 percent of all households and just under half of all households under the age of 35. In addition, rental housing is an important resource for attracting and retaining households up through age 60. Homeownership also remains high among households age 55 and older. While still active, these residents tend to age in place, move, or relocate to senior housing facilities. Future strategies will rely on the city to plan and/or adapt to this growing housing market and maintain the mix of housing types.

The following are key statistics from the demographic change report provided to Brooklyn Park. The full change report is provided in appendix 6 of this report.

- 73% of the households are under the age of 55, with a fairly low (4.3%) of seniors age 75 and older.
- Single family usage by households under the age of 35 is relatively high (42.4%) as is the use of large apartment developments (26.3%). Town homes have wide appeal crossing all lifecycle age categories.
- 53% of renters and only 20% of homeowners are new in their home since 2004.
- Older households (ages 55 or older) occupy 40.4% of the single family homes built before 1980, but only 19.9% of all new homes are occupied by older households.
- 32.6% of all owner-occupied single-family detached homes are affordable based on the 2007 Metropolitan Council’s threshold value of $207,800. 33.8% of homeowners under age 35 succeeded in finding homes in the “affordable” range.

- 20% of the City’s households live in apartments, with 2/3 in large apartment developments (26 or more units).
- 44% of all households in larger apartment developments are under the age of 35, while householders age 55 and older occupy 16.2%.
- During 2004–2007, 45% of all new households were under the age of 35.
- During 2004–07, 33% of residents that moved ended up in another home within the City. Retention was highest for households looking for multi-family housing (45%) while there were 33% moving from an existing single-family home to another single family home in the City.
- Half of all new households between 2004-2007 came from within the City, Brooklyn Center and Minneapolis.
- 60% of foreclosed homes were owned by middle aged households (35-54). Less than 1% of the foreclosures were older householders (75+). The impact of foreclosed homes will affect city development patterns in the next 5-10 years. This may change the types of housing that will be built until the foreclosed single family homes are absorbed.
Multi-Family Advisory Group  Site Evaluation Summary

Brooklyn Park Multi-Family Housing Study Group Participation:

The Brooklyn Park Multi-Family Housing Study Group was appointed by the Brooklyn Park Economic Development Authority (EDA) in February 2008 to better understand the future of multi-family housing development in Brooklyn Park. Several study meetings were held to provide information about the issues surrounding current and future multi-family housing in the City. A team of ULI Minnesota professionals presented and lead a discussion on site principles for the placement of multi-family housing. ULI Minnesota’s participation in the study group process came out of the Regional Council of Mayors’ Opportunity City Pilot Program. The ULI Minnesota team helped the study group answer questions about responding to the demand for multi-family housing in Brooklyn Park. A list of best practice examples and site principles were prepared and gathered from several organizations around the nation to provide guidance for successful multi-family housing development.

The Multi-Family Housing Study Group’s final report to the Brooklyn Park EDA and City Council included referencing the ULI Minnesota Community Site Principles when evaluating new multi-family housing sites in the city.

Opportunity Site Evaluation. ULI MN/RCM have prepared community site principles that support a full range of housing choices and utilize best practices to maximize efficient land use, connect housing to jobs and provide access to transportation networks. As part of the Opportunity City Program, a team of ULI professionals reviewed four development areas in Brooklyn Park that have a future land use potential to include a mix of housing options. The following is a summary of the team’s recommendations for the sites, considering the 11 community site principles. (Details on the community site principles and site recommendation are provided in appendix 6.)

Target Campus.
There is a great opportunity to create a cohesive work/live neighborhood. However, the identified residential area should be integrated more fully into the site to become part of the campus rather than a separated land use. This site has great access to a regional trail system which is a benefit for the employees as well as future residents. It will be important to ensure that transit that serves the site serves the employees (reverse commute patterns) as well as new residents as the site develops.

610 & Noble Parkway Proposal
This is an ideal site for a mixed-income high-density multi-family housing project with great access to transit, trails, civic and educational resources and convenient items. The proposed site design could be significantly improved to provide a mix of housing styles on the site and a tiered building/unit design that brings the buildings to the street, facing the school and away from the hard edge of the freeway. Ensuring that there are good linkages with sidewalks and transit to the amenities surrounding the site will be important to its success.

Astra Village Master Plan
The housing proposed within the master plan should be more integrated into the site with better connections to other proposed uses to encourage walking. The site could be designed as a new neighborhood with strong pronounced linkages between the uses and gathering places. Also evaluate ways to integrate the uses proposed on the site with the existing neighborhoods to the south.

Gateway Development Area
The site has good potential as a mixed-use site with multi-family housing due to its proximity to downtown services, transit, educational and church opportunities and the walkable downtown community of Osseo. These amenities offered within walking distance should be maximized with uses oriented to the street and defined connections.
Neighborhood Formation Task Force:

As part of the Opportunity City Program, ULI Minnesota partnered with the Local Housing Initiative Corporation (LISC) and the Center for Policy, Planning & Performance to help engage Brooklyn Park stakeholders in reviewing the options for forming neighborhoods in the City. The process involved a series of four interactive workshops held monthly between December 2008 and March 2009. The process used to evaluate neighborhood formation outlined clear work plan goals, key questions, a stated approach and final products. The result of the process is a proposal for a neighborhoods initiative in the City. This proposal is intended to serve as a road map to guide the city as it implements the formation of neighborhoods across the City. Establishing formalized neighborhoods will shape and enhance Brooklyn Park over the long term and benefit the city through the initiative’s goals:

1. **PRIDE**: Increase community pride and sense of ownership
2. **STABILITY**: Strengthen communities and stability of residents
3. **ENGAGEMENT**: Increase connectivity, participation and community engagement of residents on local and citywide levels
4. **LIVABILITY**: Improve neighborhood livability and sense of safety
5. **COMMUNICATION**: Improve sustainable communication between city and neighborhood and among residents within a neighborhood
6. **COLLABORATION**: Increase collaboration between city departments and residents on key issues

The attached Neighborhood Initiative proposal is a result of the ULI Minnesota process.
Recommendations to Increase the City's Capacity to Provide a Full Range of Housing Choices:

One of the key observations that emerged through the Opportunity City process in Brooklyn Park was the importance of a diverse housing stock in type, age and affordability. Of all the Opportunity Cities evaluated, Brooklyn Park has the highest resident retention rate, which is likely reflective of the full range of housing choices available in the City. The housing diversity in Brooklyn Park has provided options for current residents so that they can stay and grow within the City. This is a great asset for the City and the leadership will benefit from embracing the diversity and ensuring that future land use decisions continue to provide the same level of options for current residents as well as to capture future growth. In addition to housing diversity, the city is becoming one of the most ethnically diverse suburban cities. The increasing ethnic diversity is a big change for many residents who have lived in the city for many years. Over the past 10-20 years, the changes have created tension among residents. However, ensuring safe, affordable and well-managed housing that is tied to the changing demography of the residents will be important. A variety of tools and strategies that acknowledge and capture the benefits of the ethnic diverse populations will help to manage the change rather than resist it. The following is a summary of recommendations resulting from the housing audit, community change information and review of City goals, policies and community factors.

Communicate a Positive Message. Due to the increasingly diverse resident base, the City will need to expand its communication and education efforts regarding City housing programs, ownership and rental opportunities and expectation for home maintenance. Some examples may include:

- Foster a strong working relationships and dialogue with the City’s school districts. By working together, the City and schools can create a positive reflection of the City even in times when ethnic, cultural and economic diversity is misunderstood.
- Targeting housing programs to households with children will help to provide healthy living arrangements and stabilize school turnover.
- Partner with the faith-based community in the City to communicate housing programs and identify local issues within neighborhoods.
- Continue to support the educational approach to code enforcement through the Spruce up the Park program.
- Support the recommendations of the **Neighborhood Formation Task Force** to implement a Neighborhoods Initiative.
- Provide a single staff contact/community liaison (consider bilingual/biracial) to reduce the communication barriers as a result of the increased diversity of residents.
- Provide educational sessions/fact sheets in multiple languages on alternate home ownership options such as the Land Trust and Habitat for Humanity.
- Create positive messaging campaign that embraces all races, incomes and housing types.
- Partner with owners of multi-family housing to engage the rental community in local programs and policy decisions.
- Expand connections of the current and future housing opportunities to local jobs by working with employers to determine housing needs and evaluating links between employment wages and housing values.
- Seek out new leaders in the City on commissions and task forces reflective of the changing household base.

Home Maintenance & Purchase Programs. Brooklyn Park is just beginning to provide a full range of housing programs that target renovation, maintenance, neighborhood recovery from foreclosures as well as options for the purchase of affordable housing. Evaluating the use and impact of the programs against limited resources will be important over the next few years. To enhance the existing tools in the tool box, the City should consider the following.

- Partnering with the schools, evaluate programs that provide short term assistance to families with children to enable them to stay in their home or apartment, eg. Richfield’s Kids@Home Program.
- Consider the benefits of providing a renovation grant program tied to older homes in the City where significant private investment is being made, eg. Richfield Transformation Homes.
- Incorporate sustainability components into existing programs—expand program requirements to include incentives for energy efficiency and renewable products.
Recommendations

- Market home purchase and renovation programs, including foreclosure recovery programs, through local employers.
- Fund the Hennepin County H.O.M.E. (Household and Outside Maintenance for Elderly) program to help those who are aging in place with maintenance and other household needs. The program is currently available in other Hennepin County cities and generates a large return on the public investment based upon its review in the City of Minnetonka.
- Identify the need for an exterior renovation and landscaping fund for investor owned properties to help enhance neighborhood quality and character.

**Apartment Reinvestment & Redevelopment.** Apartments in Brooklyn Park are its most affordable housing—as well as some of the oldest and unmarketable housing in the City. This housing type serves a great need for a broad range of residents, particularly younger households. Expanding the City’s capacity to improve the apartment stock while enabling redevelopment in a sensitive, cost-efficient manner that increases value and sustainability will be important to the future success of City efforts.

- The City uses several tools to support renovation of apartments. Continuing to evaluate creative ways to increase capacity to improve older apartments through deliberate and expansive partnerships with non-profit/for-profit organizations will be an important strategy in the future.
- Determine if there are ways to effectively ensure that older apartments become more marketable/sustainable by combining units to increase bedroom counts, adding modern amenities and energy efficiencies, linking residents to social services and ensuring proper connections to transportation, parks, recreation and essential services.
- Continue to prepare redevelopment strategies that include the replacement of the most distressed apartments and evaluating replacement of those units with other more modern rental options scattered throughout the city.

**Land Use Controls and Other Housing Maintenance & Renovations Strategies.** City leaders have a variety of public tools and strategies they use to determine their participation in land use decisions, maintenance standards and the facilitation of redevelopment and renovation. Continuing to be part of the solution and helping to change the way land is used and buildings are maintained takes strong local leadership and vision. Many decisions that policy leaders make are controversial. Understanding the long-term effect of those decisions will help prepare the City for future growth and re-growth. National statistics indicate that future households will demand more compact and connected communities and the typical system of subdivision development will not be as desirable and marketable in the future. The City of Brooklyn Park has both redevelopment issues and new development opportunities. Providing a wide range of strategies that balance new growth with renovation, maintenance and redevelopment of the existing housing stock is important. Additional recommendations relating to specific public policy decisions are:

- Continue to fund and implement the Point of Sale and Rental Licensing programs that help provide consistent maintenance standards for existing housing stock. Even in a time of economic uncertainty, providing methods to ensure that existing homes are properly maintained is essential.
- Evaluate alternate ways to zone land that would better manage and promote mixed-use and compact, connected development. Form/ performance-based zoning is an option that supports more walkable, mixed-use development. Form/performance-based zoning provide a framework for how future uses fit into the surrounding area through the placement and design of buildings on the site, rather than tying the land to a specific future use.
- Support building and land development requirements that promote sustainability and long-term energy efficiency. Such efforts include revising local building codes to allow green building standards, allowing smaller street designs and requiring energy-efficient products for all publically funded programs. Local efforts can help reduce the regional carbon footprint, increase long-term affordability (through lower utility and maintenance costs) and support healthy living.
- Adopt the Multi-Family Study Group recommendation for using the ULI Minnesota Community Site Principles in the evaluation of future multi-family and mixed-use housing development and redevelopment opportunities.
- Continue to address older common interest communities through the use of special legislation that provides an affordable renovation loan option.
Next Steps:

The Opportunity City Program is only the first step in supporting a full range of housing choices in the community. Key policy leaders need to support next steps that make valuable changes to the way that the tools and strategies are delivered throughout the City. Many of the recommendations have budget implications and affect staff resources. Prioritization of the recommendations is essential. The next steps associated with implementation of the recommendations should include:

• Gaining acceptance of the ULI MN/RCM Opportunity City report by the EDA and City Council, which includes incorporating community site principles into future land use decisions.

• Preparing a work program that outlines the steps and time needed to effectively implement the recommendations. Determine how the recommendations affect land use codes, program service providers and staff work load. Include performance targets to track the progress. Setting performance targets and tracking the progress of local tools and strategies against benchmarks will provide a level of understanding to public officials and residents that become critical during the annual budgeting process. (Detail regarding performance measures as it related to housing tools and strategies are attached.)

• Evaluating budget and staff resource implications tied to each recommendation. Prioritizing recommendations that will have the largest impact in supporting housing goals for a full range of housing choices.

• Evaluating the need to amend the City’s comprehensive plan based upon implementation of recommendations.

• Discussing the broader meaning of the demographic data as it compares to current market conditions specifically tied to the foreclosure crisis and need to develop land for the future growth of the City. Incorporate future data updates and online neighborhood level data tool into community planning.
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