

4 HOUSING

This chapter of the Coon Rapids Comprehensive Plan describes the City's housing stock, housing programs, and states the City's goals and policies for maintaining the existing housing stock and adding a variety of new housing units.

Coon Rapids has a diverse housing stock with a variety of types located throughout the City. The dominant housing type is the detached single-family home. Most of the housing is owner-occupied and about 27% of the housing supply is considered to be affordable to low- and moderate-income people. The pace of construction is slowing substantially as most of the developable land has been built on.

THE CITY'S HOUSING INVENTORY

This inventory section of the Plan includes a variety of elements that describe the state of the City's housing supply. There are sections on housing types, housing tenure, housing costs and family income, housing affordability, housing age, uninhabitable homes, foreclosures, vacant homes, housing rehabilitation, new construction activity, and potential housing sites.

Housing Types

Single-family detached homes are the dominant housing type in Coon Rapids. However, there are a variety of housing types, locations, and costs offered throughout the City for families at all stages of their life cycles. As indicated in the table below, housing diversity has increased in the City as the percentage of single-family homes decreased from 80% in 1980 to 64% in the year 2000 while the percentages of other housing types has risen.

TABLE 4-1: Number of Housing Units by Type

| Coon Rapids Housing Units by Type | 1980 Units (%) | 1990 Units (%) | 2000 Units (%) |
|-----------------------------------|----------------|----------------|----------------|
| Single-family detached | 8,706 (81) | 12,273 (68) | 14,557 (64) |
| Manufactured homes | 186 (2) | 330 (2) | 276 (1) |
| Single-family attached/Townhouse | 434 (4) | 2,268 (13) | 3,739 (16) |
| Multi-family | 1,409 (13) | 3,227 (8) | 4,231 (19) |
| Total | 10,735 (100) | 18,098 (100) | 22,803* 100) |
| Source: 2000 U.S. Census | | | |

* The total number of units for the year 2000 was revised later by the Census Bureau to 22,828, but the number of the various types of units was not revised.

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This trend toward a smaller share of the residential units being single-family is expected to continue in Coon Rapids as the availability of developable land decreases and costs rise. Other housing opportunities may be realized through the reuse of properties which will incur the additional costs of redeveloping the land. This will mean that increased development densities will be needed to offset the price of increasingly scarce land or added redevelopment costs.

Housing Tenure

The share of the Coon Rapids housing stock that is owner-occupied increased from 77% to 80% in the 1990s even though the share of single-family homes decreased. This increase in owner-occupancy can be attributed, in part, to the level of townhouse construction during this period.

TABLE 4-2: Owner and Renter Units in 1990 and 2000

| Ownership Status | 1990 | 2000 |
|-------------------------------|---------------|---------------|
| Owner-occupied housing units | 13,965 (77%) | 18,142 (80%) |
| Renter-occupied housing units | 3,488 (19%) | 4,436 (19%) |
| Vacant units | 645 (4%) | 225 (1%) |
| Total housing units | 18,098 (100%) | 22,803 (100%) |

Source: U.S. Census as reported by Metropolitan Council

Recently, Coon Rapids has experienced a slight increase in the number of non-homestead single-family homes. The Coon Rapids Assessor's data indicates that there were 1,423 non-homestead single-family homes in 2004 and 1,568 in 2007. This is not particularly troubling because it accounts for only one percent of all single-family homes and no concentration in any one neighborhood is found. However, there are spots where there are two or more contiguous non-homestead properties. This needs to be monitored to see if there is any correlation between the presence of non-homestead single-family homes and property maintenance.

Map H-1 shows the distribution of non-homesteaded single-family homes.

Housing Costs and Family Income

Median home values in Coon Rapids are increasing faster than the incomes of City residents. Median rent increases are more in keeping with income increases.

The table below contains U.S. Census income and housing cost figures from 1990 and 2000.

TABLE 4-3: Housing Values and Rent Levels

| | 1990 | 2000 | Change (1990-2000) |
|--------------------------|----------|-----------|--------------------|
| Median Family Income* | \$45,135 | \$62,327 | 38% |
| Median Household Income* | \$42,074 | \$55,868 | 33% |
| Median Home Value | \$82,542 | \$124,595 | 51% |
| Median Rent | \$520 | \$689 | 33% |

Source: U.S. Census

* In decennial census data, household income includes the income of the householder and all other individuals 15 years of age and older in the household, whether they are related to the householder or not. Because many households consist of only one person, median (average) household income is usually less than median family income.

The increases in rent paid during the 1990s were in line with the increases in income. The median rent level increased 33%. Home value increases, however, were much greater. The median home value in Coon Rapids jumped 51% in the 1990s. This was due primarily to the inflation of housing prices caused by dropping interest rates. Homeowners did not necessarily pay a higher percentage of their income for housing, however, as dropping interest rates just allowed them to buy higher priced homes relative to their incomes.

Housing Affordability

Defining Affordability

There are two standard indicators that describe housing affordability in a community. The first indicator of affordability is the number of households that are paying more than 30% of their income for housing costs. This is measured by the Census Bureau every ten years. The other is the percentage of households with low incomes who pay more than 30% of their income in housing costs. The Metropolitan Council has adopted the standard of 60% of the area median household income (AMI) as the benchmark for determining affordability.

Indicator 1 – 30% of Household Income

Even with lower interest rates, 20% of all Coon Rapids households had housing costs beyond the generally accepted maximum amount of 30% of income in 1999. See the lower right cell in the table below. The 2000 Census revealed that in 1999 there were 2,721 owner- and 1,732 renter-occupied households paying 30% or more of their income for housing. These households comprised 20% of the households in the City. The percent of households paying more than 30% of their income for housing remained virtually the same in the year 2000 as it was in 1990.

TABLE 4-4: Percentage of Households Paying more than 30% of Their Income for Housing

| Housing Costs | 1990 Census | 2000 Census |
|---|---|--|
| Owner-occupied households paying over 30% of their income for housing costs | 2,204 (16% of all owner-occupied households) | 2,721 (16% of all owner-occupied households) |
| Renter-occupied households paying over 30% of their income for housing | 1,423 (41% of all renter-occupied households) | 1,732 (39 % of all renter-occupied households) |
| Total Owner and renter-occupied households paying over 30% of their income for housing | 3,627 (21% of all households) | 4,453 (20% of all households) |
| Source: 2000 U.S. Census | | |

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Indicator 2 – Percent of Housing Units Affordable to Households Earning 60% or less of AMI

Affordable housing, according to the Metropolitan Council, is housing that costs not more than 30% of gross income of a household earning 60% of the Twin Cities median family income (\$46,200 in 2005). The 60% income threshold is determined each year by the U.S. Department of Housing and Urban Development (HUD) and is the cutoff for tax-credit housing development, the main program for new affordable rental housing construction nationwide. An affordable for-sale house in 2005 would have cost \$145,200 using the definition above. Rental units would have cost \$673/month for an efficiency or single-room occupancy unit, \$721/month for a one-bedroom unit, \$866/month for a two-bedroom unit, and \$1,001/month for a three-bedroom and larger unit¹. A survey by GVA Marquette Advisors of 70% of the rental units in Coon Rapids in December of 2006 found that the average rent was very close to these rent levels.

The Metropolitan Council has estimated that 27% of Coon Rapids housing is affordable to those making 60% or less of the area median family income (AMI).² The neighboring community of Blaine had the same percentage. Other neighboring communities include Fridley at 36% and Anoka at 43%, while Andover was three percent.

The Metropolitan Council has calculated that 51,000 new affordable housing for-sale or rental units will be needed in the metropolitan area between 2011 and 2020.³ They have developed a formula to apportion those 51,000 units among all the cities in the metro area based on the amount of existing affordable housing, the wages paid by employers in the area, and the level of public transportation available. It was determined that Coon Rapids should provide 200 additional affordable housing units in the period from 2011 to 2020. This is about 21% of the 940 new units expected in Coon Rapids during the period. The Metropolitan Council's Affordable Housing Need Allocation for Blaine has been established at 1,267 units, Anoka 124, Fridley 116, and Andover 660.

¹ *Report to the Minnesota Legislature on Affordable and Life-Cycle Housing in the Twin Cities Metropolitan Area, 2005*, Twin Cities Metropolitan Council, December 2006, page 3.

² *Summary Report: Determining Affordable Housing Need in the Twin Cities 2011 – 2020*, Twin Cities Metropolitan Council, January 2006.

³ *Summary Report: Determining Affordable Housing Need in the Twin Cities 2011 – 2020*, Twin Cities Metropolitan Council, January 2006.

Factors that Affect Affordability

There are a number of factors that make housing more, or less, affordable.

City Zoning Requirements

Zoning code requirements for residential lot sizes and the amount of density allowed are factors that affect affordability. Lots in the predominant single-family zoning district are required to be a minimum of 80 feet wide by 135 feet deep, with an area of at least 10,800 square feet. This provides for a density of four housing units per acre.

The City believes that this size is reasonable. However, in some cases density for single-family detached homes can be increased through a form of planned unit development. This allows smaller lot sizes that can reduce the overall cost of the housing units. Several projects have been built that utilize this planned unit development tool to increase typical single-family home densities.

The maximum density increases to seven units per acre in the City’s Moderate Density Residential district. Density in the High Density Residential district, generally located along collector or arterial streets, depends on a number of development guidelines, including required open space, the number of bedrooms per apartment unit, and the height of the building. The densities of multi-family developments in Coon Rapids are generally 10 to 14 units per acre. However, greater density can be achieved through innovation in site design.

The City realizes that local official zoning requirements and design guidelines can add unnecessarily to the cost of housing construction. Generally, the City’s regulations appear to be in line with regulations in adjacent communities; however, the City will take appropriate opportunities to review regulations to identify those issues related to the cost of producing housing.

Federal Rental Assistance

Another key indicator of affirmative municipal efforts to accommodate affordable housing is the number of households that receive federal assistance for rent payments. Assistance comes in the form of Section 8 assistance and public housing. The table below describes the number of households that receive Federal Section 8 assistance and the number of bedrooms in the housing unit in which they reside.

TABLE 4-5: Federally Assisted Section 8 Households in Coon Rapids - 2007

| | Studio | One | Two | Three | Four | Five | Total |
|---|--------|-----|-----|-------|------|------|-------|
| ●Project Based | 0 | 0 | 6 | 3 | 1 | 0 | 10 |
| ●Voucher | 0 | 182 | 132 | 103 | 16 | 6 | 439 |
| Total | 0 | 182 | 138 | 106 | 17 | 6 | 449 |
| Source: City of Coon Rapids Housing Assistance Division, May 2007 | | | | | | | |

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The total amount of assistance is relatively low – just two percent of all housing units in the City. However, the number of units with assisted households did increase from 354 units in 1997 to 449 units in 2007. There has been a marked shift away from specific projects that receive Section 8 assistance to portable vouchers in the last ten years. Most of the City’s assisted families have rent vouchers that can be used for virtually any rental dwelling unit that meets federal housing quality standards and does not rent for more than the program limits.

In addition to the units above that are administered by the City of Coon Rapids, there are additional public housing units in the City that are administered by the Metropolitan HRA. There are 20 “Holman” units scattered around the City. Residents living in these units pay 30% of their income for rent and utility costs.

Local Rental Assistance

The City has also provided assistance to housing developments so that rental costs to the resident are below normal market rates. The primary tools for these efforts are Tax Increment Financing (TIF) and partnering with the developers to sell bonds at lower than market rates to finance development costs. The table below lists the projects where the City has provided this kind of assistance. There have been 639 units developed with the City’s assistance.

TABLE 4-6: Coon Rapids Locally Assisted Housing - 2007

| | Subsidy Program | Housing Resource | Units | Bedroom Mix |
|---|------------------------|-------------------------|--------------|--------------------|
| ●Elderly | Bonds* | Epiphany Pines | 103 | 1 and 2 |
| | Bonds*/TIF** | Margaret Place | 72 | 1 and 2 |
| ●Mixed Use | Bonds* | North Crosstown Estates | 58 | 1 and 2 |
| | Bonds* | Meadow Manor | 148 | 1, 2, and 3 |
| | Bonds* | Pine Point | 60 | 1 and 2 |
| | Bonds* | Woodland North | 198 | 1, 2, and 3 |
| Total | | | 639 | |
| * Housing Revenue Bonds-20% of units reserved for renters earning 80% or less of metropolitan median income | | | | |
| ** Tax Increment Financing | | | | |
| Source: City of Coon Rapids, June 1995 | | | | |

Evaluation of Coon Rapids Affordable Housing Efforts

The Metropolitan Council has analyzed Coon Rapids’ efforts to enhance the affordability of housing. Their analysis and the favorable results from an October 2007 report are shown in the following table.

TABLE 4-7: Coon Rapids Affordable Housing Evaluation

| Affordable Housing Effort Performance Criteria | Possible Points | Coon Rapids Points |
|---|------------------------|---------------------------|
| 1. Percent of owner-occupied housing with an assessed valuation equal to or lower than an amount affordable to households making 80% of area median income. | 8 | 7 |
| 2. Percent of rental units that are affordable to persons making 50% of area median income. | 8 | 6 |
| 3. Percent of housing stock that is comprised of twinhomes, quads, apartments, townhomes, condominiums, detached townhomes, mobile homes, and zero lot line homes. | 8 | 7 |
| 4. Percent of net units added to the housing stock since 1996 that are affordable. | 10 | 9 |
| 5. Housing for special needs. | 3 | 3 |
| 6. Presence of fiscal tools such as TIF, housing revenue bonds, and other measures to encourage affordable workforce housing. | 15 | 15 |
| 7. Recent local efforts to adjust regulations and requirements such as zoning to preserve or develop affordable housing. | 15 | 15 |
| 8. Recent local efforts to utilize programs such as housing maintenance codes, loan and grant programs, or tool sharing programs to foster preservation or rehabilitation of housing. | 15 | 15 |
| 9.a. Average net density for attached units. | 6 | 5 |
| b. Net density for detached units. | 6 | 5 |
| 10. Efforts by Coon Rapids to buy land or financially participate in the development of affordable senior housing units. | 6 | 6 |
| Total | 100 | 93 |
| Source: Metropolitan Council, September 26, 2007 | | |

The conclusion is that Coon Rapids is generally doing very well with respect to housing affordability and diversity scoring 93 out of 100 possible points. This score represents an improvement over 2006 efforts primarily due to the approval of PORT PORT Riverwalk, a housing development with 286 dwelling units, including a senior housing component. Areas in which the City improved scoring over 2006 include items (3.), (9.a.) and (10.) in the table above.

Housing Age

The housing stock in Coon Rapids is aging as fewer new units are built each year. The Age of Housing Stock Map H-2 shows the time periods when housing was built in the City. About half of the City’s housing units were built during the 1980s and 1990s.

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The table below compares the age of the housing stock at ten-year intervals from 1990 to 2030.

TABLE 4-8: Age of Housing Stock, 1990-2030

| Age of Housing | 1990 | 2000 | 2010 | 2020 | 2030 |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| Over 30 years | 3,065 (17%) | 6,526 (29%) | 10,193 (40%) | 17,407 (66%) | 22,575 (84%) |
| 21-30 years | 3,570 (20%) | 3,667 (16%) | 7,214 (28%) | 5,168 (20%) | 3,022 (11%) |
| 11-20 years | 3,556 (20%) | 7,214 (32%) | 5,168 (20%) | 3,022 (11%) | 900 (3%) |
| 10 or less | 7,907 (44%) | 5,168 (23%) | 3,022 (12%) | 900 (3%) | 500 (2%) |
| Total Housing Units | 18,098 (100%) | 22,575 (100%) | 25,597 (100%) | 26,497 (100%) | 26,997 (100%) |

Source: 2000 Census (SF3-H36) Coon Rapids City (Anoka County) Housing Profiles: Tenure by Year Structure Built, State Demographers office, on-line link from Metropolitan Council web site.

The table shows that in 1990, 17% of the City's housing units were over 30 years old and 44% were ten or fewer years old. By 2000, the percentage of dwelling units that were over 30 years of age jumped to 29%, whereas the number of homes ten years or less years of age dropped to 23%. This trend will continue. The projections for the years 2010 through 2030 are derived by aging each age cohort in ten year increments and then adding the number of housing units equal to the Metropolitan Council's projected household numbers for each of those years. The result of this method shows that by the year 2030, the percentage of homes that are at least 30 years of age will be approximately 84% of Coon Rapids' housing stock.

Uninhabitable Houses

Since 2001, the City has been tracking houses that are unfit for habitation. Between 2001 and November 2007, 67 complaints about the condition of a housing unit were registered with the City. The number of complaints and staff time devoted to this problem has been rising steadily. There were seven complaints during the first three years of this period (2001 – 2003) and 23 in the next three years (2004 – 2006). The City received 37 complaints during the first ten months of 2007.

These homes portray a variety of problems. Most of these houses were found filled with garbage or animals. Two have been used for the production of methamphetamines - "meth houses." Some have been damaged by fire.

City staff works with the owners of the houses to resolve the problems. Most of the houses do get cleaned up eventually. However, in rare cases, the properties have been declared as unsafe by the courts and the buildings demolished.

Mortgage Foreclosures

The growth in the number of foreclosed home loans is a concern to the City. There were 180 foreclosures in Coon Rapids in 2006. This accounted for 21% of all foreclosures in Anoka County. Coon Rapids also has 21% of all the housing units in Anoka County. Not only do foreclosures pose a hardship to those residents who lose their homes, they affect neighboring

residences when properties exhibit deferred maintenance, as often is the case in foreclosures, and become vacant. Ultimately, this leads to worse housing conditions and potential blight. State laws intended to tighten lending practices in an effort to reduce foreclosures went into effect on August 1, 2007.

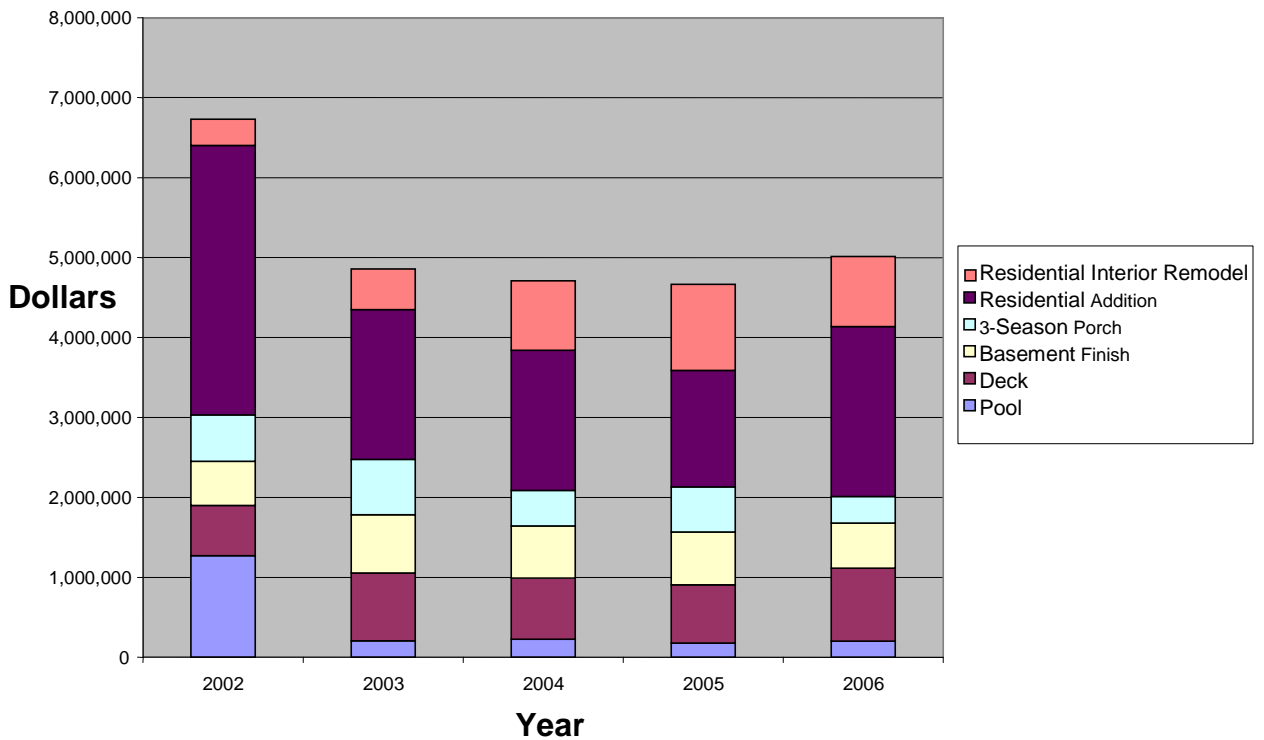
Vacant Houses

City records indicate that there were 65 vacant residential structures in April 2007. Roughly two-thirds of the vacant structures were located south of Highway 10 in older residential areas of the City. The presence of vacant homes is a concern. Vacant properties tend to deteriorate and can be a safety concern and attractive nuisance for the neighborhood.

Housing Rehabilitation

There is a great deal of housing rehabilitation that occurs each year – perhaps exceeding \$5 million worth. Building permit records for rehabilitation and renovation activity reveal the following level of investment for selected improvements for the designated years.

Dollar Value of Residential Improvements



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The City tracks the value of improvements when building permit applications are made. Roof and siding replacements have been excluded from the previous graph, however, because the City's permit system does not distinguish between residential and commercial permits for these kinds of improvements. The exact dollar value of the improvements also is unknown because building permits are not required for several types of work that improves the condition of housing. For example, exterior painting and minor, nonstructural improvements and repairs do not require permits. There are also improvements that occur without the property owner obtaining required permits. Therefore, real dollar numbers are not available.

Most of the work is privately funded. However, the City has several programs designed to help low- and moderate-income homeowners maintain or repair their homes. The dollar value of these improvements is small compared to the dollar value of improvements in all housing units in the City. The City's programs and the amount of activity since 2004 are shown below.

TABLE 4-9: Housing Rehab Program Activity

| Housingg Rehabilitation Programs | Level of Activity | Total Loan Amounts |
|--|-------------------|--------------------|
| Zero Interest Home Rehabilitation Loan/Grant | 70 loans | \$1,300,000 |
| Home Improvement Incentive Loan Program | 43 loans | \$503,465 |
| Home Rehabilitation Assistance Program | 36 loans | \$592,175 |
| Two-family Home Improvement Program | 6 loans | \$93,000 |
| Emergency Repair Program | 1 loan | \$2,573 |
| Source: City of Coon Rapids | | |

While housing maintenance practices in the City remain effective and there is no significant incidence of deterioration in either detached or attached units, the advanced age of some of the City's housing stock suggests that additional resources will have to be committed to monitoring housing conditions and providing rehabilitation programs.

Maintenance of rental properties is also a priority to the City. All rental properties are required to be licensed. The purpose of the program is to ensure that rental properties are properly maintained. The license of a poorly maintained rental property can be revoked and the owner ordered to have the property vacated.

New Construction Activity

Coon Rapids is virtually developed and only one percent of the City's land remains in agricultural use (sod fields). As a result, the number of new housing units constructed each year has been declining.

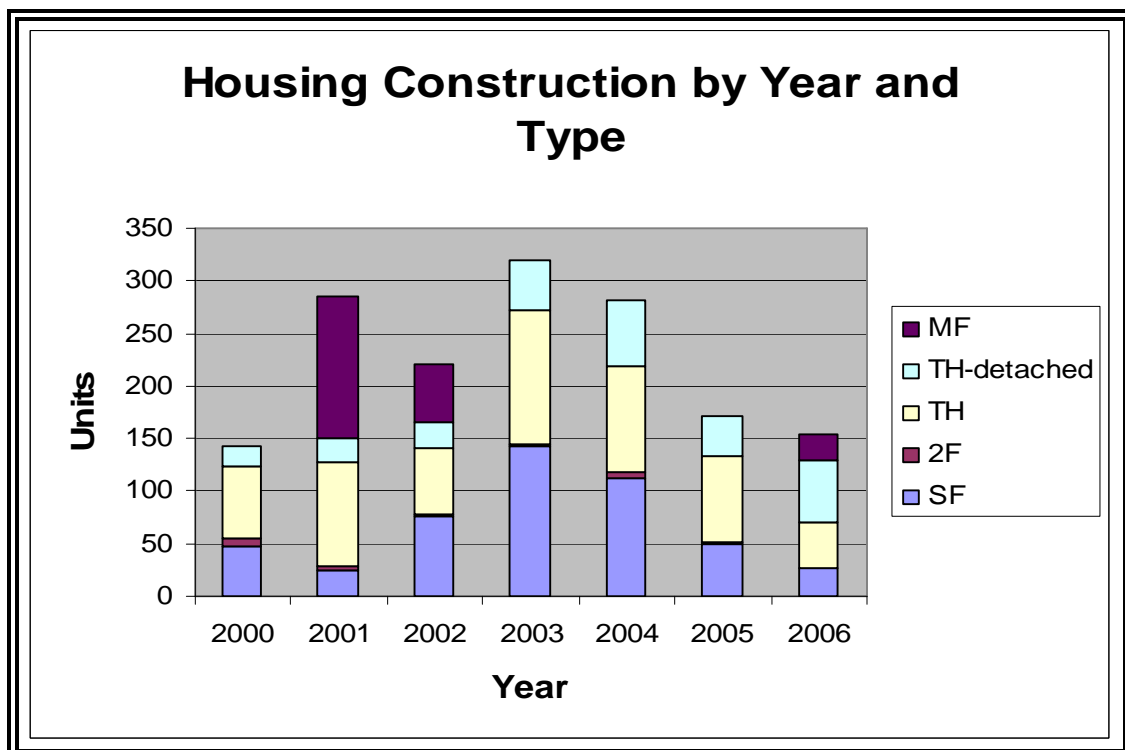
The following table and graph show the number and types of housing units that received building permits from the year 2000 through 2006.

TABLE 4-10: New Housing Unit Permits by Year

| Type | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Total |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Single-family (SF) | 48 | 24 | 76 | 142 | 113 | 49 | 27 | 479 |
| Townhouse (TH) - detached | 19 | 23 | 24 | 47 | 64 | 37 | 60 | 274 |
| Two-family | 8 | 4 | 2 | 2 | 4 | 2 | 0 | 22 |
| Townhouse | 67 | 99 | 63 | 128 | 101 | 83 | 43 | 584 |
| Multi-family | 0 | 136 | 56 | 0 | 0 | 0 | 25 | 217 |
| Total | 142 | 286 | 221 | 319 | 282 | 171 | 155 | 1576 |

Source: Coon Rapids building permit records

Part of the decline in housing construction activity is explained by market conditions in the Twin Cities region. The Twin Cities housing market peaked in November 2005. Housing demand and values across the region declined after that. Several projects across the metropolitan area were postponed indefinitely in 2006 and 2007 as the housing market went through an adjustment period. The PORT PORT Riverwalk development in Coon Rapids was one of those projects.



Even by the year 2000, residential construction activity was slowing substantially due to the shortage of developable land. The year 2000 showed only 142 dwelling units received building permits. There was a significant increase to 286 units in 2001 as the Wexford area began developing. The economy had a minor effect in 2002 when the number of new housing units fell

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to 221 units. However, construction activity rebounded in 2003 to 319 units. The number of new units has fallen steadily since 2003 with 282 new units in 2004, 171 in 2005, and 155 in 2006.

The type of units being built in the City is also changing. The previous graph shows the number of single-family (SF), two-family (2F), townhouse (TH), townhouse -detached (single family detached homes in a common interest community), and multi-family (MF) construction.

Single-family Construction

The traditional single-family detached home is the largest component of the Coon Rapids housing supply. However, with the scarcity of developable land, only 27 permits were issued in 2006 for single-family housing construction. This was not the lowest activity since the year 2000. Prior to the Wexford development at Main and Avocet Streets, only 24 single-family units were constructed in 2001. Single-family activity jumped to 142 units in 2003 as Wexford construction was in full-swing.

As of February 2007, there was only one proposed development for single-family detached homes in Coon Rapids. This is the approximately 80-lot development at Main Street and University Avenue. This project was originally approved in 2005 and is now scheduled to start in 2008. There have been some inquiries about developing the Balfany sod fields on the north and south sides of Main Street east of Shenandoah Boulevard, but no firm proposals have been presented to the City for review.

Detached Townhouse Construction

Detached townhouses are detached single-family homes with a homeowners' association that is responsible for exterior maintenance of buildings and upkeep of common open spaces. Examples of this kind of development are Ashley Oaks and Alexandra's Cove.

The number of these types of units permitted in the City grew steadily from the year 2000 when 19 units were permitted to 2004 when 64 units were permitted. There were more of these units permitted in 2006 (60 units) than any other housing type.

Townhouse Construction

More townhouse units were constructed in the City between 2000 and 2006 than any other housing type. They accounted for 43% of all new units. This included two-family homes when they were part of a larger development with a homeowners' association. Townhouse construction reached its peak of activity in 2003 (128 units) with fewer units being constructed each year since. Only 43 townhouse units were constructed in 2006.

A large part of the proposed PORT Riverwalk development contained townhouse units (240 of the 286 unit project).

Multi-family Construction

The development of multi-family dwelling units in Coon Rapids has been sporadic. There have been permits issued in only three of the seven years between 2000 and 2006 for the development of 217 multi-family units. However, only one 48 unit development (Hanson Station) has been permitted since 2002.

Additional multi-family construction might occur at Woodcrest and Egret Boulevards, at PORT Riverwalk, and in mixed use projects in industrial or commercial areas in the City.

Potential Housing Sites

In addition to the potential housing development sites discussed previously, the following sites may be appropriate for residential development:

Coon Rapids Boulevard

It may be possible to develop townhouse or multi-family projects if property can be acquired at various infill and redevelopment sites. These sites include:

- Former Target site – Crooked Lake Boulevard
- Family Center Mall property - Crooked Lake Boulevard
- Commercial properties at Hanson Boulevard
- PORT Riverwalk – Avocet Street (discussion included above)
- DOT Mini-Storage – Vale Street
- WCCO Tower property – east of Pheasant Ridge Drive

Transit Oriented Development Sites

- Riverdale Northstar Commuter Rail transit station area
- Foley Northstar Commuter Rail transit station area

School Sites

Older suburban areas often have declining school enrollments that require schools be closed. Anoka-Hennepin School District #11 has not identified any schools for closure, however, this could happen at some time before 2030. The site(s) may or may not be converted to housing. The new housing type would depend on the housing market at the time and the location of the school closing(s).

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Sod Fields

This report has identified two sod field sites where there have been inquiries regarding development potential. One is located north of Main Street and east of Shenandoah Boulevard. This sod field appears to have worse development constraints, including depth to stable soils and flood plain designation, than its twin to the south of Main Street. It is not anticipated that this field will develop. There is a third sod field at Main Street and Crooked Lake Boulevard. This area could develop at some time in the future.

Prospects for Future Construction Activity

The prospects for future construction in Coon Rapids were derived from a 2006 market study and Metropolitan Council projections.

Market Potential

A market study was performed by Maxfield Research Inc. during the fall of 2006 to ascertain the potential for new housing in Coon Rapids during the 2006-2020 period. The Maxfield report examined past production trends, existing supply, and the results of realtor interviews.

The summary of the Maxfield findings is shown in the three paragraphs below.

“The City of Coon Rapids is almost entirely built-out. With aging housing stock and the continued growth occurring in the North Metro Area, Coon Rapids is in a position to capture a portion of that growth through redevelopment that could provide housing products currently desired by the market; similar to what is being offered in the higher growth communities of Andover and Blaine. The City must accommodate growth with very little available land and must balance the cost of redevelopment with supplying a product that is desirable.

“Our interviews with local area agents indicated that the current market for additional entry-level townhomes seems to be soft. Conversely, the market for single-level townhomes continues to attract empty-nesters and seniors, resizing from their single-family homes. Detached product also remains popular, but pricing of these units may extend beyond the market.

“With a limited number of redevelopment sites, the City will have to balance market demand for specific product types with the costs in bringing these sites to market. In most cases, redevelopment costs could push the product types toward higher density development. Through subsidies or special financing, the City may be able to push down pricing for some of these product types to support lower density. Conversely, the City may be able to encourage different product types that increase density, but still provide features the market desires (i.e. small lot, single-family). In the Coon Rapids housing

market, price is an important issue, and will need to be addressed when considering future development.”

Metropolitan Council Forecasts

The Metropolitan Council’s systems statement projections are shown in the following table.

TABLE 4-11: Metropolitan Council Forecasts

| | 2000 | 2010 | 2020 | 2030 |
|------------------------------|--------|--------|--------|--------|
| Population | 61,607 | 65,700 | 66,000 | 65,000 |
| Households | 22,578 | 25,600 | 26,500 | 27,000 |
| Employment | 21,462 | 24,200 | 26,000 | 27,800 |
| Source: Metropolitan Council | | | | |

Two Growth Scenarios

Developable land is very limited in Coon Rapids. This has resulted in an average of 200 units per year permitted from 2000 through 2006. However, there were only 171 and 155 units permitted in 2005 and 2006 respectively. See Table 4-10.

No one knows for certain how many units will be constructed in future years. Two scenarios are considered here.

Scenario 1. Metropolitan Council Growth Scenario

This scenario proposes an average of 109 units will need to be built in Coon Rapids each year between 2007 and 2030 to meet the Metropolitan Council’s projection of 27,000 households. (Since there was only a 1% difference between the number of households and the total number of units in the community in the year 2000, for projection purposes, it is assumed that one household equals one dwelling unit.)

The U.S. Census reported that there were 22,828 housing units in Coon Rapids in the year 2000. There was a net increase of 1,545 units in the years 2000 through 2006 after demolitions were subtracted from the 1,576 new units built. Therefore, the construction of 2,627 housing units would be needed from 2007 to the end of 2030 to meet the Metropolitan Council’s projections.

This level of housing production is comparable to doing approximately eight projects the size of the PORT Riverwalk housing development that was proposed in 2006. It is likely the City will have to be involved in project assistance (land assembly and/or write-down of land costs) to meet this projection.

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Scenario 2. Limited Public Involvement Growth Scenario

This scenario assumes 50 units per year will be constructed and may be a more realistic scenario than Scenario 1. Coon Rapids foresees several development obstacles: developable land is limited, housing production is constrained by new eminent domain laws, and restrictions on the use of Tax Increment Financing will make it very difficult for the City to be involved in project assistance. Therefore, it is likely there may not be more than 1,200 units built in the City before the year 2030 if there is not significant involvement by the City in stimulating or assisting construction activity. The rate of construction proposed under this scenario would result in 25,573 housing units in Coon Rapids by the year 2030, or 1,427 units less than the Metropolitan Council's projection.

Implications

A shortfall of 1,427 units from the Metropolitan Council's forecast will not result in inefficient use of capital investments for parks, transit, sewers, and other regional infrastructure. This is within a one-half percent of the Metropolitan Council's forecast.

The real concern is that declining housing production could mean that aging, obsolete, and blighted sites in the community which might be otherwise redeveloped in a booming real estate market will not be redeveloped. This could result in additional disinvestment in adjacent housing and the appearance that the City is in decline.

GOALS, OBJECTIVES, AND POLICIES

Given the existing housing conditions and development prospects, the City has adopted the following goals, objectives, and policies to address housing production and maintenance.

Goal #1: Housing Quality - A high-quality living environment, the preservation of stable residential neighborhoods, and, where necessary, the upgrading of the existing housing stock in the City.

Objectives:

- 1-1. Removal or buffering of non-residential uses that are a blighting influence on their residential surroundings.
- 1-2. Elimination of blighting influences and conditions such as unkempt or weedy yards, glaring lights, unscreened storage, poorly maintained exteriors, uninhabitable homes, and an excessive number of vehicles parked on residential properties.
- 1-3. Removal of substandard housing units that are economically unfeasible to rehabilitate.
- 1-4. Construction of high quality new housing.
- 1-5. Remodeled ramblers that are attractive to young homebuyers.

Policies:

- 1-1. The City will respond to complaints about owner occupied properties just as aggressively as it does with renter occupied properties that are not being maintained or are apparent nuisances in the neighborhood.
- 1-2. The City will assure the maintenance of its housing stock by developing and distributing informational materials that help home and apartment owners address maintenance and housing system problems.
- 1-3. The City will provide information for rental property owners to help them screen tenants and deal with tenant related issues that eventually lead to deteriorating properties.
- 1-4. The City will provide information, upon request, that does not violate data privacy rules about neighborhood property maintenance or construction activity.
- 1-5. The City will work with homeowners' associations to help them plan for and manage their maintenance needs.
- 1-6. The City will continue to monitor housing maintenance and outside storage regulations.

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- 1-7. The City will provide those neighborhoods that have the highest housing maintenance violations the highest priority for financial programs to encourage reinvestment.
- 1-8. The City will protect the integrity and desirability of established residential neighborhoods by considering the discontinuation of isolated and aging nonresidential uses through buyout and/or amendments to the future land use map as opportunities arise.
- 1-9. The City will use, if necessary, its legal condemnation authority to remove substandard housing for which rehabilitation has been determined to be economically unfeasible.
- 1-10. The City will continue its program that helps owners of single-level ramblers to update and renovate their properties in a sensitive way that respects the architectural character of the Rambler.
- 1-11. The City will continue to encourage existing home renovations such as second story additions and exterior curb appeal improvements.
- 1-12. The City will add to its financial assistance programs to help low-income property owners address deteriorating housing problems.
- 1-13. The City will give high priority to rehabilitating its aging housing stock when determining the appropriate use of Community Development Block Grant funds.
- 1-14. The City will use HUD's Section 8 housing quality standards to determine whether a house is in need of substantial rehabilitation or beyond repair, except where a particular funding program or regulation specifies an alternate definition.
- 1-15. The City will help protect the quality of its housing stock by ensuring that there is full disclosure of existing code violations. Implementation could include a Truth in Housing or Point of Sale requirement. At the very least, this will mean promotion to real estate agents and prospective home buyers or sellers of the practice of contracting for private home inspections prior to purchase of any Coon Rapids home. Promotional efforts may include but shall not be limited to periodic educational items in City publications and information made available to the public by City staff.
- 1-16. The City will undertake efforts to reduce the number of homes that fall into foreclosure and/or have severe maintenance problems.

Goal #2: Housing Variety - A variety of housing types and designs to allow all people a housing choice.

Objectives:

- 2-1. New housing units that are designed using “universal design” principles.
- 2-2. No less than 60% of the City’s housing supply being detached single-family homes (includes detached homes in a common interest community).
- 2-3. No less than 75% of the housing stock being owner-occupied.
- 2-4. More upper bracket housing costing more than \$300,000 to balance the high percentage of housing units valued below \$250,000.

Policies:

- 2-1. The City will continue development management approaches which encourage a wide variety of housing types and ownership and rental options.
- 2-2. The City will encourage developments for retired and handicapped persons and continue programs offering City financial assistance for these special housing needs.
- 2-3. The City will continue to offer the flexibility of the Planned Unit Development process in order to achieve affordable housing units.
- 2-4. The City will identify underused nonresidential sites that may be suitable for higher density residential use.
- 2-5. The City will designate infill areas and redevelopment sites along major streets and adjacent to commercial or other high activity areas for townhouse and/or apartment type uses.
- 2-6. The City will encourage upper bracket homes where townhouse and/or apartment units are not compatible with the surrounding neighborhood.
- 2-7. The City will accommodate energy conserving technologies and construction techniques, including active and passive solar energy features, by advocating their use in application for new residential development and by amending City Code or City policies as appropriate to allow residents to take advantage of new approaches.
- 2-8. The City will assist in attempts to obtain any applicable funds for City approved development proposals designed to maximize the opportunity of providing a variety of housing types, costs, and densities that meet City objectives. Sources may include, but

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- are not limited to, federal programs such as the Home Investment Partnership Program (HOME) or Section 202 financing for senior housing, state aid such as the Low Income Tax Credit Program or the Low/Moderate Income Rental Program, Metro Council funds such as the Local Housing Investment Account, or nonprofit assistance such as the Family Housing Fund or Habitat For Humanity.
- 2-9. The City will, to the extent possible, document the characteristics and neighborhood experiences of community based residential facilities in the City, so that better relations may be forged between such facilities and surrounding neighborhoods.
 - 2-10. The City will develop procedures that result in productive discussions between developers and surrounding residents when there is neighborhood opposition to a housing proposal that meets City objectives.

Goal #3: Affordability - Housing opportunities at a cost low- and moderate-income individuals and families can afford without compromising essential needs.

Objectives:

- 3-1. A housing supply that has between 20% and 25% of all units affordable to families with an income at 60% of the area median family income (AMI).
- 3-2. The preservation of existing affordable units, including the manufactured housing at Creekside Estates manufactured home park.

Policies:

- 3-1. The City will use the Metropolitan Council's definition of affordable housing which is housing that costs no more than 30% of the income of a family earning 60% of the Twin Cities median family income.
- 3-2. The City accepts the Metropolitan Council's suggested allocation of 200 affordable units between 2011 and 2020 and will continue its efforts to support affordable housing opportunities for current and future residents through provision of location choices for varied housing types, participation in housing assistance programs responsive to local needs, and provision of fiscally prudent public assistance to projects that are a benefit to the community as a whole.
- 3-3. The City will continue its current development management system of providing reasonable standards that do not contribute to excessive housing production costs and a development review process that provides for efficient and timely decisions.

- 3-4. The City will continue its programs to assist in the provision of low- and moderate-income and special needs housing resources and the coordination of these local efforts with other programs to maximize results.
- 3-5. The City will not require new affordable housing to be located adjacent to existing concentrations of affordable housing.
- 3-6. The City will consider and attempt to reasonably mitigate the loss of or impact on the quality of the existing supply of affordable housing units by any new development or redevelopment proposal that requires removal of affordable homes or that would significantly increase traffic, noise, or other negative impacts near those homes. However, such considerations will not necessarily override other legitimate development concerns.
- 3-7. The City will consider any potential housing affordability impact prior to adopting or amending any development-related or construction-related regulation. Negative impacts will be balanced against concerns for the general public health, safety, or welfare. Where possible, strategies for mitigating negative affordability impacts will be identified.
- 3-8. The City will meet with owners of subsidized properties eligible to leave the subsidy program, to learn about their plans and to discuss any obstacles that may keep them from renewing their program contract.
- 3-9. The City will meet with owners of market rate rental properties to explain the Federal Section 8 voucher program and encourage them to participate in the program.

Goal 4: Nondiscrimination - Equal opportunity in home ownership and renting.

Objective:

- 4-1. No discrimination against persons seeking housing based on age, religion, race, ethnic origin, sexual preference, gender, or disability.

Policies:

- 4-1. Staff will investigate any allegations of housing discrimination to see if the City of Coon Rapids should intervene in the dispute.
- 4-2. The City will conduct ongoing education efforts as necessary to promote equal availability of housing opportunities and fair treatment of all renters and buyers regardless of age, religion, race, ethnic origin, sexual preference, gender, or disability.
- 4-3. The City will establish a process for early citizen involvement in the siting of new subsidized housing developments.

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4-4. The City will continue to participate in the local housing incentives program of the *Metropolitan Livable Communities Act*.

IMPLEMENTATION PROGRAM

The City will take a variety of actions to implement the housing goals and objectives above.

Comprehensive Housing Strategy - It will adopt the *Comprehensive Housing Strategy* developed in 2007. The twelve broad strategies in the report along with the more specific Targeted Implementation Plan and Operational Strategy will be used by Coon Rapids to achieve the City's housing goals, which include providing a balanced supply of housing available to people at all stages of life, and preserving and reinvesting in its existing housing stock.

Housing and Redevelopment Authority (HRA) - The HRA has the authority to acquire blighted property, enforce standards, levy, issue bonds, and facilitate the production of housing, among other powers. The HRA levies about \$575,000 a year to undertake projects and fund staff positions. Additionally, the City could choose to participate in the Anoka County HRA/EDA.

Zoning Code - Chapter 462 of Minnesota Statutes provides cities the authority to adopt official controls to further facilitate the development of affordable housing. The City's zoning code provides moderate and high density areas that supply enough density to feasibly develop affordable housing. These areas include Moderate Density Residential, High Density Residential, Planned Unit Development, and the River Rapids Overlay District. Many of these areas are adjacent to transportation corridors.

Coon Rapids Mortgage Assistance Foundation Funds - This program grew out of the 1979 issuance of Housing Development Revenue Bonds to assist the development of residential property by providing below market interest mortgage rates for family housing. Coon Rapids Mortgage Assistance Foundation loan program has been developed using the proceeds of the original bonding to provide incentive loan funds for both value-added improvements and housing maintenance. Deferred loans are available to households earning 50% of area median income or lower.

Community Development Block Grant (CDBG) – The City of Coon Rapids is an entitlement community under the CDBG program and utilizes the majority of its federal allocation to support reinvestment in the existing housing stock by providing deferred loans for housing rehabilitation needs to households earning 80% of area median income or lower. Additionally, 15% of the City's entitlement is used to fund public service needs as defined by the federal program within Coon Rapids and the surrounding Anoka County area.

Section 8/HRA Remote Office – The City issues approximately 450 Federal Section 8 vouchers out of City Hall. This provides an avenue for the City to connect with landlords, monitor rental housing quality, and better serve residents. Inspectors regularly inspect properties utilizing

Section 8 vouchers to assure that the units meet the health and safety standards set by the Department of Housing and Urban Development for these units.

Conduit Financing – The City provides conduit financing to lower the cost to construct and remodel affordable housing units throughout the City.

Housing Improvement Areas (HIAs) – Minnesota Statutes allow cities to provide financing via a housing improvement area or HIA for common interest communities (CICs) to make improvements to the structures within the CIC. Without such financing, many CICs would be unable to secure the necessary funding to maintain the units within the development. Many CICs provide affordable housing opportunities and HIAs help preserve such units. According to the Legislative Auditor, Coon Rapids has utilized HIAs more often than any other community in Minnesota.

Neighborhood Reinvestment Program - In 2008, Coon Rapids undertook a new initiative to preserve, enhance, and sustain its neighborhoods. The goal of this Neighborhood Reinvestment Program is to promote reinvestment in the City's neighborhoods by: 1) ensuring neighborhood stability, cohesiveness, and connectedness through the promotion of interaction and communication among residents and City staff; 2) addressing conditions and behavior leading to blight; 3) providing resources, tools, opportunities, and information to residents to promote maintenance and reinvestment; 4) monitoring and addressing of maintenance and behavior issues at rental properties; 5) and coordination of the City's various assets and resources.

Additional Tools - The City will consider the use of additional tools and applications to further its housing objectives stated within this Plan. Examples may include using additional HRA powers, revising zoning codes, or applying new legislation.