

A special thanks to the ***Family Housing Fund*** for its financial and leadership support.



August 2009

Housing Initiative

Opportunity City Pilot Program

Supporting a full range of housing choices—a diverse mix of housing types, sizes and prices in connected livable communities.



URBAN LAND INSTITUTE MINNESOTA AND THE REGIONAL COUNCIL OF MAYORS

Urban Land Institute Minnesota (ULI MN) actively engages public and private sector leaders in land use planning and real estate development to learn, network and join in meaningful, strategic action to create thriving, sustainable communities.

ULI MN is a District Council of the Urban Land Institute (ULI), a 501(c)(3) nonprofit research and education organization supported by its members and sponsors. ULI's mission is to provide responsible leadership in the use of land and in the creation of thriving communities worldwide. Founded in 1936, ULI now has more than 37,000 members worldwide representing the full spectrum of land use and real estate development disciplines, including developers, builders, investors, architects, public officials, planners, real estate brokers, attorneys, engineers, financiers, academics and students.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The nationally recognized **Regional Council of Mayors (RCM)** was formed in 2005 and is supported by the Urban Land Institute Minnesota. It includes Minneapolis, St. Paul and 34 municipalities in the developed and developing suburbs. This collaborative partnership provides a non-partisan platform focused on building action strategies to raise the region's overall economic competitiveness and quality of life.

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RCM map, list of mayors

Housing Audit Template

ULI MN Community Site Principles

Housing Initiative Advisory Group

“We had a lot of people telling us how wrong we as policy leaders were regarding the need for multi-family housing. After the Opportunity City process, there was an acknowledgement that we do need quality rental and multi-family housing. The Opportunity City process has changed the dialogue and opened conversations regarding the need for a mix of housing options.”

Steve Lampi, Brooklyn Park Mayor

EXECUTIVE SUMMARY

Call it a “correction” or call it a bubble bursting, there’s no question that the housing market has changed dramatically in the past two years. Future growth will be impacted by these changes, the practice and confidence that the demand was so great that anything anywhere would sell no longer holds. We must adapt to changing consumer preferences and demographic trends. Policy makers and practitioners will need to be more prepared with informed, intentional strategies to meet the future needs of their cities and our region: a sustainable and prosperous future that is characterized by complete communities offering a full range of housing choices connected to transportation options, amenities and quality jobs.

The ULI MN/RCM Housing Initiative’s Opportunity City Program is a comprehensive, centralized, sustainable, learning community that provides support and resources to local municipal officials who seek to provide a full range of housing choices in their community. The program relies on peer-to-peer learning, technical assistance and dissemination of best practices. It is made possible with financial support from the Family Housing Fund.

The Housing Initiative is integrated with the ULI MN/RCM Connecting Transportation and Land Use Systems Initiative (CTLUS), GreenStep Cities Demonstration Project and the Regional Competitiveness Project. The ULI MN/RCM collaboration aligns with the federal DOT/HUD/EPA Interagency Partnership for Sustainable Communities at the Twin City regional level.

OPPORTUNITY CITY PILOT PROGRAM

The Opportunity City Pilot Program was established to demonstrate how to implement the goal of supporting a full range of housing choices. Five diverse communities were selected to participate in the pilot program: Brooklyn Park, Minnetonka, Richfield, Rosemount and Shoreview. Each provided a \$5,000 match and the commitment of their Mayor and City Manager/Administrator to enter a collaborative process that included expert technical assistance. This report outlines the approach, regional themes, and next steps.

APPROACH

Housing Audit. A comprehensive audit was conducted of each city’s policies and investment strategies. It included:

1. Review and evaluation of the effectiveness of existing housing and land use tools and strategies, based on current local-level data.
2. Identification of gaps in land use plans and housing strategies.
3. Modifications and additions to communities’ housing tools and strategies that support a full range of housing choices.

Site Analysis Assistance: Review of community-identified sites and an assessment of how they can meet the future housing growth needs with a focus on the connection to jobs, services and transportation networks. Communities had a choice of three options:

1. **ULI TAP.** The ULI Technical Assistance Panel (TAP) provides professional real estate services to cities to help evaluate land use options for a specific site. TAP brings experts in the real estate, planning and development fields together to collaborate on complex land use and redevelopment projects.

2. **Corridor Development Initiative.** The Local Initiatives Support Corporation's Corridor Development Initiative brings together neighborhood representatives, a technical team and city staff to develop a strategy for a specific site, incorporating quality design, higher density and affordable housing.
3. **Site Principles.** Developed by a team of ULI MN professionals, the *Community Site Principles* support a full range of housing choices based on best practices to maximize land use efficiency and connecting housing with jobs and transportation networks. Opportunity sites were reviewed against the principles with recommendations to align future development with the city's broader community-wide strategy providing economic benefits and long-term sustainability.

Community Change Information and Trends. With funding support provided by the Metropolitan Council, ULI MN contracted with Excensus, LLC to provide community change reports at the regional, county and local level. This is new and unique information that goes beyond census data and is based on actual household counts, not estimates, by property parcels tracked over a four-year period (2004 to 2007) for the seven-county metro area. Understanding a city's demographic data and trends and the regional implications is essential to helping local leaders provide direction for the future. Data that identified demographic trends, household relocation patterns, housing accessibility and utilization and access to jobs and transit enhanced local understanding to guide goals, priorities, policy development and implementation.

Housing Tool Box. The Housing Initiative established a model partnership with the Center for Housing Policy to provide a web-based tool box that demonstrates principles and best practices to preserve and produce a full range of housing choices. The website connects the national framework (www.HousingPolicy.org) with a Minnesota-specific page and connecting links. The tool box categories include generating capital for housing options, preserving existing housing, expanding opportunities for new housing, using resources efficiently, helping residents succeed, supporting connected, livable communities and talking about a full range of housing choices.

"The City needs to continue to explore new housing initiatives and continue to create more life cycle housing options when opportunities present themselves."

Sandy Martin, Shoreview Mayor

TRENDS AND RECOMMENDATIONS

The Opportunity City Pilot Program identified trends leading to recommendations regarding the region's capacity to support a full range of housing choices.

Regeneration of cities supports sustainable, prosperous regional growth.

- Identify strategies to support incentives and options to increase housing turnover among older households.
- Preserve and renovate older apartment complexes to ensure that they remain a viable community asset. Improving older apartment housing stock and building new, modern rental housing will better position cities to effectively respond to both economic and demographic shifts now and in the future.

- Share data and integrate land use planning and housing programs with education planning, supporting complete communities. School districts have more complete data regarding family structure and ethnicity than what is currently available to local planners. This data is important to future planning for housing types that serve families and changing demographics.
- Create a constituency for redevelopment.
- Build a redevelopment tool box; recruit partners to implement.

Changing demographics with diverse market and consumer preferences require expanded housing choices.

- Support tools and strategies that provide multiple housing types, styles and values to address the changing demographic needs of the region.
- Support rental housing as a viable and important choice to meet future demand.
- Incorporate land use policies and housing programs that support multiple housing types, styles and values to help reduce the future vulnerability of large-tract, homogenous development in the suburbs.
- Increase understanding of the housing preferences of diverse populations; implement strategies to support those preferences.

Municipalities need to proactively plan for a changing region.

- Implement model land use policies and ordinances coupled with staff training to provide regulations that support mixed use and mixed income development connected to transportation options, jobs and amenities.
- Promote the benefits of density to the public's self interest; establish media partners to tell the story.
- Engage members of the community regarding the value of density prior to responding to a particular proposal. Support proactive strategies versus reactive strategies.
- Currently, public meetings attract older members of the community; they are making most of the local decisions. Broaden public meeting attendance by reaching out and engaging the latent citizen majority and young and emerging leaders.
- Regularly measure program outcomes. Ensure that measures of program performance are based upon desired outcomes.

HOUSING INITIATIVE NEXT STEPS

Several strategies emerged from the Opportunity City Pilot Program that are uniquely suited to the collaborative partnership network of the ULI MN/RCM Housing Initiative in support of a full range of housing choices.

1. Implement the next phase of the Opportunity City Program by building on lessons learned and expanding the resource to additional cities.
2. Continue quarterly convening of county HRA/CDA's to identify opportunities for information sharing and collaboration.
3. Elevate the importance of fixing redevelopment tools that support economic growth.
4. Demonstrate model land use policies across municipal boundaries, built on performance-based objectives that support a mix of uses and a full range of housing choices connected to transportation options, amenities and quality jobs.
5. Explore opportunities to build on the St. Louis Park's *Live Where You Work* program to support a regional model for employer assisted housing.
6. Contribute to the Minnesota Preservation Plus Initiative to expand resources for the preservation and renovation of aging apartments in the suburbs.
7. Raise awareness about the value of density linked to quality of life.
8. Develop a Twin Cities housing + transportation + energy efficiency cost calculator in partnership with the Center for Housing Policy, the Center for Neighborhood Technology and the ULI Terwilliger Center.
9. Partner to establish a working group including funding and banking leaders to explore the development of innovative financing products that address changing market preferences and demographic trends.
10. Continue partnership with the Center for Housing Policy to develop and maintain a current and expanding online Minnesota Housing Tool Box that serves as an ongoing resource providing best practices in support of a full range of housing choices connected to transportation options, amenities and quality jobs.

OPPORTUNITY CITY PILOT PROGRAM APPROACH

The Opportunity City Pilot Program was established to demonstrate how to implement the goal of supporting a full range of housing choices at the local level. Five diverse communities were selected to participate in the pilot program: Brooklyn Park, Minnetonka, Richfield, Rosemount and Shoreview. Each provided a \$5000 match and the commitment of their Mayor and City Manager/Administrator to enter a collaborative process that included expert technical assistance surrounding three specific areas of work.

- Housing Audit
- Opportunity Site Analysis
- Community Change Information and Trends

Housing Audit

A key component of the Opportunity City Pilot Program is the development of an audit to review and evaluate the effectiveness of existing housing and land use tools and strategies to meet the city's current goals, identify gaps, and to recommend modifications and additions that support a full range of housing choices. The housing audit template was developed with the assistance of the participating cities. City staff and local leaders engaged in a dialogue regarding the specific tools and strategies that are used locally and nationally to support a full range of housing choices. In addition, each city's programs and land use strategies were analyzed against their goals, policies and community change information. At key points in the process, the information was presented to the policy leaders to discuss strategic policy questions that address identified gaps in programs and land use tools.

The program provided an environment for learning that has not been available in the past. It was an opportunity for policy leaders and their staffs to take a step back to evaluate what they have been doing and understand if they have been meeting and achieving their goals. Throughout the process, the cities shared their best practices with each other, which in many cases provided an immediate benefit to those involved in the process. The housing audit template, list of best practices identified through the process and program evaluation model can be found on the ULI MN website at <http://minnesota.uli.org>.

Opportunity Site Analysis Assistance

Working with sites identified by the community, the potential for meeting future housing needs, with a focus on connections to jobs, services and transportation networks were assessed. Each city could select from several site analysis options:

- **ULI TAP.** The Urban Land Institute Technical Assistance Panel (TAP) provides professional real estate services to cities to help evaluate land use options surrounding a specific site. TAP brings the finest expertise in the real estate, planning and development fields together to collaborate on complex land use and redevelopment projects.
- **Corridor Development Initiative.** Twin Cities Local Initiatives Support Corporation (LISC)'s Corridor Development Initiative (CDI) brings together neighborhood representatives, a technical team, city staff and policy leaders to develop a strategy for a specific site incorporating quality design, higher density and affordable housing.

- ULI MN Community Site Principles.** Developed by a team of ULI MN professionals, the *Community Site Principles* support a full range of housing choices based on best practices to maximize land use efficiency and connecting housing with jobs and transportation networks. Opportunity sites include some or all of the *Community Site Principles* and align with the city's broader community-wide strategy to provide economic benefits and long-term sustainability. The ULI MN *Community Site Principles* are available online at <http://minnesota.uli.org>.

“The main issues [that showed up in data] we’ve all anecdotally known, but we’ve never had real data. This gave us real, accurate data. The first thing it did for us was to get the council to focus on it and give it priority. There’s a fair amount of education that needs to be done community-wide. We need to help people understand there’s a real problem, not just a solution in search of a problem.”

Terry Schneider, Minnetonka Mayor

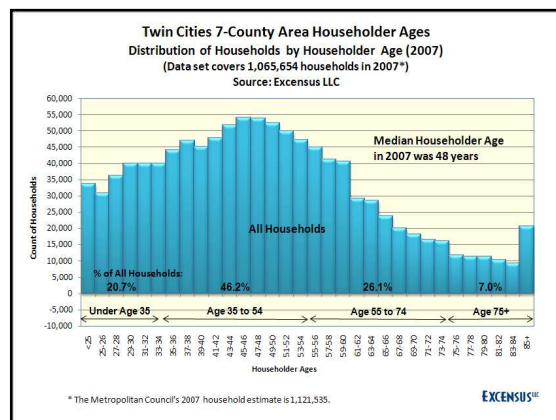
Community Change Information and Trends

With financial support from the Metropolitan Council, ULI MN/RCM contracted with Excensus, LLC for the collection and analysis of household and parcel level data for the five Opportunity Cities, and summarized by county and the region as a whole. This is new and unique information. By design, it is based on household changes by specific property parcels tracked over a four-year period (2004 to 2007) for the seven-county metro area.

The information tracks households, housing usage and turnover for more than 1 million profiled addresses. Unlike U.S. Census data, this information is more definitive, current and accurate. The data does not estimate; it includes specific counts with 95 percent coverage and accuracy. The parcel information, through GIS, can be rolled up (or drilled down) to almost any area within a four-household level to fit almost any geographic area. And the information shows household change and usage flows—where households are moving to and from—rather than simply a snapshot in time.

The community change reports summarize the data through a series of graphs and charts and include key findings and strategic policy topics and questions related to the following categories.

1. Householder age profile and trends
2. Housing usage
3. Households in foreclosure
4. Income patterns
5. Household turnover
6. Offsetting affect for households that “age-in-place”
7. Household retention
8. Where households are coming from and moving to
9. Resident access to jobs—commuting and labor sheds



The five Opportunity Cities received this detailed data, which provided insight into their residential profile and housing types, and information regarding who is moving to and from their cities. The information helped in the assessment of future development opportunity and reinvestment. The data, along with the housing audit, helped cities evaluate the outcomes related to specific performance of their programs and strategies. In every city, elected leaders and staff were energized by the data and how it informed their programs and policies. They were able to understand the importance of the data as an analysis tool for revising land use policies and making choices about development proposals related to providing new housing options to assessing transportation and employment needs. City staff and leaders in each of the five cities said they would not have been able to acquire this data on their own—and wouldn't have been able to use it effectively—without the technical assistance provided by the ULI MN/RCM Opportunity City Pilot Program. The information spurred a number of policy questions:

- Are the programs we are financially supporting making a difference?
- Why are we losing young households?
- Will “aging-in-place” affect the future delivery of city services?
- Do residents living in apartments have the ability to purchase homes in our city?
- Are there tools and strategies available to increase our options for housing choice?
- Are we supporting choices to attract and retain a broad range of households?

In addition to the city specific reports, ULI MN/RCM has convened representatives from each county to share information and identify opportunities for collaboration. The community change data was summarized for Hennepin, Ramsey, Anoka, Washington, Dakota, Carver and Scott counties and for the region as a whole. Three primary themes emerged.

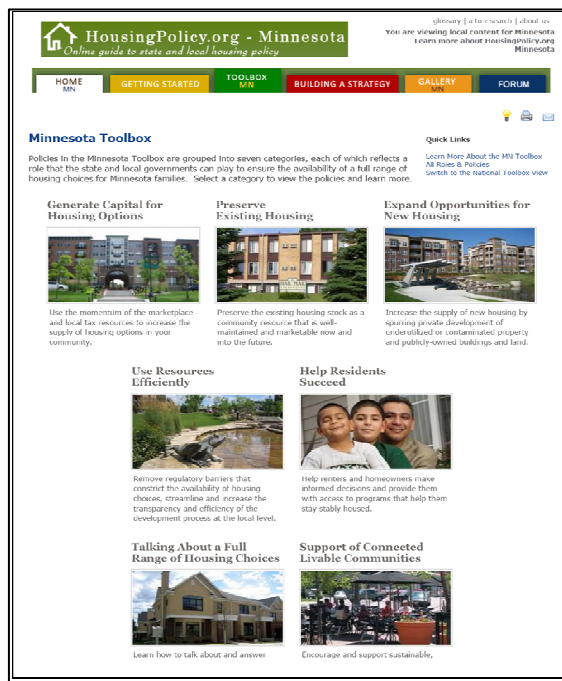
1. ***Young household migration.*** Increasingly, young households (ages 35—44) from Minneapolis and St. Paul are migrating to first ring suburbs and Carver and Scott counties due to the availability of affordable single-family homes.
2. ***Aging in place.*** Areas with low turnover (under 3 percent) and low retention (25 percent or less) of residents lack a full range of housing options and have higher levels of aging-in-place. Where turnover occurs, there is generally a net increase in younger households. Dakota County has proactively fostered the development of a diversity of housing types, including affordable, owner-occupied townhouses. The result has been an increase in turnover and the opening up of owner-occupied housing in general, with a fairly even distribution of young and old households that mirrors the seven-county metro area in total.
3. ***Limited housing options.*** Homeownership (75 to 85 percent) and single-family detached housing is dominant in all suburban counties. As demographic trends change and consumer preferences shift, more housing types will be needed that allow for flexibility, mobility and affordability.

Specific housing change reports for each city, summarized by county and the region, are available at the ULI MN website <http://minnesota.uli.org>.

ULI MN/RCM Housing Tool Box

The Housing Initiative supports a collaborative learning community among public and private stakeholders. To disseminate local and national best practices, ULI MN/RCM partnered with the Center for Housing Policy to expand the national web-based tool box at <http://housingpolicy.org> with local application. The Minnesota- specific HousingPolicy.org—to be launched later this summer—will provide easy access to principles and best practices related to the preservation and production of a full range of housing choices. The Minnesota website expands on the national framework by including a category focused on supporting connected livable communities.

The site will be regularly updated and is arranged in an easy- to-navigate format that includes the categories:



- Generate Capital for Housing Options
- Preserve Existing Housing
- Expand Opportunities for New Housing
- Use Resources Efficiently
- Help Residents Succeed
- Talking About a Full Range of Housing Choices
- Support Connected Livable Communities

Within each category, a drop-down menu includes:

- Definition of the policy.
- Summary of how the policy is applied to housing.
- Answers to questions about the problems that the policy addresses related to providing a full range of housing options.
- Detailed information on where the policy is most applicable.
- Profiles of local best practices for each policy with a summary of the project or program and specific contacts for more information.

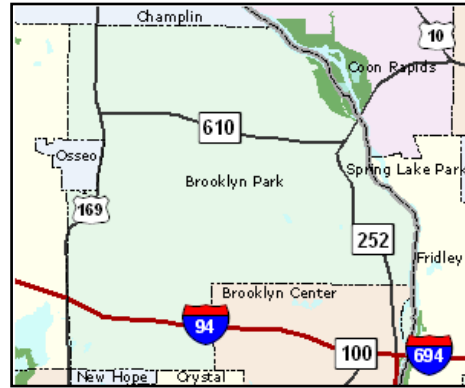
We appreciate the opportunity to partner with the Center for Housing Policy to support this innovative partnership that serves as a model for connecting national and local best practices.

Opportunity City Pilot Program City Summaries

The following is a brief summary of each Opportunity City and the key trends and policy implications identified through the process. Full summary reports and background detail is available on the ULI MN website at <http://minnesota.uli.org/>.

Brooklyn Park

Brooklyn Park, in the northwest part of Hennepin County and on the bank of the Mississippi River, has about 72,724 residents—making it the sixth largest city in the state. It's a young city; the median age of residents is 27.6 years. Brooklyn Park has been able to retain a broad range of households because of the diversity and availability of its housing stock. Half of all its new households come from within the city, Brooklyn Center or Minneapolis.



Trends and Policy Implications

- There has been increasing resistance to high-density housing by the community and policy leaders, based on dissatisfaction with the condition and concentration of the existing older multi-family housing in the city.
 - After presentation of some local best practices through the Opportunity City Pilot process and with discussion surrounding the community change information, the city's Multi-Family Study Group recommended that the city adopt the ULI MN *Community Site Principles* to help in evaluation of future high-density housing developments.
 - Modification of land use codes are needed to better manage mixed-use, mixed-income development.
- The majority of the apartment rental housing in the city is over 30 years old. Also, there are 20% of the households living within this housing type with 44% of them under the age of 35 and 16% over at 55. This housing type is providing a key housing option for both younger and older residents.
 - Reinvestment in older apartment areas is important to preserve and enhance the most affordable housing in the city that serves a broad range of residents.
- Older households over age 55 occupy 40% of the single-family homes built before 1980 but only 19% of the newer homes.
 - New strategies and housing types will be needed to retain older households.

"We were pleased that we have a high resident retention rate. It's important for us to continue working to provide housing choices to keep that retention rate high. We do need to provide housing opportunities for young professionals."

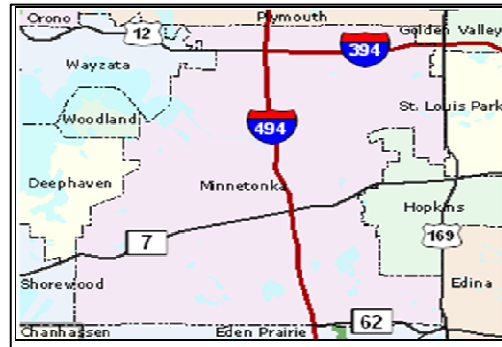
Steve Lampi, Brooklyn Park Mayor

Minnetonka

Minnetonka, 8 miles west of Minneapolis, has a population of 51,480 and 21,412 households and is the 13th largest city in the state. The city is 96% developed with over 20% of the land as natural features. This has provided a strong housing market with lower density, larger lot housing development.

Trends and Policy Implications:

- More than 44% of households are over age 55 and turnover of households over 45 is low at an average of only 2% annually.
 - Supporting community regeneration strategies, including the development of additional attractive and affordable multi-family housing options for empty nesters and older adults, will help to open up single family homes for younger families.
- More than 80% of all new households (between 2004–07) were under the age of 35 and moved into rental housing. This is a very high percentage and points out the difficulty this group has in finding homes to buy.
 - Supporting additional affordable higher density development near amenities will help to attract and retain younger households.
- Only 22% of the moves between 2004–07 stayed within the city. This is one of the lowest retention rates compared to other Opportunity Cities, with an average of 28% retention.
 - Modify the city's land use regulations and procedures to more fully support mixed use/mixed income higher density housing in appropriate locations connected to transportation options and amenities. This will provide additional housing options to increase the retention rate of households as they move.



"Because we have large lots and well-priced homes, there are people living in homes that can't afford to stay there. And there are young families that would like to locate in Minnetonka that can't. How do we entice those people [seniors in the large homes] into housing they might prefer, and open housing for younger people? The council has shifted to this [full range of housing opportunities] as a priority issue."

Terry Schneider, Minnetonka Mayor

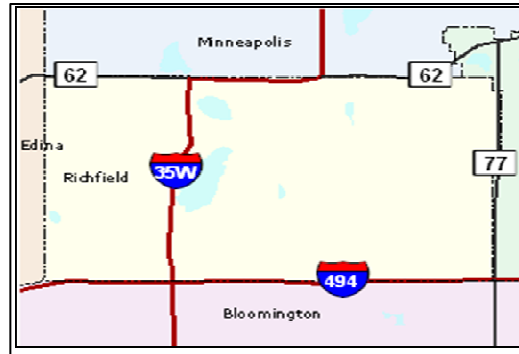
The City of Minnetonka engaged in the Corridor Development Initiative (CDI) process to help evaluate land use options for the Minnetonka Mills Village Center Area. The CDI consisted of four community workshops. Approximately 115 community members attended the workshops, aimed at gathering input on community values and concerns and assessing likely development scenarios that could meet those values. The process involved a technical team of facilitators, designers, developers, and city staff to inform and support participants as they explored ideas. Resulting from the process was an increased confidence by participants about possible guidelines that could be requested of a developer to enhance the area for future and current residents. Specific development objectives prepared for the Minnetonka Mills Area as a result of the CDI process can be found online at <http://www.eminnetonka.com/>.

Richfield

Richfield, a first-ring suburb that borders south Minneapolis, became a city in 1908. It grew quickly after World War II—from fewer than 10,000 residents to more than 42,000 by 1960. The construction and expansion of the Minneapolis-St. Paul Airport and of major highways that go through Richfield reduced the opportunities for population growth. Today, Richfield has about 35,000 residents.

Richfield is currently in a re-growth pattern, with considerable diversity in age, race and ethnic background, as well as housing affordability. It has attracted young family growth but lacks new housing options.

The majority of Richfield's new households are renters. Younger apartment households (25%) are able to move to single-family detached housing in the city since 34% of Richfield's single family owned housing is affordable and half of all recent home purchases were by people younger than 35.



Trends and Policy Implications

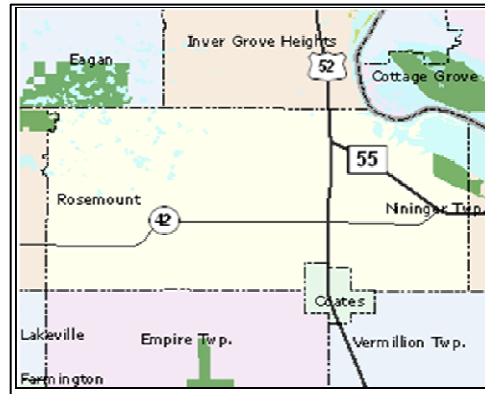
- Smaller sized single-family homes are not attractive to growing families but are an affordable option for young households, particularly those moving from Minneapolis and existing Richfield apartments.
 - Make modifications in the city's land use regulations and procedures to better support mixed-use and mixed-income redevelopment in an attempt to increase the retention of families as they grow.
- The majority (68 percent) of new households that moved into the city between 2004 and 2007 were renters.
 - Establish strategies to redevelop and improve the city's aging apartment housing to increase its value and sustainability.
- A significant number of homeowners (1,186) age 75 or older continue to live in homes built before 1960.
 - Continue to invest in home renovation strategies that provide options for homeowners as they age and choose to remain in their home.
- There is increased diversity in the city with a non-white population at 32%, above the majority of developed suburbs at 15–20%.
 - Expand communication and education efforts through increased partnership to respond to an increasingly diverse population.

"There was an "aha" moment. We spend a lot of dollars and time on some really great programs, but we've never looked at what to do with older apartments. It's become a reality for us to look at that."

Debbie Goettel, Richfield Mayor

Rosemount

Rosemount is 15 miles south of the core cities. The city has a population of just under 23,000 in an area covering 36 square miles. The city has been developing for several decades, with more than 5,000 acres of land still available for development, including over 3,000 acres of the University of Minnesota property located within the city (UMORE).



Trends and Policy Implications

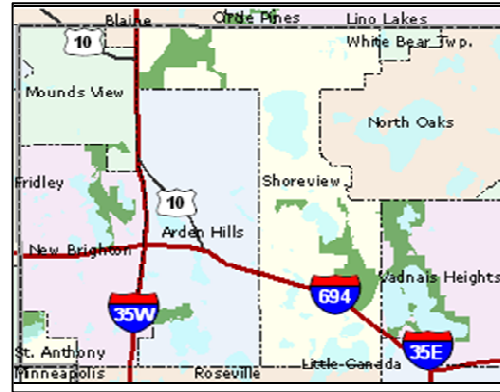
- Rosemount's household base is becoming increasingly concentrated in a narrow demographic range, with half of all householders now 35 to 54 years of age and only three percent of the housing stock as rental apartments.
 - Providing opportunities for higher density rental options in the future will help to attract and retain younger households as well as offer some senior housing options as households age.
- Household turnover is low with only three percent of homeowners choosing to move from their home in 2007 while the retention rate is strong meaning that when a household chooses to move they are able to find another option in the city 35% of the time.
 - Initiatives aimed at stimulating turnover and continuing to expand the mix of housing options will help to increase turnover and retain a high level of resident retention.
- In 2007, 61% of the owned single-family attached units in the city were affordable based on the Metropolitan Council's threshold value of \$207,800. Eighty-two percent of the younger single-family attached homeowners (under age 35) were living in affordable units in 2007.
 - Supporting a diversity of housing types at an affordable price will continue to provide purchase options for younger households.
- Over 50% of the new household moves to Rosemount originated in nearby Dakota County communities, mostly within the Rosemount School District.
 - Partnering with the county and school district on planning for future housing development will enhance the options for existing and new households and maintain school stability.

"The study highlights elements of housing that we currently lack and the types of housing units that are needed as we grow."

Bill Droste, Rosemount Mayor

Shoreview

Shoreview, 12 miles northwest of St. Paul, is the fourth largest city in Ramsey County. The city is fully developed with a good mix of older and newer housing, just over half built before 1980. More than 30 percent of Shoreview's households are between the ages of 55 and 74—and that is expected to increase. Homeownership in the city is very high at 83 percent, with half of the homeowners over the age of 55.



Trends and Policy Implications

- Over 40% of the households are over the age of 55 with over 80% essentially “aging-in-place”—or not moving.
 - Support higher density development in redevelopment areas for younger households and expanding senior housing choices. This will permit aging households to find suitable housing options while opening up housing for younger, replacement households.
- Rental housing is currently a small share of the city's housing base but it serves as a key option for young and older households. However, the city is only able to retain less than 9% of the rental households that are moving.
 - Identify methods to redevelop and improve the city's existing aging apartment housing to increase its value and sustainability.
 - Provide opportunities to increase apartment options in the city with new rental development.
- While 60 percent of households under the age of 35 are homeowners, this group represents a very small share, only 9.1% of the city's homeowners.
 - Increase high-density thresholds to support 20–25 units per acre, expedite permitting, waive fees and/or allow density bonuses as options to provide additional new housing options for young households at an affordable price.
 - Increase funding for programs that support regeneration of neighborhoods, such as land trusts, senior housing regeneration programs and Habitat for Humanity.

“The housing information we received was different from other data we've had over the years. We knew the numbers, but we didn't know why people were moving or where they were moving to. It gave us a better picture of where people move when they move out of rental units. It concerns us that only 20 percent are able to stay in the city. We need to do a better job of making people aware of the affordable housing options that we have in the community and work toward developing programs that benefit the first time home buyers.”

Sandy Martin, Shoreview Mayor

Shoreview engaged in the Technical Assistance Panel (TAP) process for an aging apartment complex that entails over 56 percent of the total rental units in the city. The city, with the support and participation of the property owners, were interested in the TAP to secure expert advice on how the site might be redeveloped and/or improved in order to provide a broader variety of housing options for the city, remain economically viable as housing preferences and the market change, and to be more of an attractive neighborhood, integrating public space and better connections to the rest of the city. The TAP was charged with making recommendations for:

- How the apartments can be improved for both the short and long term.
- Whether and how the site might provide housing for young families.
- Redevelopment of the retail strip center.
- Options for higher-density development on the site.
- Improvements to the lake and outdoor areas of the complex.

Specific recommendations and the full TAP report for Shoreview can be found on the ULI MN website at <http://minnesota.uli.org>.

TRENDS AND RECOMMENDATIONS

The Housing Initiative fosters collaborative opportunities for housing stakeholders to strategically strengthen tools and strategies to support a full range of housing choices and to be prepared to efficiently respond when the economy recovers, capturing the benefits of that recovery.

The Opportunity City Pilot Program identified a number of trends (regional and local) leading to recommendations that impact the region's capacity to support a full range of housing choices.

Regeneration of cities supports sustainable, prosperous regional growth.

- **Aging-in-place reduces housing turnover.** Housing options for older adults who want to leave their single family home, but stay in their community, are limited. Older households (people 55 and older) tend to move from single-family detached housing to single-family attached (condos, apartments, townhomes) homes.

When significant numbers of older adults stay in their homes, aging-in-place, the availability of existing housing options for younger families is reduced. Existing homes are some of the most affordable single-family homes in a city.

Aging-in-place causes a number of challenges for cities, including changed public service needs as the community's overall demographics change, increased deferred housing maintenance that reduces housing values and tax base, destabilized school enrolment levels, and changed local consumer product and service needs.

- **Identify strategies to support incentives and options to increase housing turnover among older households.**
- **Older apartment complexes are an increasingly attractive housing option, particularly for older and younger households.** It is a challenge to preserve and renovate older apartment complexes (those built in the 1960s and 1970s). Renovation is expensive and there is a lack of financial and staff capacity in most suburban cities to work through the complex financing and logistics. Cities need and want to increase their partners, both for-profit and non-profit, in this area because apartment rentals are important both to bringing new young people—singles and young families—into the community, and to providing housing for empty-nesters and older adults who want to stay. Also, existing apartments are the most affordable housing option available in suburban cities for workers that serve the community.
 - **Preserve and renovate older apartment complexes to ensure that they remain a viable community asset.** Improving older apartment housing stock and building new modern rental housing, will better position cities to effectively respond to both economic and demographic shifts now and in the future.
- **Community growth planning and school planning are not integrated.** Local planning decisions are often made without evaluating the impact and needs of the local public and private schools. As the population ages and younger populations become more diverse, it will be increasingly important to support land use planning that takes demographics and schools into account—and that the school districts' planning takes land use into account.
 - **Share data and integrate land use planning and housing programs with education planning,** supporting complete communities. School districts have

more complete data regarding family structure and ethnicity than currently available by local planners. This data is important to future planning for housing types that serve families and changing demographics.

- Redevelopment tools have been dramatically weakened. Given the economic shifts of this current downturn, housing in developed areas with access to jobs and amenities will be in growing demand, yet it has never been harder to do redevelopment. Barriers include negative perceptions regarding eminent domain and Tax Increment Financing, lack of constituency for redevelopment, outdated redevelopment tools that were created to solve issues that are no longer relevant and lack of understanding and appreciation for the past benefits and future opportunities associated with redevelopment.
 - **Create a constituency for redevelopment.**
 - **Build a redevelopment tool box; recruit partners to implement.**

Changing demographics with diverse market and consumer preferences require expanded housing choices.

- **Households are choosing new housing types.** The “American dream” of a single-family home with a big yard is changing for many households. In “How the Crash Will Reshape America” in the March 2009 issue of *The Atlantic*, Richard Florida says metropolitan regions—core cities and their suburbs—that want to attract the creative workers required in a new economy will need to offer a variety of housing types, both rental and ownership, in a higher-density pattern of development connected to transportation choices. Affordability, transportation options and access to jobs and amenities will be an increasing factor required to meet future community choice.

However, there is a higher level of migration of young households from the urban core to first-ring suburbs where affordable existing single-family housing is available. The migration pattern from Minneapolis between 2004–07 showed that 56% of these out-of-city moves were to owner-occupied single-family homes. Further, of those moving to single-family homes, 60% were from rental housing to owned single-family and almost half (46%) involved households under the age of 35. The first-ring suburbs tend to have smaller, older homes in established neighborhoods accessible to local services within an affordable price range.

In Dakota County, the Community Development Agency is an example of a county HRA that has been able to attract varied household age levels by providing policy direction and incentives for the development of a diversity of housing types, styles and prices.

- **Support tools and strategies that provide multiple housing types, styles and values to address the changing demographic needs of the region.**
- **The foreclosure crisis has an impact on the way development will occur in the future.** The foreclosure crisis is forcing municipalities to look both at how to handle homes in foreclosure and how to help a new class of renters—former homeowners who have lost their homes to foreclosure. In addition, the traditional suburban land use planning model—new and incomplete single family subdivisions created in isolation of other land uses—have been more vulnerable to the impacts of foreclosure.

- **Support rental housing as a viable and important choice to meet future demand.**
- **Incorporate land use policies and housing programs** that support multiple housing types, styles and values to reduce the future vulnerability of large tract homogenous development in the suburbs.
- **Changing ethnic and racial makeup in every community increases the need for more housing choices.** Racial and ethnic diversity is increasing in every community. According to the American Community Survey data for 2005–07, one in five, or 20% of the Twin-Cities population, included people of color or Hispanic descent. While the central cities average is 37 percent, developed cities as a group average 18 percent, and developing cities, 15 percent. However, there was some significant variation in racial/ethnic composition among the suburban areas. Brooklyn Center and Richfield were well above the average (49 percent and 32 percent, respectively). Brooklyn Park was much more diverse than the group average, at 42 percent, making Brooklyn Park the second most racially diverse community after Brooklyn Center. This increase in diversity will require additional housing choices and offers new opportunities and challenges for suburban cities.
 - **Increase understanding of the housing preferences** of diverse populations; implement strategies to support those preferences.

Municipalities need to proactively plan for a changing region

- **Our existing tools and strategies do not support mixed use and mixed income projects.** Although city leaders and staff may agree on the need for a full range of housing choices, most cities do not have the tools to make it happen in a timely and cost efficient manner. Too often, the city is reacting to a proposal from a developer for a particular site, rather than proactively marketing a vision and the tools to implement it. Current land use regulations, further restricted by state statute that requires a decision within 60 days of a development proposal, may not allow for mixed land use or mixed housing types. This degenerates into a debate about whether to allow exceptions to the regulation rather than about what kind of development makes sense for the city and for a particular area.
 - **Implement model land use policies and ordinances** coupled with staff training to provide regulations that support mixed-use and mixed-income development connected to transportation options, jobs and amenities.
- **There is little support for increasing density.** There is lack of understanding of the value of increased density and, often, angry resistance to higher-density projects. Such benefits include protection of open space, enhancement of property values, support for local public and commercial services and increased transportation service. These benefits get overshadowed by the perceived drawbacks related to developer profit and increased traffic and congestion.
 - **Promote the benefits of density** to the public's self-interest; establish media partners to tell the story.

"As we look at demographic shifts, we will need to do a better job communicating with our residents about the need for higher densities."

Bill Droste, Rosemount Mayor

- **Engage members of the community** regarding the value of density prior to responding to a particular proposal. Support proactive strategies versus reactive strategies.
- **Broaden public meeting attendance** by reaching out and engaging the latent citizen majority and young and emerging leaders. Currently, public meetings attract older members of the community; they are making most of the local decisions.
- **Municipal programs need to be closely tied to performance outcomes.** Some communities have a number of programs to help preserve and produce various housing options, but they don't always know if the programs are producing the desired results related to the housing goals and strategies. Failure to measure performance and the impact of programs and policies related to city goals can mean a duplication of services and effort—which, if reduced, could provide resources for more effective planning and support.
 - **Regularly measure program outcomes.** Ensure that measures of program performance are based upon desired outcomes. This can be done through annual evaluation of program performance using the ULI MN Housing Audit or similar tool that measures the qualitative outcomes, as well as quantitative, of programs and policies related to specific city goals.

HOUSING INITIATIVE NEXT STEPS

Several strategies emerged from the Opportunity City Pilot Program that are uniquely suited to the collaborative partnership network of the ULI MN/RCM Housing Initiative in support of a full range of housing choices. The next steps will specifically address the three key trends related to regeneration of cities, expanding housing choice and planning for a changing region.

1. **Implement Phase II of the Opportunity City Program.**

- Prepare performance indicators to measure progress.
- Provide educational workshops about the key components of the Opportunity City Program, including the housing audit, community change information, performance indicators and site analysis options: Technical Assistance Panel, LISC Corridor Development Initiative and the application of community site principles.
- Continue to engage the Opportunity City Pilot Program community leaders in ongoing dialogue regarding their progress on implementing tools and strategies in support of a full range of housing choices. Seek their support and guidance in future Opportunity City Programs.
- Implement a second round of the Opportunity City Program with 2-3 new cities.
- Deepen the community change information by integrating 2008–09 parcel data and school district data. When this project began, we had not yet experienced the economic reversal of the last year. Incorporating 2008 and 2009 data will provide a more realistic picture of the impact of the economic recession. The current data set does not include race and ethnicity patterns or family composition. Integrating school district data with the current information will more accurately portray our changing region. In addition, information sharing with school districts will help cultivate the necessary partnerships to integrate planning for future sustainable growth.
- Partner with multiple jurisdictions in an educational cluster to integrate community change and school district data to strengthen the connection between land use, school districts, transportation, and jobs. This approach provides a new learning opportunity to support an integrated approach focused on social connections as well as geographic connections.

2. **Continue quarterly convening of county HRA/CDA's to identify opportunities for information sharing and collaboration.**

3. **Elevate the importance of fixing redevelopment tools to support regional economic growth.**

Successful redevelopment will not happen without providing new policies and strategies. We have not yet resolved to assemble the resources and restore and create the tools we need to meet the challenge. A team of ULI MN professionals will develop educational tools to make the case for the importance of redevelopment that must be backed up by policy and practice. We will work with our partners to implement an outreach campaign to build the case for political will to adopt legislative change to support redevelopment activities.

4. **Demonstrate a model land use policy across municipal boundaries built on performance based objectives that support a mix of uses and a full range of housing choices connected to jobs and transportation options.**

Spot zoning restricts development on any given site. It can make it difficult to do mixed-use or mixed-income development in one community—and every community has a different twist on its zoning codes, meaning that developers go through a somewhat different process each time they make a proposal in a different community. It's frustrating both to city leaders who understand the need for new kinds of development for their community's future and for developers, for whom time is money. This complexity and frustration is elevated when a development area crosses municipal boundaries.

With financial support from Minnesota Housing, ULI MN/RCM will demonstrate how to implement model land use policies along a corridor. This will help cities move away from traditional zoning that supports specific land uses, to form- or performance-based zoning that supports more walkable, mixed-use development surrounding transportation systems across common boundaries. Developing guidelines for linking housing and transit will be created as part of this process as well as engaging multiple jurisdictions in the dialogue surrounding the importance of complete communities and how their decisions can influence development, reinvestment and redevelopment.

5. **Explore opportunities to build on the St. Louis Park's *Live Where You Work* program to support a regional model.**

With financial support from Minnesota Housing, a regional Live Where You Work program will be developed to strengthen the connection between homeownership, employment and transportation, with the goal of reducing vehicle miles traveled and promoting healthy living. This effort ties key regional employment centers and effective transportation systems to the benefits of driving less and living closer to the primary place of employment. The work plan will include the follow strategic action steps.

- Partner with St. Louis Park to build on their Live Where you Work program design and experience.
- Seek technical support from the Metropolitan Planning Council (MPC) in Chicago to benefit from their experience with the Regional Employer-Assisted Collaboration for Housing (REACH) Illinois Program.
- Partner with Minnesota Housing to determine feasibility of a statewide program to include identifying funding mechanisms.
- Identify pilot region(s) and mayoral support.
- Recruit employer participation with matching funds.
- Identify administrator and program design.

6. **Contribute to Minnesota Preservation Plus Initiative to expand resources for the preservation and renovation of aging apartments in the suburbs.**

To more fully understand ways to preserve aging rental housing that is unsubsidized, but still affordable, ULI MN/RCM will be working with the Family Housing Fund on the Minnesota Preservation Plus Initiative that is supported by the MacArthur Foundation. Work will include a comprehensive feasibility study to explore threats to this valuable housing resource and recommendations for specific policies and strategies to identify and preserve these units.

7. **Raise awareness about the value of density linked to quality of life.**

Through ULI MN several innovative educational efforts related to the development of quality leadership will be implemented to better prepare cities for the changing demographics and market shifts by supporting new housing types and improved methods of communication and civic engagement.

- Partner with the Family Housing Fund and the Design Center to analyze existing housing typology and make recommendations for expanded choices.
- Developing talking points—backed by quality data—for local leaders to market the importance of supporting a full range of housing choices with ULI MN housing partners.
- Prepare communication tools portraying the importance of supporting a full range of housing choices that includes higher density development connected to transportation options and amenities. Include visual appeal with pictures of successful, built local best practices and policy leader statements.

8. **Develop a Twin Cities housing + transportation + energy efficiency cost calculator** in partnership with the Center for Housing Policy, the Center for Neighborhood Technology and the ULI Terwilliger Center.

9. **Partner to establish a working group including funding and banking leaders** to explore the development of innovative financing products that address changing market preferences and demographic trends.

10. **Continue partnership with the Center for Housing Policy** to develop and maintain a current and expanding online **Minnesota Housing Tool Box** that serves as an ongoing resource providing best practices in support of a full range of housing choices connected to transportation options, amenities and quality jobs.

Housing Initiative Report

Appendix

- RCM map, list of mayors
- Housing Audit Template
- ULI MN Community Site Principles
- Housing Initiative Advisory Group

The nationally recognized Regional Council of Mayors was formed in 2005 and is supported by the Urban Land Institute Minnesota. It includes Minneapolis, Saint Paul and 34 municipalities in the developed and developing suburbs. This collaborative partnership provides a nonpartisan platform focused on building action strategies to raise the region's overall economic competitiveness, innovation and quality of life.

Co-chairs:

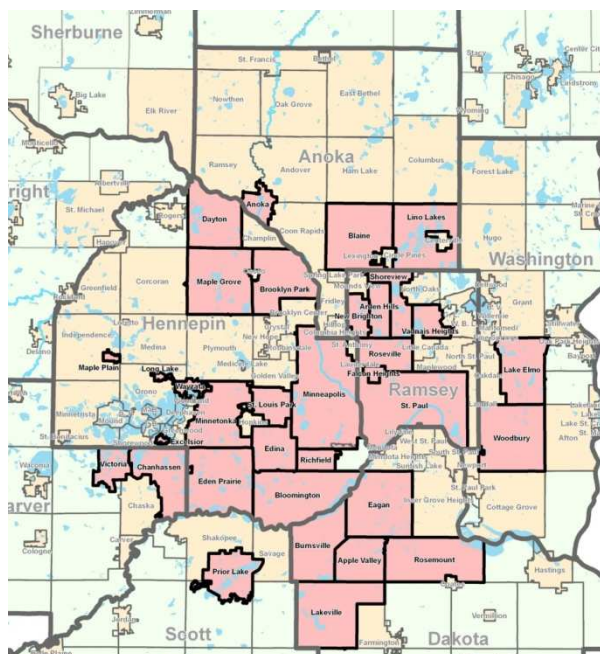
Mayor James Hovland, Edina
Mayor Elizabeth Kautz, Burnsville

Committee co-chairs:

Mayor Debbie Goettel, Richfield, Sustainability
Mayor Bill Hargis, Woodbury, Transportation
Mayor Stan Harpstead, Arden Hills, Jobs
Mayor Steve Lampi, Brooklyn Park, Housing
Mayor Gene Winstead, Bloomington, Intergovernmental Relations

Mayor Doug Anderson, Dayton

Mayor Susan Banovetz, Vadnais Heights
Mayor John Bergeson, Lino Lakes
Mayor Chris Coleman, Saint Paul
Mayor Holly Dahl, Lakeville
Mayor William Droste, Rosemount
Mayor Tom Furlong, Chanhassen
Mayor Randy Gilbert, Long Lake
Mayor Mary Hamann-Roland, Apple Valley
Mayor Jack Haugen, Prior Lake
Mayor Mary Hershberger Thun, Victoria
Mayor Jeff Jacobs, St. Louis Park
Mayor Dean Johnston, Lake Elmo
Mayor Craig Klausing, Roseville



Mayor Steve Larson, New Brighton
Mayor Peter Lindstrom, Falcon Heights
Mayor Mike Maguire, Eagan
Mayor Sandy Martin, Shoreview

Mayor Phil Rice, Anoka
Mayor Nick Ruehl, Excelsior
Mayor Tom Ryan, Blaine
Mayor R. T. Rybak, Minneapolis
Mayor Terry Schneider, Minnetonka
Mayor Mark Steffenson, Maple Grove
Mayor John Sweeney, Maple Plain
Mayor Ken Willcox, Wayzata
Mayor Phil Young, Eden Prairie

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.

Executive Committee:

Colleen Carey, Chair, The Cornerstone Group
John Breitingner, Assistant Chair & Treasurer, United Properties
John Shardlow, Immediate Past Chair, Bonestroo
Jeanette Blankenship, YLG Chair, Minnesota Housing
Karen Dubrosky, YLG Assistant Chair, Grandbridge Real Estate Capital
Merrie Sjogren, Immediate Past YLG Chair, Nolan Company
Mayor Jim Hovland, RCM Co-chair, City of Edina
Mayor Elizabeth Kautz, RCM Co-chair, City of Burnsville
Robert Close, Programs Chair, Close Landscape Architecture
Robert Engstrom, ULI Life Trustee, Robert Engstrom Companies
Chris Kennelly, UrbanPlan Chair, Welsh Companies
Jay Lindgren, Chair, Connecting Transportation & Land Use Systems, Dorsey & Whitney
John H. Mays, Counselor, Gould & Ratner
Carolyn Olson, Urban Community Advisor, Greater Metropolitan Housing Corporation
Mary Taylor, Membership Co-chair, Lindquist & Vennum
Ellison Yahner, Communications Chair, Mortenson Construction

Stuart Ackerberg, The Ackerberg Group
Bake Baker, McGough
Cecile Bedor, City of Saint Paul
Tom Fisher, University of Minnesota College of Design
Warren Hanson, Greater Minnesota Housing Fund
Sarah Harris, Harris Strategies
Curtis Johnson, Citistates Group
Nick Koch, HGA Architects and Engineers
Mike Logan, Target Corporation
Councilmember Ralph Remington, City of Minneapolis
Kevin Ringwald, City of Chaska
Hussein Samatar, African Development Center
Mark Schiffman, Drawbridge Consulting
Carissa Schively Slotterback, University of Minnesota Humphrey Institute of Public Affairs

Caren Dewar, Executive Director
Cathy Bennett, Housing Initiative
Pat Arnst, District Council Coordinator
Jill Kiener, Initiatives



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, an approach was developed to serve as a model for other cities. This model can be implemented and 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 includes the engagement of policy leaders, key city staff and program users. The engagement is facilitated at two key points in the process through group meetings that identifies community needs, gauges the perceived success of existing tools and strategies and provides discussion around 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 Box and is based upon the HousingPolicy.org framework. Through the process, the following **examples** of tools and strategies is discussed in the context of each opportunity city and modified to be beneficial as a model for other cities.

a. Generate Capital for Housing Options

- i. Tax Increment Financing
- ii. Tax Abatement
- iii. Housing Levy
- iv. Housing Trust Funds
- v. Tax Credits
- vi. Pre-Development & Acquisition Financing
- vii. Housing Bonds
- viii. Cross Subsidies

b. Preserve Existing Housing & Neighborhoods

- i. Preserve Rental Housing
- ii. Preserve Ownership Housing
- iii. Housing Improvement Areas
- iv. Energy Efficiency
- v. Strengthen & Promote Existing Neighborhoods

c. Expand Opportunities for New Housing

- i. Rezoning & Regulatory Tools in Support of Mixed Use Development
- ii. Use of Publically Owned Land for Housing Opportunities
- iii. Redevelopment of Brownfields
- iv. Green Building
- v. Housing Policies

d. Provide Efficient Use of Local Development Tools

- i. Land Use & Zoning Policies in Support of Housing Diversity
- ii. Expedited permitting and review policies

e. Help Residents Succeed

- i. Homeownership Education & Counseling
- ii. Down Payment Assistance
- iii. Foreclosures & Affected Renters and Owners
- iv. Household Energy Costs
- v. Homeowner Renovation Assistance
- vi. Employer Assisted Housing
- vii. Specialty Housing & Services

f. Talk About a Full Range of Housing Choices

- i. What is it and Why is it Important – Talking Points
- ii. Stakeholder & Neighborhood Engagement

g. Livable Communities

- i. Transportation Policies & Land Use
- ii. Sustainable Development & Healthy Living

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 is provided, reviewed and analyzed to help cities understand their community growth patterns, demographic trends, and housing market changes. Community level data and reports are provided including 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 is an evaluation of the effectiveness of existing tools and strategies. The evaluation is 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 provides 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 considers the following:

- i. Creates **housing opportunities** and choice
- ii. Creates a **positive community image**
- iii. Fosters a **sense of place**
- iv. Matches **housing and jobs**; both existing and future jobs
- v. Creates or links to **walkable neighborhoods**
- vi. Provides **access to nearby transit or transportation choices** that are convenient and a comfortable 5 to 10 minute walk or 30 minutes bike (standard guideline is ¼, ½ mile distance for walking and 2-5 mile for biking)
- vii. Creates a **mix of land uses** within the site or within a walkable distance of the site that includes:
- viii. Encourages **compact building design and efficient use of infrastructure** to support long term sustainability
- ix. Ensure the projects **long term success and marketability**
- x. Provides **energy efficiency and/or green building techniques**
- xi. Encourages **community and stakeholder collaboration**

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 box that assists 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.

Opportunity City Pilot Program - Community Site Principles

The *Community Site Principles* will support a full range of housing choices based upon best practices to maximize land use efficiency and connecting housing with jobs and transportation networks. An opportunity site that includes some or all of the following principles and aligns with the city's broader community-wide strategy provides economic benefits and long term sustainability.

1. Creates ***housing opportunities*** and choice
 - mixed housing types
 - mixed incomes
 - mixed uses
2. Creates a ***positive community image***
 - design guidelines
 - integrates within the existing community
 - complements city's long range comprehensive plan
3. Fosters a ***sense of place***
 - distinct and attractive
 - community gathering spaces within site and/or within walking distance
 - front doors to the street
 - homes are oriented with eyes on public greens and/or "play" spaces
 - buildings directed away from hard edges (freeways and industrial uses)
 - integrated into and directed toward existing neighborhood
4. Matches ***housing and jobs***; both existing and future jobs
 - price points (rent/purchase price) are affordable for workers in the community
 - tie housing types, prices and location to jobs in retail, commercial and industrial sectors of the city
5. Creates or links to ***walkable neighborhoods***
 - connection to pathways and/or sidewalks
 - access to essential services such as convenience / food stores, parks/open space and recreational areas with a convenient and comfortable 5 to 10 minute walk (standard guideline of ¼ to ½ mile distance)
6. Provides ***access to nearby transit or transportation choices*** that are convenient and a comfortable 5 to 10 minute walk or 30 minutes bike (standard guideline is ¼, ½ mile distance for walking and 2-5 mile for biking)
7. Creates a ***mix of land uses*** within the site or within a walkable distance of the site that includes:
 - housing, retail, office, restaurant, daycare, medical
 - civic, educational, social and recreational uses (examples: community centers, social services entities, schools and parks/sporting centers)



8. Encourages **compact building design and efficient use of infrastructure** to support long term sustainability
 - density that allows project to be financially feasible
 - site that has access to existing infrastructure – roads, water, sewers
 - maximizes green/open space
 - provides opportunities for multi-purpose\multi-use infrastructure such as storm water serving as greenway and/or water amenity
 - locate new developments near natural amenities with flexible buffers based on community surface water management and other environmental protection plans for wetlands, critical slope areas and/or land identified as habitat for a threatened or endangered species
9. Ensure the projects **long term success and marketability** through the review of:
 - financial feasibility – cost of land, rents, sale prices, lease rates, permitting time and cost
 - Demographic market evaluation – who will live and shop there, are the uses already in the market?
10. Provides **energy efficiency and/or green building techniques**
 - site allows building orientation with the greatest potential for passive solar heating and cooling and maximization of day lighting
 - use of green materials
 - storm water on site that serves as an amenity
 - minimize impervious surfaces
11. Encourages **community and stakeholder collaboration**
 - planning process that includes positive public participation
 - guidance and input from school districts

Sources: The above principles were created through the review of site and community building attributes identified by the following professional organizations: Urban Land Institute, Ahwahnee Principles, Smart Growth Network, Green Communities Network, Creating Quality Places, Metropolitan Council Livable Communities.

Dated Oct 6, 2008



ULI MN/RCM Housing Initiative Advisory Group

May 2009-Updated

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Andriana Abariotes, LISC

Bernadette Horning, Horning Companies

Bob Engstrom, Engstrom Companies

Carissa Schively, UofM – Humphrey Institute

Carolyn Olson, Greater Metropolitan Housing Corporation

Chip Halbach, Minnesota Housing Partnership

Colleen Carey –The Cornerstone Group

Dan Bartholomay, Minnesota Housing

Elizabeth Ryan, Family Housing Fund

Eric Muschler, McKnight Foundation

Gina Ciganik, Aeon

Gloria Karsky, North Branch, past Mayor

Gretchen Nicholls, LISC

Guy Peterson, Metropolitan Council

Jeanette Blankenship, Minnesota Housing

John Bailey, 1000 Friends of Minnesota

Missy Thompson

Myron Orfield

Steve Lampi, City of Brooklyn Park, Mayor (Co-Chair)

John Shardlow, Bonestroo

Joshua Fowler, Builders Association of the Twin Cities

Karen Dubrosky, GBRE Capital

Katy Sears Lindblad, Minnesota Housing

Kevin Ringwald, City of Chaska

Kevin Dockery, Hennepin County

Kristina Smitten, Smitten Companies

Mark Ulfers, Dakota County CDA

Michael Noonan

Jim Solem

Phil Eckhert, Hennepin County

Shannon Guernsey, Minnesota Housing Partnership

Faith Cable, Smith Partners

Sue Elkins, Bremer Bank

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