CHAPTER 3: HOUSING

GOALS AND STRATEGIES

A. Maintain a choice of and encourage development of quality residential environments.

1. Plan for a sufficient supply of developable land for a range of different housing types and densities consistent with service requirements.

2. Provide housing opportunities at urban densities by planning for such uses (via the Land Use Plan) and preparing/implementing water and sewer service plans consistent with land planning objectives.

3. In rural residential areas, encourage flexible zoning rules to entice developers into a collaborative development track that could include density bonuses in exchange for public values that promote varied housing options.

4. Maintain development standards that provide opportunities for low and moderate cost housing opportunities with areas planned for urban services.

5. Encourage multiple family residential development with areas planned for urban services to help meet lifecycle and affordable housing needs.

6. Support the development of senior housing to accommodate the projected increase in the senior population.

B. Encourage maintenance and improvements of the existing housing stock.

1. Investigate the use of housing maintenance and building codes that promote the safety and sanitary condition of the current housing stock.

C. Implement housing goals and policies that sustain livable community design, encourage affordable housing, and consider accessibility to multi-modal transportation systems.

1. Work toward a supply of affordable housing.

2. Consider the use of Federal, State, and local programs that provide financing for the development of new affordable housing.

3. Support the Scott County CDA in its efforts to develop affordable rental and owner-occupied housing for families and seniors.

4. Support housing that addresses the special needs of persons with physical or developmental disabilities or mental illness.

5. Where appropriate, integrate livable community design and transit opportunities in new developments.

EXISTING HOUSING NEEDS

Given the pattern of development within the Township, with all development occurring on well and septic systems, 98% of the housing stock within the Township is single-family homes. According to Metropolitan Council 2016 housing stock estimates, Credit River Township had 1,806 housing units in 2016. Table 3-1 identifies the housing available within the Township by housing type.

Table 3-1. Housing Type

Single-family units	Multi-family units	Manufactured homes	Other housing units
1771	35	0	0

Source: Metropolitan Council, 2016 housing stock estimates.

Indicative of a community that has a high percentage of single-family homes, Credit River Township also has a high rate of home ownership. Table 3-2 identifies the number of ownership and rental units.

Table 3-2. Housing Tenure

Housing Type	Ownership units	Percent
Owner-occupied	1,744	96.6%
Renter-occupied	62	3.3%
Total Occupied Units	1,806	100%

Source: U.S. Census Bureau, 2011-2015 American Community Survey five-year estimates; counts adjusted to better match the Metropolitan Council's 2015 housing stock estimates

The Area Median Income (AMI) is the midpoint of the region's income distribution – half of households in the metropolitan region earn more than the median, and half earn less than the median. The U.S. Department of Housing and Urban Development (HUD) defines and calculates different levels of AMI, and has identified the following levels for the Twin Cities for 2016:

Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)	Low Income (80% of AMI)
One-person	$18,050	$30,050	$46,000
Two-person	$20,600	$34,350	$52,600
Three-person	$23,200	$38,650	$59,150
Four-person	$25,750	$42,900	$65,700
Five-person	$28,440	$46,350	$71,000
Six-person	$32,580	$49,800	$76,250
Seven-person	$36,730	$53,200	$81,500
Eight-person	$40,890	$56,650	$86,750

Source: HUD, 2016.

Comparing different types of full-time jobs to family types provides more information on the types of families that fall within these levels. For example, for a four-person household with only one wage-earner, an accountant or police officer would provide an income at approximately 80% of AMI. Home health aides and bus drivers would have an income at the 30% and 50% AMI's respectively. Many types of full-time jobs do not provide an income that is high enough to have affordable housing choices.

Having an income below these AMI thresholds can make households eligible for certain housing programs. These income levels can also be used to assess housing affordability. For example, a housing unit is "affordable at 50% of AMI" if a household whose income is at or below 50% of AMI can live there without spending more than 30% of their income on housing costs. The affordable monthly rents at the different income levels in 2018 are the following:

Number of Bedrooms	Affordable rent (including utilities) at 30% of AMI	Affordable rent (including utilities) at 50% of AMI	Affordable rent (including utilities) at 80% of AMI
Efficiency	$495	$826	$1,321
1-BR	$531	$885	$1,416
2-BR	$636	$1,061	$1,697
3-BR	$735	$1,226	$1,961
4-BR	$820	$1,367	$2,187

Source: Metropolitan Council

Affordable purchase prices for owner-occupied housing is more difficult to calculate, and must utilize assumptions regarding down-payments, interest rates and other monthly housing expenses. The Metropolitan Council establishes affordability limits for owner-occupied housing based on forecasting those assumptions and publishes new limits annually. These rates can vary from year to year depending on current market conditions such as interest rates. In fact, rising mortgage interest rates have not allowed the affordable home purchase price to increase similarly to the increase in area median income. Recent affordable purchase price limits are shown on Table 3-3 below.

Table 3-3. Affordable Purchase Prices

	30% of AMI	50% of AMI	80% of AMI
2018 Price	$83,500	$149,000	$234,500
2016 Price	$82,500	$148,000	$235,000
2015 Price	$84,500	$151,500	$238,500
2014 Price	$73,500	$132,000	$211,500

Table 3-4 identifies the affordability of the housing units in Credit River by levels of income as compared to the Area Median Income (AMI) for 2015. The map on the following page also identifies the owner-occupied homes that were affordable in 2016 at an estimated market value of $243,500 or less.

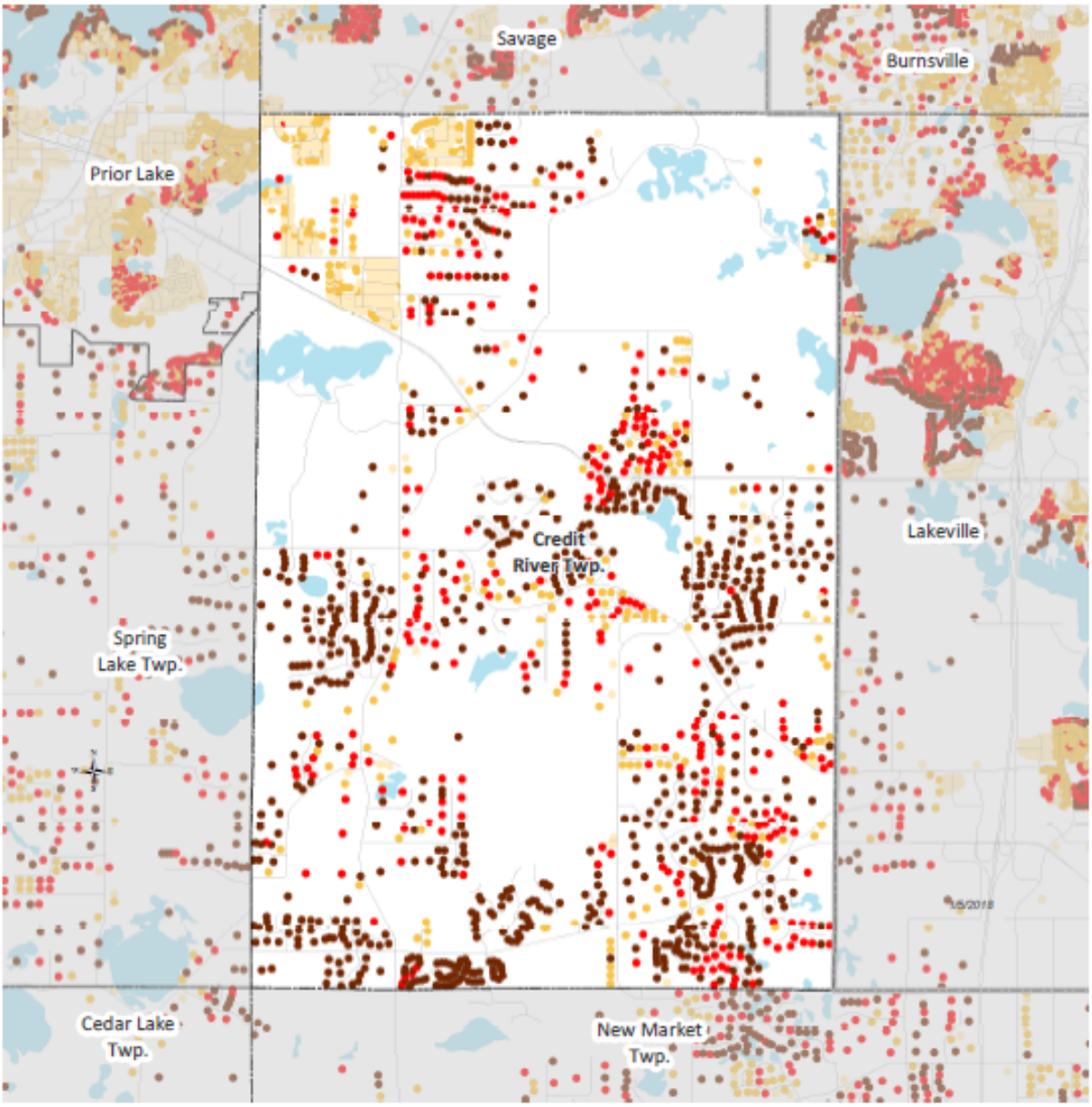
Table 3-4. Affordability

Units affordable to households with income at or below 30% of AMI	Units affordable to households with income 31% to 50% of AMI	Units affordable to households with income 51% to 80% of AMI
6	4	369

Source: Metropolitan Council staff estimates for 2016 based on 2016 and 2017 MetroGIS Regional Parcel Datasets (ownership units), 2011-2014 Comprehensive Housing Affordability Strategy data from HUD (rental units and household income), and the Metropolitan Council's 2016 Manufactured Housing Parks Survey (manufactured homes).

Owner-Occupied Housing by Estimated Market Value

Credit River Twp.



County Boundaries

City and Township Boundaries

Streets

Lakes and Rivers

Owner-Occupied Housing Estimated Market Value, 2016

- $243,500 or Less
- $243,501 to $350,000
- $350,001 to $450,000
- Over $450,000

1 in = 0.95 miles

Source: MetroGIS Regional Parcel Dataset, 2016 estimated market values for taxes payable in 2017.

Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

No publicly subsidized housing units exist in Credit River. Based on data from HousingLink , Table 3-5 describes the number and type of publicly subsidized housing units.

Table 3-5. Publicly Subsidized Housing Units

All publicly subsidized units	Publicly Subsidized Senior Units	Publicly subsidized units for people with disabilities	Public subsidized units: all others
0	0	0	0

Source: HousingLink Streams data (2017).

Since Table 3-4. identifies that there are 369 housing units affordable to those earning not more than 80% of the AMI, and Table 3-4 further identifies that 0 of those units are publicly subsidized, it can be inferred that all 369 of those units are naturally-occurring affordable housing. Based on the map of owner-occupied affordable housing, the majority of these housing units are located in older, established neighborhoods.

Housing cost burden refers to those households whose housing costs equals at least 30% of their income. Credit River households generally have a higher than typical household income as compared to other communities throughout the metropolitan area. As a result, there is a relatively low number of households in Credit River that are housing cost burdened as shown in Table 3-6.

Table 3-6. Housing Cost Burdened Households

Income at or below 30% of AMI	Income 31% to 50% of AMI	Income 51% to 80% of AMI
22	15	52

Source: U.S. Department of Housing and Urban Development, 2010-2014 Comprehensive Housing Affordability Strategy (CHAS) data, with counts adjusted to better match Metropolitan Council 2016 household estimates.

Summary of Existing Housing Needs

Based on the data and analysis above, we have identified the following housing needs as priorities for our community through 2040. In the implementation section of this plan, you will find a discussion of the tools and strategies we will employ to address those needs.

1. Preservation of naturally-occurring affordable housing.
2. Affordable housing for households at or below 80% AMI.
3. Senior housing at all income levels.

PROJECTED HOUSING NEEDS

Credit River is projected to have 1,960 households by 2030, and 2,100 households by 2040. This represents an additional 140 households by 2040.

The Metropolitan Council has identified affordable housing needs for the region for 2021-2030. The housing element of each local comprehensive plan is required to reflect each community's share of this regional need for affordable housing. Credit River has not been assigned a share of this affordable housing need, but is anticipated to be assigned a share of affordable housing need when allocations are made for 2031-2040.

IMPLEMENTATION

To support Credit River's goals of providing opportunities for a diversity of housing types at a range of costs, various tools are available to Credit River depending on the circumstances of the housing need. These available tools for each identified need are listed in the following table and include the circumstances where these tools may be considered.

Identified Need	Available Tools	Circumstances and Sequence of Use
Preservation of naturally-occurring affordable housing	Referrals	Credit River will review and updated the city's reference procedures and training for applicable staff by 2021, including a plan to maintain the city's ability to refer residents to any applicable housing programs outside the scope of local services.
	Grants	Community Development Block Grants and other sources of financial assistance may be available to assist in the preservation of naturally-occurring affordable housing, particularly related to projects such as provision of municipal water and sewer services to neighborhoods that have aging or failing septic systems.
Affordable Housing for Households at or below 80% AMI	Guiding land at densities that support affordable housing allocation	See the future land use map and projected housing needs section

	TIF	TIF is not a tool available for townships to utilize. Once Credit River is incorporated as a City, TIF will be an eligible tool and Credit River will consider the use of TIF for development proposals.
	Tax abatement	Once Credit River is incorporated as a City, tax abatement will be an eligible tool and Credit River will consider the use of tax abatement for development proposals.
	CDA	Credit River will coordinate with the Scott County CDA to best align their resources with this stated need.
	Livable Communities Demonstration Account	When Credit River is LCA eligible, it would consider applying for LCA funds to meet various housing needs.
	Local Housing Incentives Account	Credit River will consider supporting or sponsoring development proposals.
	Minnesota's Housing Consolidated RFP	Credit River will consider supporting development proposals.
	Housing Bonds	Credit River is not eligible currently to issue housing bonds. After incorporation, Credit River will consider the issuance of housing bonds.
	Community Land Trust	Credit River will consider support of a Community Land Trust Model to create or preserve affordable homeownership.
	Fair Housing Policy	Credit River will consider the adoption of a Fair Housing Policy.
	Accessory Dwelling Unit Ordinance	Credit River will consider the development of ordinance requirements permitting the construction of accessory dwelling units.
	Site Assembly	Credit River will consider utilizing partners and resources to acquire land for the development of affordable housing.

Senior housing (all income levels)	Zoning and Subdivision Ordinances	We will be preparing a zoning and subdivision ordinance to identify any regulations that inhibit the housing priorities in this document. This effort is slated for completion by 2019.