

# Housing Analysis and Plan

## Demographic and Housing Profile

### Forecast of Housing, Population and Employment

The following forecast was prepared by the Twin Cities Metropolitan Council as part of the Thrive MSP 2040 regional development plan (adopted May 28, 2014).

**Table 7-1**  
**Forecast of Population, Households and Employment, 2010 – 2040**

|                   | 2010   | 2014   | 2020   | 2030   | 2040   |
|-------------------|--------|--------|--------|--------|--------|
| <b>Population</b> | 10,697 | 11,520 | 14,200 | 20,600 | 24,000 |
| <b>Households</b> | 3,909  | 4,267  | 5,400  | 8,000  | 9,500  |
| <b>Employment</b> | 5,578  | 6,602  | 7,600  | 8,700  | 10,200 |

The Metropolitan Council forecasts growth at appropriate densities for communities in order to protect the efficiency of wastewater, transportation and other regional system investments and to help ensure the metropolitan area can accommodate its projected growth by the year 2040.

The Metropolitan Council's forecast was created by working down from national to state to regional to sector and, finally, to local forecasts. The allocation of forecast growth at the county and local levels was also driven in part by policy considerations. That is, the Metropolitan Council wishes to see greater density in previously-developed areas, in central locations, and near major highways or transit lines. Thus, Waconia is the type of community in which the metropolitan planning body feels growth should be accommodated for the sake of transportation, environmental protection, farmland preservation and other regional goals.

### Major Demographic and Physical Indicators for Housing

This section provides a snapshot of the Waconia community in 2016, and compares it to the entire Twin Cities metropolitan area. The data was obtained from the US Census Bureau, specifically the American Community Survey (ACS) which includes 5-year estimates for the US Census Bureau. Additional information was obtained from the Metropolitan Council. Please refer to Table 2-5 for additional demographic information for the City of Waconia.

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Waconia changed dramatically between the time the last Census was taken (2010) and when this plan was being prepared (2017). The population increased by 1,687 and the number of housing units by 649. Also, the community was still recovering from the home mortgage problems that became evident after 2006 across the United States, which was still influencing the Waconia housing situation as a whole. Thus, the 2010 Census cannot be used as an accurate profile of the current population or housing stock and additional sources were sought to provide the most accurate reflection of the community at the time this plan was developed.

**In comparison to the entire metropolitan area, Waconia tended to be:**

**Race**

- More likely to be White

**Households**

- More likely to have children under age 18 at home.
- More likely to have someone over age 65 in the household.
- Less likely to be a single person household.
- Similar in other characteristics.

**Families**

- More likely to have children under age 18 at home.
- Average household size is slightly larger.

**Age**

- Slightly younger median age.

**Education**

- Slightly more likely to have graduated from high school.
- Slightly more likely to have graduated from college with a bachelor's degree.
- Slightly less likely to have a graduate of professional degree.

**Income and Poverty Status**

- Less likely to have income below poverty status.
- Median household income is more likely to be higher than the region.

**Housing**

- More likely to be owner occupied housing units.
- Slightly higher in median housing value.
- Much more recent regarding median year housing was built.

**Key Population and Households Characteristics**

The key population and household characteristics of the City of Waconia have been included in Table 2-5, Population and Household Data.

### Existing Housing Assessment

The Metropolitan Council has provided an assessment of the City of Waconia’s existing housing situation, which is described below in Table 7-2. In summary the information indicates a limited number of housing units available to the low income citizens, homeownership is more likely than renting, the City has over 200 publicly subsidized housing units and nearly 1,000 households are cost burdened when it comes to their housing situation. This information is based on the Metropolitan Council’s 2016 housing stock estimate of 4,695 total housing units in the City of Waconia and the understanding that households are experiencing a housing cost burden when 30% or more of their income is needed for housing costs.

**Table 7-2  
Existing Housing Situation**

| Affordability in 2016  |  |  |                                       |
|--|--|--|---------------------------------------|
| 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 |                                       |
| 118  | 907  | 1,869  |                                       |
| Tenure in 2016   |  |  |                                       |
| Ownership units  |  | Rental units   |                                       |
| 3,635  |  | 1,060  |                                       |
| Housing Type in 2016   |  |  |                                       |
| Single-family units  | Multi-family units   | Manufactured homes   | Other housing units                   |
| 3,813  | 882  | 0  | 0                                     |
| Publicly Subsidized Units  |  |  |                                       |
| All publicly subsidized units                                      | Publicly subsidized senior units                             | Publicly subsidized units for people with disabilities       | Publicly subsidized units: All others |
| 256  | 57   | 0  | 199                                   |
| Housing Cost-Burdened Households in 2016                           |  |  |                                       |
| Income at or below 30% of AMI                                      | Income 31% to 50% of AMI                                     | Income 51% to 80% of AMI                                     |                                       |
| 542  | 156  | 274  |                                       |

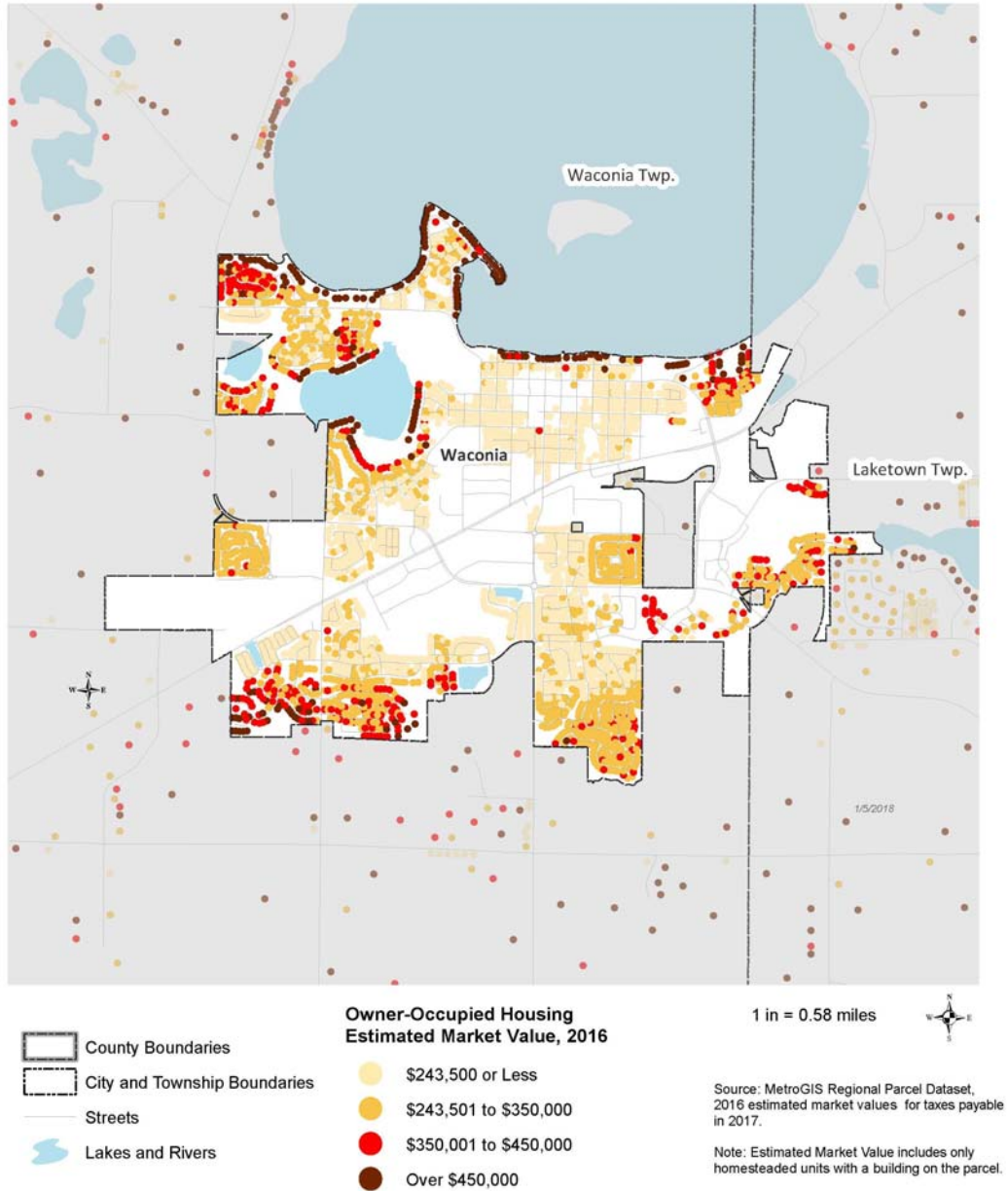
Source: Twin Cities Metropolitan Council, 2018.

### Owner-Occupied Housing

Homeownership constitutes just over 77 percent of the housing market in the City of Waconia based on the information provided above by the Metropolitan Council. Figure 7-1 below indicates the location and approximate market value of the owner-occupied

units in the City. Understanding the location and market value of the existing homes will help to inform further conversation in this section pertaining to affordable housing, housing diversity and housing stability.

**Figure 7-1  
Market Value of Owner Occupied Units**



### Forecast of Land Needs for Housing

To provide housing for the number of additional households forecasted by the Metropolitan Council for the periods 2016 to 2040, there would have to be approximately 200 new housing units built annually.

At an average annual rate of 200 new units, Waconia had less than a year supply of approved but unbuilt-upon lots or unbuilt attached housing units as of December 31, 2016. Thus, the low parcel inventory has limited the number of new units that could be built on a yearly basis and has somewhat inflated the cost to develop adjacent properties guided as residential. A supply of about two years of approved lots or units would be appropriate for a healthy housing market.

The following table indicates the approximate number of acres of land development needed in and around Waconia to accommodate that forecast housing growth plus related commercial, industrial and other urban needs.

Table 7-3 suggests that over the period from 2016 to 2040, Waconia could witness approximately 1,725 acres of urban development. Approximately 117 of those acres were platted as of December 31, 2016 while another 1,600 acres would be perimeter growth.

**Table 7-3  
Forecast of Waconia Land Needs 2017-2040**

|  | 2017-2020     | 2021-2025        | 2026-2030 | 2031-2035 | 2036-2040 | Total Units |                    |                    |  |
|--|---------------|------------------|-----------|-----------|-----------|-------------|--------------------|--------------------|--|
| Household Growth (units)                       | 837           | 1300             | 1300      | 750       | 750       | <b>4937</b> |                    |                    |  |
|  | <b>Units/</b> |                  |           |           |           |             | <b>Total Acres</b> | <b>Total Units</b> |  |
|  | <b>Acres</b>  | <b>Net Acres</b> |           |           |           |             |                    |                    |  |
| Low Density Residential Housing Acreage        | 2             | 151.86           | 236.72    | 236.72    | 134       | 134         | 893.3              | 1787               |  |
| Medium Density Residential Housing Acreage**** | 4             | 61.08            | 95.2      | 95.2      | 53.89     | 53.89       | 359.26             | 1437               |  |
| High Density Residential Housing Acreage       | 8             | 20.47            | 31.91     | 31.91     | 18.07     | 18.07       | 120.43             | 964                |  |
| Mixed Use*                                     | 10            | 9.86             | 15.37     | 15.37     | 8.7       | 8.7         | 58                 | 580                |  |
|  |               |                  |           |           |           |             |                    | 4768               |  |
|  |               |                  |           |           |           |             |                    | 169                |  |
|  |               |                  |           |           |           |             |                    | <b>4937</b>        |  |
| Total Acreage Required for 2040 Forecast       |               |                  |           |           |           |             | <b>Total Acres</b> |                    |  |
| Residential Acreage**                          | 233.43        | 363.84           | 363.84    | 205.94    | 205.94    |             | 1372.99            |                    |  |
| Retail and Service Acreage                     | 39.1          | 20.9             | 20.9      | 29.3      | 29.3      |             | 139.5              |                    |  |
| Industrial and Business Park Acreage           | 43.26         | 23.175           | 23.175    | 32.44     | 32.44     |             | 154.49             |                    |  |
| Mixed Use                                      | 16.31         | 8.73             | 8.73      | 12.23     | 12.23     |             | 58.23              |                    |  |
| Other Acreage***                               |               |                  |           |           |           |             | 706.08             |                    |  |
| <b>Total Acres</b>                             |               |                  |           |           |           |             |                    | <b>2431.29</b>     |  |

\*Mixed Use was not included in the Residential Acreage as this concept will be market driven and the commercial sector may not dictate this type of use. The 580 units were also not included in the population numbers, they were included to show there is enough area to meet the Metropolitan Forecasted housing numbers.

\*\* Only includes acreages for Low, Medium and High Density Residential as the Mixed Use acreage is included in the retail and service area acreages

\*\*\* Includes Parks, Open Space, Wetlands and Golf Course areas outside the City Limits

\*\*\*\* 25% of the Medium Density Residential Housing Acreage will be developed at a minimum density of 8 units per acre.

### Recent Housing Development Activity

Table 7-4 lists the number of building permits issued annually for new housing units in Waconia between 2007 and 2016.

**Table 7-4  
Number of Single- and Multi-Family Housing Building Permits (Units)**

| Year                  | Single-Family | Multi-Family | Totals     |
|-----------------------|---------------|--------------|------------|
| 2007                  | 67            | 52           | 119        |
| 2008                  | 37            | 48           | 85         |
| 2009                  | 50            | 0            | 50         |
| 2010                  | 45            | 0            | 45         |
| 2011                  | 25            | 93           | 118        |
| 2012                  | 85            | 2            | 87         |
| 2013                  | 102           | 4            | 106        |
| 2014                  | 82            | 0            | 82         |
| 2015                  | 95            | 4            | 99         |
| 2016                  | 103           | 9            | 112        |
| <b>Totals</b>         | <b>691</b>    | <b>212</b>   | <b>903</b> |
| <b>Annual Average</b> | <b>69</b>     | <b>21</b>    | <b>90</b>  |

### Estimated Number of Housing Units and Population

Table 7-5 indicates the City’s estimate of the number of housing units in Waconia over the past five years.

**Table 7-5  
Estimated Number of Housing Units, 2012-2016**

|                                 | Year End     |              |              |              |               |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|
|                                 | 2012         | 2013         | 2014         | 2015         | 2016          |
| Single-Family Units             | 2,929        | 3,031        | 3,107        | 3,202        | 3,305         |
| Multi-Family Units              | 1,418        | 1,422        | 1,447        | 1,451        | 1,460         |
| <b>Total Units</b>              | <b>4,347</b> | <b>4,453</b> | <b>4,554</b> | <b>4,653</b> | <b>4,765</b>  |
| Estimated Occupied Units        |              |              |              |              | 4,759         |
| Estimated Persons per Household |              |              |              |              | 2.6           |
| <b>Estimated Population</b>     |              |              |              |              | <b>12,374</b> |

Source: City of Waconia, 2017.

The estimate of housing units and population in Table 7-5 is very close to the forecast from the Twin Cities Metropolitan Council shown in Table 2-1 of the Community Profile chapter of this plan. However, in comparing the 2014 Metropolitan Council estimates and the City of Waconia estimates for population, the City estimates approximately 300 more residents than the estimate shown in Table 2-1.

## **Zoning Regulations for Housing**

The Waconia Zoning Ordinance includes the following residential districts and features. These districts plus the optional planned-unit development process ensure that a variety of housing types and densities may be built in Waconia.

- R-1 Single-Family Residential District (10,500 square foot minimum lot size)
- R-2 Single-Family Residential District (7,850 square foot minimum lot size)
- R-3 Medium-Density Residential District (multiple-family buildings)
- R-4 Mixed Residential District (a variety of housing types in a lakeshore neighborhood)
- R-5 High Density Residential District (multiple-family buildings)

## **Livable Communities Housing Goals**

Waconia participates in a grant program administered by the Twin Cities Metropolitan Council known as the Livable Communities Act. Participating cities become eligible to compete annually for grants through that program if they:

- (a) Meet negotiated objectives for creating “affordable” and “life-cycle” housing
- (b) Adopt a plan that identifies housing the City will address its housing objectives
- (c) Meet agreed-upon spending levels for the preservation for affordable and life-cycle housing.

The grants may be used to assist private developers in innovative residential or mixed-use projects developments or redevelopment projects on difficult sites.

### **Affordable Housing**

The Metropolitan Council’s 2040 Housing Policy Plan defines affordable housing as housing that is affordable to low- and moderate income families. For 2017, the affordability limit is 80% of the area median income for both rental and housing ownership. In 2017, the area median income (AMI) for a household of four was \$90,400. Under these limits, a family of four can earn up to \$68,000 to qualify for affordable housing.

To implement the Livable Communities Act in 2017, the Metropolitan Council will use the following amounts as the upper limits for affordable rental and ownership housing.

- **Ownership housing**

For owner-occupied housing, the income limit includes principal, interest, property taxes and home insurance.

Assumptions include:

- **Fixed-interest, 30-year home loan**
- **Interest rate of 4.375%**
- **A 29% housing debt-to-household income ratio**
- **A 3.5% down payment**
- **A property tax rate of 1.25% of the property sales price**
- **Mortgage insurance at 0.85% of unpaid principal**
- **\$100/month for hazard insurance**

| <i>2017 Home Ownership</i> |                       |
|----------------------------|-----------------------|
| Household Income Level     | Affordable Home Price |
| 80% AMI (\$68,000)         | \$236,000             |
| 60% AMI (\$54,240)         | \$185,000             |
| 50% AMI (\$45,200)         | \$151,000             |
| 30% AMI (\$27,100)         | \$85,000              |

- **Rental housing**

Rents include tenant-paid utilities.

| <i>2017 Rental Housing</i> |         |         |         |         |
|----------------------------|---------|---------|---------|---------|
| # Bedrooms                 | 30% AMI | 50% AMI | 60% AMI | 80% AMI |
| Efficiency                 | \$474   | \$791   | \$949   | \$1,265 |
| 1 Bedroom                  | \$508   | \$848   | \$1,017 | \$1,356 |
| 2 Bedroom                  | \$610   | \$1,017 | \$1,220 | \$1,627 |
| 3 Bedroom                  | \$705   | \$1,175 | \$1,410 | \$1,880 |
| 4 Bedroom                  | \$786   | \$1,311 | \$1,573 | \$2,097 |

### Life-Cycle Housing

Life-cycle housing refers to varied housing options that meet people's preferences and circumstances at all of life's stages, providing a balance of single-family homes, manufactured homes, apartments, condominiums, townhomes and senior housing for independent living or with a range of assisted-living services.



### **Numeric Objectives for Affordable and Life-Cycle Housing**

The numeric objectives shown in Table 7-6, agreed to by the Metropolitan Council and the City of Waconia, are intended to be long-term objectives for advancing or retaining affordable housing options within the community. Progress toward the goals depends on the efforts of the community, the private market, the availability of affordable housing resources and the use of local controls to create opportunities for meeting goals.

### **Affordable Housing Need Allocation**

The Region's total forecasted need for affordable housing between years 2021-2030 is 37,900 units. The City of Waconia's allocation of need for affordable housing in this time period is 863 total units. The allocation and forecasted need is fully reflected in the table below.

The City of Waconia understands the affordable housing need in the region and in the community. Based upon the information provided in this chapter it is the City's intent to help provide a mix of affordable housing opportunities ranging from multi-family projects to single family homes in the community. The projects would include development in the residentially zoned properties within the City Limits and the areas guided for low, medium and high density residential categories indicated in the land use plan. The areas guided for future high density residential development, and portions of the areas guided for medium density residential development, provide more than enough area to meet the affordable housing allocation need indicated in Table 7-6.

It is understood that the Thrive MSP – Housing Policy Plan only allows future land uses guided at 8 units/acre or more to count toward planning sufficient land to address the City's allocation. Additionally, in order to allow for a range of affordable housing options in our community and not be limited only to affordable housing in the areas deemed high density residential, the City has determined that requiring 25% of the land guided for Medium Density Residential to develop at a density range between 8 and 10 units per acre is consistent with the City's goals and policies. This is also conforms to the Thrive MSP – Housing Policy Plan requirements and goals which sites housing options and diversity as tools to create housing options for all life stages. This requirement will allow more than enough land to develop at 8 units/acre or above and allow diversity in housing options for the community resulting in a more diverse and economically resilient city. Any reduction in the available Medium Density Residential land below 25 percent shall require a Comprehensive Plan Amendment.

The City of Waconia will continue to work with partners within our community and within the region to provide affordable housing. A fair housing policy, while not included in this Comprehensive Plan update, may be considered at a future date as the community continues to grow and further housing issues are identified.

**Table 7-6  
Affordable Housing Need Allocation**

| <b>Affordable Housing Need Allocation</b> |     |
|---|-----|
| At or Below 30 AMI                        | 481 |
| From 31 to 50 AMI                         | 183 |
| From 51 to 80 AMI                         | 199 |
| Total Units                               | 863 |
| AMI – Area Median Income                  |     |

Source: Twin Cities Metropolitan Council, 2017.

## **Housing Assistance and Special Services in Waconia**

### **Carver County Community Development Agency**

The Carver County Community Development Agency (CDA) provides several forms of assistance in Waconia and elsewhere in the County. Those services include:

#### **Rental Housing Assistance**

The Carver County CDA provides rent assistance to low- and moderate income households in privately-owned housing units scattered throughout the county and Waconia.

#### **Subsidized Rental Housing**

The Carver County CDA provides lower-cost rental housing units in designated buildings owned privately. In Waconia, there are six such buildings:

The general occupancy options are:

- Fox Run Apartments  
32 W. 13<sup>th</sup> Street  
24 housing units for the elderly, the handicapped or families, 16 of which have access to project-based rent assistance.
- Spruce Apartments  
325 South Spruce Street  
31 public housing units. Residents pay no more than 30 percent of Adjusted Gross Income.
- Carver County Public Housing with 5 scattered site units.

The subsidized senior/disabled projects include:

- Evergreen Apartments  
100 W. 3<sup>rd</sup> Street  
46 housing units designated for senior (62+) or disabled tenant occupancy. All tenants pay rent based on 30% of income.
- Maplecrest Commons  
330 W. 1<sup>st</sup> Street  
20 total housing units designated for senior (62+) or disabled tenant occupancy.  
11 units have access to project-based rent assistance.
- Crossings at Town Centre has two project-based rent assistance vouchers.

### **Home Ownership and Improvement Loans and Grants**

The Carver County CDA offers home ownership and improvement loans financed by the Minnesota Housing Finance Agency. The First-time Homebuyer Loan Program allows access to one of three Minnesota Housing down payment and closing cost loan options and offers affordable interest rates. These funds are available to low-to-moderate income households in Carver County.

Also offered by the CDA is a home improvement program funded *periodically* by the Minnesota Department of Employment and Economic Development (DEED) called the Small Cities Development Program. This program also assists owners of low and moderate income with eligible repairs.

### **Market-Rate Rental Housing for Senior Citizens**

The Carver County CDA has also participated in building The Crossings at Town Centre, 200 South Olive Street, which is part of a larger project that includes the Waconia City Hall and a branch of the Carver County Library. The moderate rent/income restricted 68 unit senior designated (age 55+) apartment project was constructed in 2006. Two of the units have project-based vouchers available.

### **Community Land Trust**

The Carver County Community Land Trust (CCCLT) program helps provide secure, affordable access to land and housing for our local workforce. This program helps potential home buyers with low to moderate incomes purchase a home on property that is leased from the land trust through a long-term (99 year), renewable ground lease.

### **Other Housing Assistance Services**

Westview Acres is a private facility in Waconia not associated with the Carver County CDA that provides assisted living for the elderly.

Auburn West is a private nursing home provides short-term care for the infirm elderly in Waconia.

New Perspectives, formerly the Lighthouse at Waconia, offers independent living, assisted living apartments, short term stays (respite care), memory care and adult foster care.

Nagel Assisted Living & Memory Care, which opened in 2015 in the former Nagel Hospital building, provides assisted living and memory care.

InterLaken Place is a tax credit new construction project that was placed in service in 2008, and serves households at or below 60% of the area median income. InterLaken has a total of 48 units, offering two and three-bedroom rental options.

Old City Hall Apartments is a 13 unit building in downtown that allows reduced monthly rent for eligible seniors.

Metro HRA administers HUD Housing Choice Vouchers for Carver County rental households. In March 2017 there were 249 Vouchers in use in the County, including 29 households in Waconia.

## **Key findings and Recommendations from the County's Affordable Housing Update**

The Carver County Community Development Agency (CDA) commissioned the Comprehensive Housing Needs Assessment for Carver County, Minnesota in June of 2014. At the time the 2014 project was being completed, conditions were still being impacted by the housing market decline and recession. As such, the CDA commissioned an affordable housing update which was completed in July of 2017, and the following findings were reported for Waconia.

### **Key Findings:**

- A realistic expectation of annual growth through the year 2021 is approximately 125 to 150 households per year. To achieve the higher end of this range will probably require multifamily rental development.
- It has been many years since true market rate rental housing was constructed in Waconia. However, in 2010, two former tax credit projects (Timberlea Terrace

and Prairie Village Apartments) completed their compliance requirements, and 90 units were converted to market rate housing without any income or maximum rent restrictions.

- After some years of suppressed single family housing construction, Waconia has had 110 or more single family units permitted in three of the past four years.
- The Metropolitan Council analyzes the supply of housing that is affordable. This placed more than 57% of the existing stock in Waconia below the applicable price thresholds in 2015, including both ownership and rental options. But recent construction patterns place less than 2.5% of all units constructed between 2010 and 2015 as affordable.
- Home ownership is increasingly becoming less affordable, as values for existing homes rise. In 2016, the estimated median value for detached single family house sales was above \$287,000. The median price for existing attached single family units was lower, with the median value for recent town house sales below \$160,000.
- According to the 2015 American Community Survey, the median income level for home owners in Waconia was just under \$90,000, and the median for renters was just below \$36,000.
- When compared to the estimated housing costs in 2015, most households were able to secure housing they can afford, according to the American Community Survey.
- To meet expected rental demand, at least 155 to 190 new units will be needed over the five-year projection period.
  - **Minimum 5-year Rental Housing Recommendations**
    - Very affordable/subsidized = 20 to 25 units
    - Moderate rent/income restricted = 60 to 70 units
    - Market rate – all types = 75 to 95 units
- To meet expected home ownership demand, at least 470 to 560 new units will be needed over the five-year projection period.
  - **Minimum 5-year Ownership Housing Recommendations**
    - Entry-level/affordable = 90 to 110 units
    - Moderate/trade-up = 260 to 310 units
    - Higher-priced = 120 to 140 units

## **Summary of Major Housing Needs**

Based upon the review of pertinent materials and the information and feedback provided by local citizens, the Planning Commission and the City Council, the City of Waconia has determined the major housing issues currently facing our community. The summary of major housing needs indicated below shall serve a role when the community is reviewing and discussing future land development and housing over the next 20 years.

### **1. Affordability**

Housing affordability continues to be a problem in nearly every community in Carver County. The costs of housing construction – land, labor, materials and fees – has risen for many years faster than the income of many segments of the population. The rising number of households has added to demand, which puts upward pressure on prices.

This problem is most acute for households with children but only one adult employed and for households aged 65 or older. These are the two-most cost-burdened demographics.

Two approaches to alleviating the housing affordability problem are to build multiple-family housing, which tends to cost less for a variety of reasons, and provide rental housing, which does not require a down payment. Based on a review of building permit issuance information from 2007 through 2016 there were nearly 900 total living units created and only 200 of which were multi-family.

The creation of affordable/workforce housing relates to not only housing for all, but is both an economic competitiveness tool and resiliency tool for the community in that for the business sector to grow and expand, housing is needed for the reliable labor force to fuel it. Available affordable housing helps attract a talented workforce to fill the job opportunities so they can live near their place of employment. This in turn helps retain current workers, limiting unnecessary and costly employee turn-overs for local employers.

## **2. Housing for the Elderly**

The proportion of the population over age 65 will continue to grow as the Baby Boomers age. As people move through different stages of their lives, their housing needs evolve. For instance, many elderly residents inhabit single-family houses that are larger than they need or wish to maintain. In addition, as the elderly become more infirm, they often desire assistance with meals, housekeeping, transportation and health care that is not easily met when they live on their own in the house in which they raised their children.

The task of providing specialized housing for the elderly along with the spectrum of needed assistance falls to three groups: the for-profit private housing industry, the not-for-profit housing and social services industry, and the public sector. All three have added to the stock of housing for the elderly in Waconia. However, it is not fully known how much of the demand for such housing has been satisfied locally and how much is being met by households moving to other communities, particularly in the eastern part of the county. As the local population grows and

ages, it is anticipated that more elderly households will want to find alternative living arrangements in Waconia.

### 3. Housing Diversity

In every city, there is a need for a range of housing sizes, styles and prices, so that the community may accommodate people in all stages of life, individuals and families, and a wide range of incomes. Providing such a housing stock is not only a matter of social justice but also helps build a sustainable and attractive local community and region while supporting Waconia's growing commercial/industrial base and health care industry.

It is typical for a growing community to have a higher proportion of detached (single-family) housing units in its early years and add a complement of multiple-family housing types later. Waconia is no exception to this trend. The local housing stock is skewed toward the single-family end of the range, but it is expected that a market driven response, which will probably include twin homes, townhouses, apartments, single-level living and other options will be constructed over the next 20 years to meet demand. The city's land use plan and zoning ordinance allow the market to build a wide variety of housing types in response to these issues.

## Housing Plan

The City of Waconia will address the housing needs of the local community according to the following general policies.

1. **Principles:** Continue to adhere to these principles:
  - A balanced housing supply with housing available for people at all income levels.
  - The accommodation of all racial and ethnic groups in the purchase, sale, rental and location of housing within the community.
  - A variety of housing types for people in all stages of the life-cycle.
  - A community of well-maintained housing and neighborhoods, including ownership and rental housing.
  - Housing development that respects the natural environment of the community while striving to accommodate the need for a variety of housing types and costs.
  - The availability of a full range of services and facilities for its residents and the improvement of access to and linkage between housing and employment.

- 2. Housing Supply, Diversity and Density:** Continue to administer a land use plan, zoning ordinance and zoning map that allow and promote the housing industry to build a variety of housing types in the community. Continued administration of said plans, ordinances and maps will provide a residential mix that can accommodate the needs of a wide variety of households at different life stages, incomes and family types in all sectors of the community.
- Adopt the land use plan map and policies presented in this comprehensive plan, which guide the community toward a range of housing types and densities ranging from single-family to apartments and from approximately 2 to more than 20 housing units per acre. The housing diversity should include different types (single-family, townhome and apartment), tenures (rental and ownership), price points, sizes and styles.
  - A diverse supply of housing units, price points and styles provide local governments with a broad tax base that are more resilient to economic and housing trends without dramatic impacts on government budgets and services.
  - Encourage applications for master-planned neighborhoods that include a range of housing types by several builders along with parks and areas set aside for natural protection and the outdoor enjoyment of residents.
  - Ensure that there are sufficient trunk utility lines and arterial roads to allow the market to respond to annual demand, and to ensure that land prices are not artificially inflated by a shortage of land available for development. The comprehensive land use plan, in conjunction with the comprehensive utilities staging plan, should allow the market to build enough housing for Waconia to meet the forecasts by the Twin Cities Metropolitan Council shown in Table 7-1 of this plan.
  - Continue to administer the land use application review process efficiently and fairly while protecting the rights of existing neighborhoods and owners of undeveloped land.
- 3. New Neighborhood Design:** Follow the neighborhood design guidelines presented in the Land Use Plan chapter of this document, which promote the following:
- Appropriately-wide local residential streets
  - Sidewalks on at least one side of each future local residential street and both sides of future collector streets
  - Street trees on both sides of the public right-of-way of all future local and collector residential streets
  - Increased front yard setbacks for single-family houses.



- 4. Housing Affordability:** The Metropolitan Council has forecasted affordable housing needs for all cities and townships in the Twin Cities Metropolitan Area for the period from 2021 to 2030. The housing element of local comprehensive plans is required to reflect the allocated portion of the forecasted demand for affordable housing. The City's share of this allocation is 863 affordable housing units.

The City will continue to encourage the private market to provide housing in a range of prices by administering the land use plan in this document and a complementary zoning ordinance and map.

The City will also continue to work with the Carver County Community Development Agency (CDA) and not-for-profit housing development agencies to improve housing affordability. The CDA can supply a small number of rental housing assistance vouchers to eligible low- and moderate-income households and a limited number of rent-subsidized housing units. The not-for-profit industry is willing to build and operate lower cost and market-rate rental housing for both the elderly and the special-needs (handicapped) populations, sometimes in cooperation with county, state or federal agency financial assistance.

- 5. Housing Preservation, Rehabilitation and Redevelopment:** Housing maintenance is not presently a major concern in Waconia but the need is expected to increase as the housing stock ages. Therefore, the City will continue to rely on the housing rehabilitation assistance program available through the Carver County CDA. The City will monitor the situation and consider initiating future local programs including rehabilitation loans or grants for owner-occupied housing in targeted neighborhoods, increased Building Code inspection enforcement at time of sale, or increased rental housing inspection and maintenance.
- 6. Housing and Services for the Elderly:** Specialty housing and related services in Waconia will continue to be provided by a combination of private market activity, not-for-profit initiatives and the programs of the Carver County CDA.
- 7. Housing Stability:** Stable housing means having choice over when and under what circumstances a household wants to move. For most Americans, housing is their greatest monthly expense. For many community residents, a stable home is a critical component to their quality of life. It means that their home feels safe in terms of its surrounding neighborhood and the physical structure, and that they expect to be able to reside there for the near future. This degree of certainty in

one's home is often the foundation needed to pursue life goals to fulfill their potential. A central aspect to a stable home is affordability, paying no more than 30% of gross income toward their home expenses. Without it, a household may forgo health care, food, education, transportation and other expenses in order to pay their mortgage or rent and utilities. In that situation, an essential car repair can mean making the difficult choice between reliable transportation and risking mortgage defaults or paying rent/evictions. Frequent moves, in an attempt to afford a suitable home, place a lot of stress on households. For families with children, this often results in a change in schools, daily work commutes, and access to supportive friends and family. For seniors, it may impact access to healthcare, transportation, and long established social networks. A community with quality affordable housing helps to ensure the stability of both neighborhoods and communities that greatly benefit its residents and businesses.

- 8. Livable Communities Act:** Implement the adopted Waconia Housing Action Plan to achieve the affordable housing objectives presented in Table 7-6, which are compatible with the policies of the Metropolitan Council. The Action Plan outlines strategies, some of which are currently in place, and promotes policies that should encourage affordable and life-cycle housing options for people of all age groups. The specifics of the Housing Action Plan are presented below.

***Local Codes and Ordinances***

- A. On an annual basis, continue to inventory the number, size and types of vacant residential building lots in the City in order to provide a balance of residential dwelling opportunities (single family, townhouse, apartments). Continue to prepare a vacant land analysis using year-end building permit data. Prepare a report in January of each year.
- B. Review and analyze land use trends, zoning ordinance and Comprehensive Plan information including the allocation of MUSA land to ensure a balanced supply of developable areas in order to minimize high land costs. Communicate and exchange data with the Metropolitan Council concerning amendments to the Comprehensive Plan as they relate to residential land availability.
- C. The City will continue to oversee the following zoning incentives to encourage dispersed, affordable housing:
  - 1. Up to 20 percent of all newly platted lots in subdivisions may have reduced lot size and lot width standards of up to 25 percent. The City lot size minimum for a single-family lot is 10,500 square feet. The 25 percent lot size reduction allows lot sizes for single-family homes of 7,875 square feet.

2. Allow accessory apartments in the R-2 Single-Family districts of the city.
3. Cooperate with current and potential adult day care uses in single-family residential districts.

The City will continue to monitor for effectiveness in varied house size, design and types. Explore additional zoning incentives that would create more diverse and affordable housing opportunities.

- D. Protect and enhance the City's existing housing stock by actively carrying out the following:
  1. Continue to enforce zoning ordinance violations and nuisance conditions that can have adverse effect on neighborhoods.
  2. Inventory the condition of the housing stock and identify structures that may not be suitable for occupancy.
  3. Continue to oversee and update, when necessary, the license procedures for rental dwellings to ensure compliance with the Minnesota State Building Code and the Minnesota Uniform Fire Code.

#### ***City of Waconia and Carver County CDA Housing Programs***

- A. The Carver County CDA will continue to own and operate the Spruce Apartments, a 31-unit HUD complex.
- B. The City intends to allocate its Affordable and Life-Cycle Housing Opportunities Amount (ALHOA) to projects within the City.
- C. The Carver County CDA will continue administering their county-wide programs in the areas of single and multi-family housing, foreclosure counseling, rental assistance and economic development. The Carver County CDA administers and/or promotes the following programs:
  - Minnesota Housing Rehabilitation Loan Program/Emergency Loan Program
  - HUD Housing Counseling
  - State and Federal Tenant Based Rental Assistance Programs
  - Homeless Project Based Rental Assistance Programs
  - Minnesota Cities Participation Program Mortgage Products
  - Small Cities Development Program
  - Carver County Septic and Well Loan Programs
  - Rental Counseling
  - Homeless/Displacement Counseling
  - Community Land Trust Program
  - Community Growth Partnership Initiative
  - Comprehensive Plan Resources
  - Open to Business

- Home Improvement Loan Referrals
- Technical Assistance to Cities and Businesses
- D. The City will make more City and County CDA housing information available to the public through display areas at the City office and via links on the website.
- E. The City will update rental information on a yearly basis.
- F. The City will cooperate with lending institutions in making finance program information available to the public.
- H. The City will work with the Carver County CDA staff on potential projects in the future.
- I. The Carver County CDA will continue to seek funding and support to address the increasing demand for affordable home ownership, home owner and rental rehabilitation programs and rental assistance in the area.

#### **8. Housing Implementation Program:**

Applicable official controls, fiscal tools or incentives may include but are not limited to:

- **Planning** land for a wide range of housing types and densities through the Land Use Plan of this comprehensive plan.
- **Zoning** to implement the land use plan map and policies, including higher allowable densities or the use of flexible design mechanisms such as the planned-unit development provisions of the zoning ordinance.
- **Site redevelopment assistance** through tax increment financing, local tax abatement, or housing bonds.
- **Rent assistance** through the federal Section 8 program available through either the Carver County CDA or the Metropolitan Council HRA.
- **Housing rehabilitation loans** funded by local Community Development Block Grant funds, the Carver County CDA, the Greater Metropolitan Housing Corporation and Minnesota Housing.
- First-time **homebuyer assistance** funded by the Carver County CDA, the Greater Metropolitan Housing Corporation or Minnesota Housing.
- **Rental housing development** programs sponsored by the Carver County CDA, Minnesota Housing Finance Agency, the Greater Metropolitan Housing

Corporation or local housing development revenue bonds.

- Cooperating with a **non-profit housing development** corporation to develop or preserve **affordable housing** opportunities.