



Housing Initiative

Opportunity City Program Housing Audit Template

Introduction:

The goal of the Opportunity City Pilot Program is to build on the collaborative relationships among RCM and ULI Minnesota professionals to identify and implement best practices that support a full range of housing choices for economic stability and regional prosperity. By working together and learning from each other, we will develop an approach that will serve as a model for other cities, and can be brought to scale at the regional level.

The housing audit template will include four key steps:

- 1.) establish a framework;
- 2.) collect and analyze data;
- 3.) review and evaluate tools and strategies; and
- 4.) develop recommendations for implementation.

The process will include engagement of policy leaders, key city staff and program users. This engagement will be facilitated at two key points in the process through group meetings that will identify community needs, gauge the perceived success of existing tools and strategies and discuss outcomes and implementation methods to support a full range of housing choices in the city.

1. Establish a Framework

Review and evaluate **examples** of key tools and strategies that are being used locally and nationally to support a full range of housing choices. The following is the basis for the RCM Tool Kit and is based upon the HousingPolicy.org framework. Through the process, the following **examples** of tools and strategies will be discussed in the context of each opportunity city and modified to be beneficial as a model for other cities.

a. Ability to Capitalize on Market Activity

- i. TIF
- ii. Tax Abatement
- iii. Housing Levy
- iv. Zoning Policies & Regulatory Incentives
- v. Other

b. Generating Capital – leverage outside funding sources

- i. Tax Credits
- ii. Pre-development and Acquisition Funding
- iii. State and County Bonding
- iv. MN Housing Funds
- v. Local Employer Funding
- vi. Housing Trust Funds
- vii. Other

c. Preserving & Recycling – local programs

- i. Preservation and Rehabilitation of Older Ownership and Rental Properties
- ii. Downpayment assistance
- iii. Renovation Loans and incentives
- iv. 1st Time Homebuyer assistance
- v. Land Trust, Habitat for Humanity
- vi. Preservation Codes – Point of Sale, Rental Licensing
- vii. Aging in Place Programs
- viii. Other

d. Expanding Development Opportunities

- i. Support of Mixed Use Development
- ii. Development Guidelines
- iii. Use of Publically Owned Land for Housing Opportunities
- iv. Rezoning of Land for Housing Opportunities – Flexible Zoning
- v. Support of Higher Densities – Density Bonus Programs, smaller lot sizes, smaller street widths, cluster development
- vi. Identification of Sites
- vii. Reducing Red Tape
- viii. Other

e. Zoning policies that support diversity in housing types

- i. Expedited permitting and review policies
- ii. Fee Waivers for affordable housing
- iii. Favorable Rehab Codes to facilitate renovation of older home
- iv. Other

f. Expand Efforts to Support Sustainability at the Local Level

- i. Energy Efficiency
- ii. Land Use Efficiency
- iii. Other

g. Connect housing choices to jobs and transportation networks

- i. Commute Patterns
- ii. Employment Connections
- iii. Other

2. Collect and Analyze Data

Achieving a full range of housing options is a requirement for any community that desires long term demographic balance, economic stability, and prosperity. Achieving this objective requires new information tools and strategic partners. Through Excensus, LLC demographic information tied to the parcel level will be provided, reviewed and analyzed to help cities understand their community growth patterns, demographic trends, and housing market changes. Community level data and reports will be provided that will include the following:

a. Demographic and housing attributes:

- i. Household data – householder age, composition, resident ages, time at address
- ii. Dwelling data – type, value, year built, owner/renter status

b. Five-year history of residential change (2003 to 2007) by household and by address

- i. Map changes in residential area demographics over time
- ii. Map movement of households by year and location

- iii. Map housing decisions and utilization patterns

- c. **GIS map overlays:**

- i. 2005-2006 Minnesota aggregated taxable income (census block group level detail)
- ii. 2002-2005 workforce profiles and access to jobs (home-to-work flows - census block level detail)
- iii. Current metro and suburban bus routes and stops (street level precision)

3. **Evaluate Effectiveness of Tools and Strategies:**

Through the housing audit there will be an evaluation of the effectiveness of existing tools and strategies. The evaluation will be completed in **three** ways:

- a. **Evaluate numerous factors that limit a city's ability to provide a full range of housing choices including:** (Examples of factors as suggestions by Housing Policy.org)

- i. Constraints on new development and redevelopment that prevent the market from responding efficiently to increased demand for housing
- ii. Community opposition to new development generally and affordable housing specifically
- iii. The deterioration of older homes due to neglect or lack of financing for repairs
- iv. Lack of coordination between housing and transportation planning
- v. Difficulty accessing financing for various expenses, such as to rehabilitate older homes
- vi. Shortages of land on which to develop
- vii. Low-density development patterns that constrain supply and make it difficult to build affordable homes
- viii. Activity by investors to purchase and "flip" properties for a profit
- ix. A proliferation of predatory loans and/or sub-prime loans that may not be affordable over the long-run
- x. Challenges faced by existing homeowners affording their housing costs
- xi. Insufficient funding for affordable housing

xii. Low wages

b. **Evaluate city specific tools & strategies.**

The evaluation is limited to the availability of city data and will provide the following:

- i. Name of tool/strategy
- ii. Type of tool/strategy (new development, maintenance, neighborhood quality of life, others)
- iii. Goal of the tool/strategy and how it supports or complements existing goals of the city (comprehensive plan, housing goals, city council goals)
- iv. Identify the stakeholders who benefit from the tool/strategy if successful
- v. Review annual indicators (measurements of performance)
 1. Return on investment – what is the city receiving in return for their public investment?
 - a. Current public dollars invested
 - b. Current public dollars returned (revolved, increase in tax revenue)
 - c. Delivery of program – staff time to process, annual support costs
 2. Leverage ratio of public dollars against private/other public funds invested
 3. Number of new and/or retained net households
 4. Number and value of improvements
 5. Ripple effect
 - a. Based upon **available** city permit data
 - b. Based upon **available** assessor's valuation data before and/after improvements
 6. Affordability targets reached @ 30%, 60%, 80%, 115% of household income
 7. Number of net new children enrolled in school
 8. Increase in value for taxes
 - a. Review annual increase in value for taxes over 5 years
 9. Evaluate annual increase in value for properties assisted by city tool or strategy

- vi. Review administrative effectiveness based on in-house, out-sourcing, partnering
- vii. Identify factors that risk success of tool/strategy
 - 1. Problems identified, interacted/encountered, and method of resolution
 - 2. Weaknesses of the tools and strategy
 - 3. Overlap of tools and strategies with other initiatives
 - 4. Evolution of the tools and strategies

c. Identify and evaluate specific sites.

With staff guidance, identify and review developed and undeveloped sites that have the potential to provide and/or preserve a full range of housing choices. The site review is intended to help the city think about what is an appropriate housing site based upon best practices and if the site is an opportunity to increase housing choices within the city. Do the sites create an opportunity that would include some or all of the following principles? The review will consider the following:

- i. Creates a range of housing opportunities and choice
- ii. Creates a positive image for the community
- iii. Matches housing with nearby head of household jobs
- iv. Creates or links to walkable neighborhoods
- v. Encourages community and stakeholder collaboration
- vi. Fosters a sense of place – distinct and attractive
- vii. Links to nearby transit or transportation system (no more than 10 walking minutes)
- viii. Provides a mix of land uses
- ix. Strengthens\ directs development toward existing neighborhood
 - x. Takes advantage of compact building design and efficient infrastructure
 - xi. Maximizes use of and access to existing social services and recreational opportunities
 - xii. Provides energy efficiency and/or green building techniques
 - xiii. Aligns with state and metro area grant opportunities and goals
 - xiv. Effectively uses city financial resources (HRA/EDA levy, Bonding, TIF/Tax abatement)

4. **Recommendations.**

Provide recommendations for specific implementation steps that will help to strengthen and/or move a city toward supporting a full range of housing choices.

- a. **Identification of gaps** - Do the current goals and policies address the community needs based upon demographics and trends?
- b. **Identify the tools & strategies** from the RCM tool kit that would assist the city in addressing community needs and achieving community goals and policies?
- c. **Identify resources** needed to successfully implement the tools and strategies.
- d. **Next Steps** – what process should the city take to implement changes and/or new tools and strategies that support a full range of housing choices.

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