Agenda

1. Housing Element - Overview
   (60-70 minutes) - Julie

2. Discussion and Questions
   (50 minutes)
Housing Element - Overview

- Review Met Council minimum requirements
- Discuss Trends, Opportunities and Challenges related to Housing in the next 20 years
- Overview of 2008 Housing Element
- Next Steps
Met Council Requirements

Existing Housing Needs
- Assessment of existing housing units (number, tenure, type, affordability, etc.)
- Number of cost-burdened households
- Analysis of existing housing needs and priorities.

Projected Housing Need
- Discuss how land use plan addresses forecast future housing need
- Acknowledge the City’s allocation of the regional’s need for affordable housing at three levels of affordability: <30% AMI; 31-50% AMI, and 51-80% AMI
- Guide residential land at densities sufficient to create opportunities for affordable housing

Implementation Plan
- Describe public programs, fiscal devices, and other specific actions that could be used to meet existing and projected housing needs.
- Link identified needs to available tools.
- Describe existing and additional tools City may use to address housing needs
Affordable Housing Allocation

- Met Council determines regional need for new affordable housing from 2021 to 2030.
- Allocates regional share for each community:

<table>
<thead>
<tr>
<th>Affordable Housing Need</th>
<th>Allocation for Bloomington</th>
</tr>
</thead>
<tbody>
<tr>
<td>At or below 30% AMI</td>
<td>310</td>
</tr>
<tr>
<td>31 - 50% AMI</td>
<td>171</td>
</tr>
<tr>
<td>51 – 80% AMI</td>
<td>105</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>586</strong></td>
</tr>
</tbody>
</table>

*New*
Overview of Trends and Conditions

Bloomington Demographics

- Population
- Households
- Employment & Income
Population Change

• Population under age 54 declining slightly

• Largest gains forecast for population age 65+ (over 100% growth)

• Population between 25-64 (key family-forming and/or home owning cohorts) make up largest portion of total population – now and in future
Population Change

2017
- 24 and younger: 13.60%
- 25-64: 55.10%
- 65+: 31.30%

2040
- 24 and younger: 26.90%
- 25-64: 46%
- 65+: 27.10%
Household Change

• HH growth rate exceeds population growth rate
  – Forecast 2040 HH growth = 4,877 (+13%)
  – Forecast 2040 population growth = 8,617 (+9.9%)

• HH growth common indicator of future housing need
  – HH roughly equals an occupied housing unit

• Predominant HH type changing – more singles
Current Household Types

- “Other” = Single parents w/children
- “Roommates” = Unmarried couples and group quarters

- Living Alone 32%
- Married without Children 31%
- Married with Children 16%
- Other 13%
- Roommates 8%
Employment & Income

Where Bloomington employees live (Census 2014)

- Live Outside
- Work Inside
  - 89%

- Live Inside
  - Work Inside
    - 24.5%
  - Work Outside
    - 75.5%

(11% of workforce)
Top Bloomington Job Types (2016)

Top 5 job types account for 51.7% of all Bloomington jobs.

- Retail: 13.20%
- Admin/Support: 11.40%
- Accom/Service: 10.30%
- Professional/Tech: 7.80%
- Government: 9.00%
Average Earnings by Job Type (2016)

Overall Ave Earnings = $69,361
Bloomington Household Income by Age (2017)

Median Income

- 25-34: $60,296
- 35-44: $75,872
- 45-54: $84,842
- 55-64: $79,167
- 65-74: $59,845
- 75+: $39,419

Median = $63,902
Income by Housing Tenure

Median HH Income = $63,902

- Homeowner: $79,511
- Renter: $41,978
Overview of Trends and Conditions

Bloomington Housing Supply
  - Number
  - Type
  - Age

Housing Tenure
  - Homeowners
  - Renters
Existing Housing Supply (2016)

Total Units = 38,116

Tenure

- Owner: 66%
- Renter: 34%

Owner-occupied Units

Year | Percent
--- | ---
2000 | 71
2010 | 69
2016 | 66
Existing Housing Supply

Housing Type
- Single Family: 52%
- Multi Family: 48%

Tenure
- Owner-occupied: 66%
- Renter: 34%
Housing Age

Number of Units

Decade Built

- <1950: 2,368
- 1950s: 9,297
- 1960s: 6,999
- 1970s: 8,057
- 1980s: 5,961
- 1990s: 1,993
- 2000s: 3,441

64% built between 1950 and 1980
Housing Built 2010 - 2016

- **Single Family**: 7.20%
- **Duplex/TH**: 2.20%
- **Multi-family**: 90.60%

**Total Units = 1,620**
- Single Family (116)
- Duplex and Townhome (36)
- Multi-family (1,468) - Reflects increased demand for senior and rental apartments
Overview of Housing Demand

• Simple forecast: one HH = one unit

<table>
<thead>
<tr>
<th>Number of New Units Needed by Decade</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>951</td>
</tr>
<tr>
<td>2030</td>
<td>2,286</td>
</tr>
<tr>
<td>2040</td>
<td>1,638</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,877</strong></td>
</tr>
</tbody>
</table>

• Required to calculate for affordable units through 2030

• Actual demand affected by many variables
  – Preferences; special needs; available land
Housing Demand to 2030

- For-sale: 948
- Rental: 1,913
- Senior: 3,215
Housing Demand to 2030

Number of Units

- **Rental**
  - Market rate: 849
  - Affordable: 745
  - Subsidized: 319

- **Senior**
  - Market rate: 2,485
  - Affordable: 730
Challenges & Opportunities

- Changing needs and preferences
- Limited land availability
- Affordability
- Aging housing stock
- Accommodating special needs
Changing Needs and Preferences

• “Age in Place”
• Universal design
• Access to amenities and mobility (transit)
• Alternative living options
• Attract/retain young families
Opportunities

• Work toward universal design in buildings and public realm
• Invest in parks, trails, & amenities
• Provide range of housing options
• Accommodate mixed use development
Limited Available Land

- Low vacancy rates
- High land & construction costs
- Teardowns
- “Lifestyle renters”
Opportunities

• Land assembly/banking
• Facilitate infill
• Strategic redevelopment
• Strategic densification
Limited Available Land

[Map showing land use categories such as Residential, Public/Quasi Public, Commercial, Mixed Use, Industrial/Warehouse, Vacant/Agricultural, Major Highway, Open Water.
Future Residential Development

Source: Bloomington Planning Division

Guide Plan Designation
- **Community Commercial**
- **General Business**
- **High Density Residential**
- **High Intensity Mixed Use**
- **Medium Density Residential**
- **Office**
- **Public**
- **Regional Commercial**
- **South Loop Mixed Use**
Neighborhood Commercial Redevelopment Areas

1) Amsden Ridge Center
2) Countryside Center
3) 90th & Penn
4) Central Lyndale
5) American & Nicollet
6) American & Portland
7) Old Cedar & Old Shakopee
8) 98th & Nicollet
Potential for Residential Redevelopment
Affordability - Challenges

• High land and construction costs
  – *Widening gap between market and affordable*
  – *“Lifestyle renters” affect supply*

• Very low vacancy rates
  – *Drive rents up*

• Loss of “naturally occurring affordable housing” (NOAH)
  – *Outside investors*

• Insufficient and inconsistent funding
Affordability - Definitions

• Affordable housing (Federal definition) = Housing costs don’t exceed 30% of gross household income
  – Need to consider age-specific income challenges

• Rule of Thumb: Housing costs don’t exceed 3.0-3.5 times median income
  – Median income for Bloomington homeowner = $79,511
  – Median income for Bloomington renter = $41,978
Affordable Ownership

What can median income homeowner household afford to spend on housing?

• Applying Rule of Thumb:

Median Income ($79,511) x 3.0-3.5 = $238,530 to $278,290
Affordable Ownership

What does for-sale housing cost?

• Median SF home sale price (2016)
  o East - $214,900
  o West - $279,939
  o Overall = $232,000

• Median TH/Condo sale price (2016)
  o East - $179,900
  o West - $163,000
Affordable Rental

What can median income renter household afford to spend on housing?

• Median Renter HH Income = $41,978
• Bloomington rents (Q1: 2017):

<table>
<thead>
<tr>
<th>Class</th>
<th>Year Built</th>
<th># Units</th>
<th>Ave Market Rent</th>
<th>Needed Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2000 – present</td>
<td>1,159</td>
<td>$1,639</td>
<td>$59,004-$68,839</td>
</tr>
<tr>
<td>B</td>
<td>1980-1999</td>
<td>2,363</td>
<td>$1,166</td>
<td>$41,976-$48,972</td>
</tr>
<tr>
<td>C</td>
<td>1959-1979</td>
<td>5,284</td>
<td>$1,024</td>
<td>$36,864-$43,008</td>
</tr>
</tbody>
</table>
Affordable Rental

What can households with less than median incomes afford?

• Varies by HH size and number of bedrooms
• 63% of rental units affordable to HH at 50% AMI
• Key challenges
  – Limited funding for subsidies
  – Conversion to market rate

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Maximum Rent</th>
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</thead>
<tbody>
<tr>
<td>30% or less AMI</td>
<td>$431-$695</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>$751-$1,158</td>
</tr>
<tr>
<td>51-80% AMI</td>
<td>$1,202-$1,854</td>
</tr>
</tbody>
</table>
Bloomington Affordability Summary

• 55% of all households can afford to purchase an entry-level home ($243,000)

• 53% of renter households can afford to rent an existing one-bedroom apartment
  – 32% can afford a newer one-bedroom apartment
  – 18% can afford a newer two-bedroom apartment
Cost Burdened Summary

“Cost Burdened” = HH that spends more than 30% of gross income for housing

- 21% of owner households are considered cost burdened
- 45% of renter households are considered cost burdened
  - 84% that earn less than $35,000 are cost burdened (9,034 HHs = 23.6% of all HHs)
Bloomington HRA Apartment Survey
Contract Rents Based on Percentage of Area Median Income

Legend
- AMI 30% and below (0 units)
- AMI 31 - 50% (2,039 units)
- AMI 51 - 80% (3,741 units)
- AMI 81% and above (178 units)

Median Household Income
- $50,000 and under
- $50,000 - 60,000
- $60,000 - 70,000
- $70,000 - 80,000
- $80,000 and over

Source:
2016 HRA Rental Survey
HUD's Area Median Income
American Community Survey
2010 5-year estimate
Tract Data
Date: November 2016
Naturally Occurring Affordable Housing (NOAH)

Challenges:

• Low vacancy rates – increasing rents
• “Hot” rental housing market attracts investors
• Renovation/Conversions
• Displacement of existing tenants
Recent Bloomington Apartment Sales

<table>
<thead>
<tr>
<th>ID</th>
<th>Project Name</th>
<th>Address</th>
<th>Year Built</th>
<th>Units</th>
<th>Sale Date</th>
<th>Sale Price</th>
<th>Price per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Park Villa</td>
<td>1600 E 84th St</td>
<td>1965</td>
<td>10</td>
<td>01/03/2012</td>
<td>$655,000.00</td>
<td>$65,500.00</td>
</tr>
<tr>
<td>2</td>
<td>11 Unit Building</td>
<td>9730 Nicollet Ave S</td>
<td>1963</td>
<td>11</td>
<td>04/29/2016</td>
<td>$950,000.00</td>
<td>$86,364.00</td>
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<tr>
<td>3</td>
<td>Maple Commons</td>
<td>8050 Queen Ave S</td>
<td>1965</td>
<td>22</td>
<td>01/03/2014</td>
<td>$1,802,313.00</td>
<td>$81,923.00</td>
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<tr>
<td>4</td>
<td>Fenmont Court</td>
<td>9300 Freemont Ave S</td>
<td>1962</td>
<td>23</td>
<td>01/08/2016</td>
<td>$1,787,000.00</td>
<td>$77,696.00</td>
</tr>
<tr>
<td>5</td>
<td>Penn Village Townhouses</td>
<td>2101 W 90th St</td>
<td>1961</td>
<td>30</td>
<td>09/22/2014</td>
<td>$3,567,568.00</td>
<td>$118,919.00</td>
</tr>
<tr>
<td>6</td>
<td>Lyndale Ave Properties</td>
<td>9130 Lyndale Ave S</td>
<td>1959</td>
<td>33</td>
<td>05/13/2015</td>
<td>$2,200,000.00</td>
<td>$66,667.00</td>
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<tr>
<td>7</td>
<td>Southwind Apts</td>
<td>10031 Lyndale Ave S</td>
<td>1962</td>
<td>33</td>
<td>12/10/2014</td>
<td>$2,245,000.00</td>
<td>$68,030.00</td>
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<tr>
<td>8</td>
<td>Cobblehill Apts</td>
<td>200 97th St W</td>
<td>1971</td>
<td>36</td>
<td>07/01/2015</td>
<td>$3,000,000.00</td>
<td>$83,333.00</td>
</tr>
<tr>
<td>9</td>
<td>Stanley Court Apts</td>
<td>6200 Stanley Road</td>
<td>1966</td>
<td>44</td>
<td>10/31/2014</td>
<td>$3,710,000.00</td>
<td>$84,318.00</td>
</tr>
<tr>
<td>10</td>
<td>Cedar Commons Apts</td>
<td>8600 Old Cedar Ave S</td>
<td>1967</td>
<td>105</td>
<td>08/23/2014</td>
<td>$8,100,000.00</td>
<td>$77,143.00</td>
</tr>
<tr>
<td>11</td>
<td>Emerald Park Apts</td>
<td>10700 Brunswick Road S</td>
<td>1972</td>
<td>216</td>
<td>03/31/2016</td>
<td>$20,750,000.00</td>
<td>$96,665.00</td>
</tr>
<tr>
<td>12</td>
<td>Covington Apts</td>
<td>5800 American Blvd W</td>
<td>2013</td>
<td>250</td>
<td>01/11/2016</td>
<td>$49,550,000.00</td>
<td>$194,200.00</td>
</tr>
<tr>
<td>13</td>
<td>Hampshire Hill Apts</td>
<td>10700 Hampshire Ave S</td>
<td>1986</td>
<td>534</td>
<td>02/19/2016</td>
<td>$60,050,000.00</td>
<td>$117,434.00</td>
</tr>
</tbody>
</table>

Source: Bloomington Assessing Dept.
Date: November 2016
Aging Housing Stock

- Median age of SF home = 46 years
- Median age of MF housing = 49 years

Challenges:
- Decreased appeal
- Increased maintenance
Special Needs

- Seniors
  - Assisted
  - Memory care
- Mental Illness
- Disabilities
Opportunities

• Housing programs – City and HRA
  – Housing Choice Vouchers (Section 8)
  – Housing improvements (SF)
  – Blighted properties
  – Time of Sale inspections
  – Residential property compliance
  – Home Improvement Fair
Opportunities

Partnerships

• Internal/City-wide
  – *Redevelopment* – *multi-departmental effort; private developers*
  – *Rental Housing Collaborative* – Police, EH, owners/mgrs
  – *Crime-Free MF Housing* – Police, property owners/mgrs., tenants

• Metro area collaborations
  – *NOAH*
  – *Metro Fair Housing*
  – *Energy efficiency programs*
Recap: Housing Element Requirements

1. Describe the existing housing stock

2. Project future housing needs
   - Affordability need based on Met Council projection of regional share – Bloomington = 586 new units

3. Identify implementation tools and actions to meet existing and future needs
   - Programs, funding, etc.
   - Link tools to needs
2008 Housing Goals

• Keep Bloomington’s existing housing in good condition
  – Housing & neighborhood improvement programs
  – Code compliance efforts and education
  – Data collection, analysis, and sharing
  – Strengthen sense of neighborhood (events, etc.)
  – Reduce barriers to redevelopment
  – Strategic redevelopment/reinvestment
2008 Housing Goals

• Guide new housing to appropriate locations
  – Strategic redevelopment & reinvestment
  – Land use and zoning tools

• Provide at least 961 new units of affordable housing between 2011 and 2020
  – 2018 update: 586 new units between 2021 and 2030
  – Preserve existing affordable housing (NOAH)
  – Financial resources
  – Development flexibility
2008 Housing Goals

• Provide housing opportunities for all age groups
  – Monitor demand and identify underserved needs

IDEA:

Strengthen strategies around changing preferences and expanding choices
Discussion & Questions

1. Do the 2008 goals adequately address the issues?

2. If not, what’s missing?

3. Any initial thoughts about priorities to highlight?
Next Steps

• Review Five Outcomes - June

• Draft Plan Elements, Goals, and Strategies
  – Land Use & Community Facilities – July
  – Utilities & Housing – Aug
  – Transportation - Sept