

**City of East Bethel**  
**Housing and Redevelopment Authority**

**Regular Meeting – 6:30 p.m.**

**Date: May 5, 2010**



	<b>Item</b>	
6:30 PM	<b>1.0</b>	<b>Call to Order</b>
6:31 PM	<b>2.0</b>	<b>Adopt Agenda</b>
6:32 PM	<b>3.0</b>	<b>Approve Minutes</b>
	Page 1-4	<b>January 20, 2010</b>
6:35 PM	<b>4.0</b>	<b>HRA Housing Plan Discussion</b>
	Page 5-22	
7:25 PM	<b>5.0</b>	<b>Adjourn</b>



# City of East Bethel Housing & Redevelopment Authority Agenda Information

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**Date:**

May 5, 2010

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**Agenda Item Number:**

Item 3.0

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**Agenda Item:**

Meeting Minutes, January 20, 2010 HRA Meeting

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**Requested Action:**

Review and approve meeting minutes from January 20, 2010.

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**Background Information:**

Meeting minutes from the January 20, 2010 Housing and Redevelopment Authority meeting are attached for your review and approval.

**Attachment(s):**

- 1. HRA Minutes 012010

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**Fiscal Impact:**

None

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**Recommendation(s):**

Review and approve meeting minutes from January 20, 2010.

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**East Bethel Housing and Redevelopment Authority Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

No Action Required: \_\_\_\_\_



# City of East Bethel Housing & Redevelopment Authority Agenda Information

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**Date:**

May 5, 2010

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**Agenda Item Number:**

Item 4.0

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**Agenda Item:**

Housing Plan Discussion

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**Requested Action:**

Begin discussion on the HRA Housing Plan

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**Background Information:**

On May 20, 2009, the City Council adopted Enabling Resolution 2009-36 creating a Housing and Redevelopment Authority in the City of East Bethel. The East Bethel HRA was established to address the following:

- a. provide policies and programs to increase the availability of decent, safe, and sanitary dwelling accommodations available to persons of low to moderate income and their families at prices they can afford, and
- b. proactively address substandard, slum, or blighted areas existing in the City of East Bethel by providing assistance and promoting redevelopment.

The East Bethel Housing and Redevelopment Authority is required to prepare a Housing Plan. The Housing Plan must describe the activities the HRA will undertake to achieve the goals identified in the City of East Bethel Comprehensive Plan, state statutes and federal regulations. The East Bethel HRA Housing Plan will also be the basis for supporting future financial initiatives such as an annual HRA tax levy and the support for grant funding.

The City's 2008 Comprehensive Plan identifies a goal to provide for safe and attractive residential developments. The Plan includes medium residential densities at four to six units per acre. The medium residential density will ensure the City provides 181 new units between the years of 2011 – 2020 for low to moderate income housing for families and individuals. The Metropolitan Council forecasted specific affordable housing needs for 2011-2020 in each community.

The term "affordable housing" means housing that is affordable to people with low to moderate incomes. The definition of "low income" is established by the U.S. Department of Housing and Urban Development (HUD) as a percent of the Area Median Income (AMI) and varies region to region and by household size.

HUD defines "affordable" as housing that costs no more than 30 percent of a household's monthly income.

Key elements of a Housing Plan include the following:

- East Bethel HRA Key Housing Goals
- Education and Communication
- Funding Sources and Implementation Tools
- Implementation Strategies
- Annual Budget

The first step is for the HRA Board to identify key housing goals such as:

- Provide housing opportunities for our children as they graduate and enter the workforce;
- Provide housing opportunities for those that are retired and on fixed incomes;
- Provide housing opportunities that meet the local labor force needs;
- Provide quality new affordable housing developments;
- Provide a balance of housing opportunities;
- Maintain high standard of property maintenance.

Attachment(s):

1. Draft Housing Action Plan
2. 2030 Comprehensive Plan Chapter 3, Housing

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**Fiscal Impact:**

None

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**Recommendation(s):**

Staff recommends the Housing and Redevelopment Authority begin to identify key housing goals for the Housing Plan.

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**East Bethel Housing and Redevelopment Authority Action**

Motion by:\_\_\_\_\_

Second by:\_\_\_\_\_

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Vote Yes:\_\_\_\_\_

Vote No:\_\_\_\_\_

No Action Required:\_\_\_\_\_



The City of East Bethel created a Housing and Redevelopment Authority (HRA) on May 20, 2009. An HRA is a separate legal authority under Minnesota State Statutes Section 469.001 to 469.047 that directs redevelopment projects with the specific purpose of removing blight and promoting affordable, safe, and decent housing.

# Housing Plan

Adopted XXXXXXXXXXXXX

The purpose of the East Bethel HRA is to:

1. provide policies and programs to increase the availability of decent, safe, and sanitary dwelling accommodations available to persons of low to moderate income and their families at prices they can afford, and
2. proactively address substandard, slum, or blighted areas existing in the City of East Bethel by providing assistance and promoting redevelopment.



## East Bethel HRA Board of Commissioners

Bill Boyer, Chairperson  
Steve Channer, Vice Chairperson  
Steve Voss, Secretary

Douglas Sell, Executive Director

Greg Hunter, HRA Commissioner  
Kathy Paavola, HRA Commissioner

As the basis for the East Bethel Housing Action Plan, the East Bethel HRA adopted the following key housing goals:

East Bethel \_\_\_\_\_  
\_\_\_\_\_

## **EXECUTIVE SUMMARY**

### Background and History of East Bethel

*To be added*

DRAFT

## Key Elements of the Plan

The following are some of the key elements of the HRA Housing Action Plan. More specific implementation strategies can be found in the subsequent pages of this plan.

### I. Education and Communication

The HRA understands the importance of the City's efforts to educate and inform the general public of the continued need for affordable housing in East Bethel. There is a need for a balanced supply of housing that includes all levels of housing type and affordability. Affordable housing is needed not just because of people moving into East Bethel, but because the community is aging. It is understood that there is a need to provide housing opportunities for the children of residents as they graduate and enter the workforce, as well as for those that are retired and on fixed incomes. There is a link between the labor force, housing, and the economic health of the community. Consistent education and communication are needed to dispel the myths associated with affordable housing, to promote affordability and programs that provide resources for home improvement, and environmental sustainability.

#### A. Definition of Affordable

*To be added*

#### B. Affordable Housing Goals

*The City's 2008 Comprehensive Plan identifies a goal to provide for safe and attractive residential developments. The Plan includes medium residential densities at four to six units per acre. The medium residential density will ensure the City provides 181 new units between the years of 2011 – 2020 for low to moderate income housing for families and individuals.*

#### C. Document the Local Need

The plan explains why affordable housing is needed within our own community, from an economic development perspective as well as a social one.

#### D. Barriers to Affordable Housing

There are many obstacles that make it difficult to develop affordable housing. Analyzing these barriers will not only allow the City to develop strategies to overcome them, but it will also serve to explain why subsidies are needed to make projects a reality.

## II. Funding Sources and Implementation Tools

The plan outlines various financial tools, techniques, and strategies that the HRA can use as implementation tools for the successful development and sustainability of affordable housing as well as preservation of quality and value within the City's existing housing.

## III. Strategies for Implementing the Plan

The HRA has prepared several strategies to meet the goals of this Housing Action Plan. These strategies will be implemented with the collaboration of key housing partners and community groups. The HRA will partner and collaborate with the business community, housing advocates, and foundations in promoting the development of a variety of housing to meet the full spectrum of needs. **The HRA strategies are meant to fill the gaps in financing affordable housing rather than impede or duplicate what is already being provided.**

## I. Education and Communication

In order for affordable housing projects to be successfully integrated into the community, people need to be continuously informed about the topic as well as the programs and initiatives the HRA and other housing partners use to achieve their affordable housing goals. Education and communication are needed to dispel the myths associated with affordable housing and explain why it is needed within our own community. The HRA plan includes several communication and participation methods to inform the public about the barriers to affordable housing, who meets the criteria for affordable housing, and what income levels would qualify for public subsidies.

### A. What is the definition of “affordable?”

The U.S. Department of Housing & Urban Development (HUD) defines affordable housing as housing that costs no more than 30 percent of income on rent or mortgage. Many residents pay more than 30 percent of their incomes towards housing nationwide.

According to the Metropolitan Council Summary Report, *Determining Affordable Housing Need in the Twin Cities 2011-2020*, a unit is affordable if it is priced at or below 30 percent of the gross income of a household earning 60 percent of the Twin Cities median family income (or \$46,200 in 2005). The 60 percent income threshold is determined 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. Fifty-nine (59) percent of all first-time homebuyers in the Twin Cities area assisted by Minnesota Housing Finance Agency (MHFA) in fiscal year 2005 had incomes at or below 60 percent of the median income.

*Data to be added*

### B. Affordable housing goals

*Data to be added*

### C. Document the local need – Who qualifies for affordable housing?

#### **Housing Needs in the City of East Bethel**

As part of the evaluation of the City’s housing needs, certain findings need to be made as to the shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at prices and amounts they can afford. In addition, the quality and age of the housing stock needs to be reviewed to provide validation that there exists the potential for substandard or blighted areas which without assistance may not otherwise be renovated or redeveloped. The HRA and its Housing Action Plan provides the local strategies and funding to address the growing need for affordable housing and elimination of future blight in East Bethel.

**Affordability Need** – *to be added*

**Affordability of Ownership Housing** – *to be added*

D. Barriers to affordable housing

*To be added*

## **II. Funding Sources and Implementation Tools**

A. Financing tools for the development of affordable housing

- **HRA Levy?**
  
- **Community Development Block Grant (CDBG) Funds?**
  
- **Waiving City Fees?**

- **Non-profit Affordable Housing Entities – Community Land Trusts, Habitat for Humanity, and Foundation Funding?**

B. Non-financial tools

1. **Site identification:** The HRA shall take a proactive approach in identifying sites for affordable housing, and may use funds to purchase and secure these sites. The HRA will also need to be flexible and to be able to respond to opportunities as they come up. This may include using funds to write down the cost of land if a developer approaches the City with a proposal for affordable housing. Finally, if the City is going to dispose of property that it owns, and the property is appropriate for housing, the HRA should encourage the reuse and development of the property for affordable housing purposes.
2. **Zoning regulations and development standards:** The HRA will encourage the City's zoning regulations (architectural standards, etc.) that continue to provide for flexibility in design standards so unnecessary expense will not be added to the cost of housing, while still maintaining neighborhood standards.
3. **Developer incentives:** The HRA will evaluate the use of financial incentives in order to encourage developers to include affordable housing in their plans.
4. **Anoka County HRA (ACHRA):** The HRA will work in partnership with the ACHRA to provide affordable housing opportunities to achieve local and regional housing goals.

### III. Implementation Strategies

- A. Provide low-interest home renovation loan programs to meet the community's housing needs

*To be added*

- B. Evaluate need and willingness to participate in employer-assisted housing

*To be added*

### C. Enhance education and marketing efforts

Programs are only successful if the general public is aware they exist. Therefore, HRA financial and employee resources will be provided to enhance the marketing and education efforts surrounding affordable housing. These efforts include:

- supporting homeownership classes by providing classroom space (free of charge) for Anoka County Housing and Redevelopment Authority (ACHRA) educational programs,
- including information regarding HRA and ACHRA affordable housing programs within the City newsletter,
- creating a housing section on the City website specifically geared toward promoting the goals of the HRA,
- working with area businesses and realtors to promote affordable housing programs, and
- considering partnering with neighboring communities for an annual home show.

## IV. Annual Budget

*To be added*

### III. HOUSING

East Bethel is a rural community with housing that predominately consists of large-lot, single-family homes. Recent interest in the community for a more diverse housing stock (i.e. multi-family, town homes, and senior housing) with areas of higher density per acre as part of the City Center development, are more consistent with the community being classified as a rural growth center. The plan for the City to have a state-of-the-art wastewater treatment facility is a critical element of the plan for a more varied housing stock. The City is developing appropriate zoning classifications that reflect this change while maintaining, for the most part, larger lots of a minimum of two acres in size. Table III-1 identifies the characteristics of the housing supply in the City and contrasts it with Anoka County as a whole.

**Table III-1. Housing Units by Structure and Tenure, 2000**

<u>City of East Bethel</u>	<u>Owner Occupied</u>	<u>Renter Occupied</u>	<u>Total</u>	<u>Percentage</u>
Single Family Detached	3,152	25	3,177	88
Single Family Attached	8	3	11	<1
Duplexes	8	0	8	<1
3 or 4 Unit Buildings	2	0	2	<1
5 or More Unit Buildings	0	9	9	<1
Mobile Homes	390	10	400	<11
Other Units	0	0	0	0
Total Occupied Housing Units	3,560	47	3,607	100

  

<u>Anoka County</u>	<u>Owner Occupied</u>	<u>Renter Occupied</u>	<u>Total</u>	<u>Percentage</u>
Single Family Detached	75,448	1,431	76,879	72
Single Family Attached	7,160	1,287	8,447	8
Duplexes	430	1,056	1,486	1
3 or 4 Unit Buildings	370	1,056	1,426	1
5 or More Unit Buildings	782	12,576	13,358	13
Mobile Homes	4,580	246	4,826	5
Other Units	6	0	6	<1
Total Occupied Housing Units	88,776	17,652	106,428	100

Source: U.S. Census; Metropolitan Council

Housing development has been influenced by historical, mobility, and economic trends. The vast majority of residential development has occurred in the past 35 years. As the Twin Cities continued to become more decentralized and suburban in nature, improved access to employment centers has been facilitated by an expansion in the regional highway system. Commuting longer distances to work is the trade-off for more rural, less densely populated communities. Development came to East Bethel later than to Anoka County as a whole as indicated in Table III-2. Eighty percent of the housing in East Bethel has been built since 1970. This compares with approximately 49 percent for Anoka County during the same time frame.

**Table III-2. Age of Housing Units**

<b>Year Built</b>	<b>East Bethel</b>		<b>Anoka County</b>	
	<b>Owner Occupied</b>	<b>Renter Occupied</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>
1939 or earlier	49	0	2,698	647
1940-1949	125	9	2,695	471
1950-1959	167	0	10,291	1,462
1960-1969	266	7	13,013	3,513
1970-1979	999	24	17,184	4,730
1980-1989	837	7	19,561	3,945
1990-1994	477	0	10,911	1,781
1995-1998	558	0	9,467	897
1999-March 2000	<u>82</u>	<u>0</u>	<u>2,956</u>	<u>206</u>
Total	3,560	47	88,776	17,652

*Sources: U. S. Census; Metropolitan Council*

As with the housing market in general, East Bethel's housing market values have been increasing. Comparing the 1990 and 2000 Census data in Table III-3 shows the increasing value of owner occupied housing units. Table III-4 indicates measures of housing affordability from the 2000 U.S. Census. In the past ten years, the median home value has surpassed the county median value and now is five percent higher. Eighty-nine percent of East Bethel's homeowners spend less than 35 percent of the household income for housing. Table III-4 also reflects that 49 percent of renters are spending 35 percent or more of household income for housing, versus 29 percent for the County as a whole. This difference may be skewed by the fact that only 1.3 percent of the housing in the City is rental property, compared with 16.6 percent in the County.

High homeownership rates are often cited as an indication of regional economic prosperity. For the seven metro counties the rate is 71.4 percent -- one of the highest in the nation. In fact, compared with the Census results of the 25 most populous metro areas in the nation, the Twin Cities 13-County MSA ranks first in ownership rates.

**Table III-3. Owner Occupied Housing Values, 1990 and 2000**

<b>Cost</b>	<b>1990</b>		<b>2000</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
Less than \$20,000	10	0.6	166	4.7
\$20,000 to \$34,999	18	1.0	86	2.5
\$35,000 to \$49,999	53	3.0	86	2.5
\$50,000 to \$79,999	678	38.7	175	4.9
\$80,000 to \$99,999	714	40.7	408	11.5
\$100,000 to \$149,999	243	13.9	1,306	36.6
\$150,000 or more	<u>38</u>	<u>2.2</u>	<u>1,333</u>	<u>37.5</u>
Total	1,754	100.0	1,754	100.0
STF 1-23B: Median Value (1990)	79,100			
STF 1-24: Average Value (1990)	82,221			

Source: U.S. Census

**Table III-4. Housing Affordability Indicators**

	<b>East Bethel</b>		<b>Anoka Co.</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
2000 Median Home Value	\$138,300	---	\$131,300	---
2000 Median Rent (monthly)	\$ 683	---	\$ 649	---
Homeowners paying 35% or more of household income for housing	382	11	7,952	10
Renters paying 35% or more of household income for housing	23	49	5,067	29

Source: U.S. Census

In spite of the rural nature of the City and the predominance of single-family homes, the City had a relatively affordable median home value of \$138,300 based on 2000 Census data, up from \$79,200 at the time of the 1990 Census.

Based on building permits granted for new residential construction in the City of East Bethel, new home valuations averaged approximately \$195,000 in 2004; as of November 8, 2005, new home valuations for 2005 averaged \$205,000. The increase in housing costs is influenced by the costs of land and construction materials.

A small portion of occupied housing units are renter occupied. Table III-5 identifies that 2.1 percent of the occupied housing units in East Bethel are renter occupied. Since the City of East Bethel does not have multi-family complexes, 100 percent of the rental units are single-family homes. In the future the City may need to conduct a study to determine future needs of higher density, multi-family complexes.

**Table III-5. Occupied Housing Units**

<u>Status</u>	<u>Units</u>	<u>Percent</u>
Owned	3,532	97.9
Rented	75	2.1
Total	3,607	100.0

Source: U.S. Census

Rents are influenced by location, age, size, and available amenities. Table III-6 indicates that the average median rent in East Bethel is \$683.

**Table III-6. 2000 Gross Rent**

	<u>Data</u>	<u>Percent</u>
Total:	47	100.0
With cash rent:	44	93.6
Less than \$100	0	0
\$100 to \$149	0	0
\$150 to \$199	0	0
\$200 to \$249	0	0
\$250 to \$299	0	0
\$300 to \$349	0	0
\$350 to \$399	7	14.9
\$400 to \$449	0	0
\$450 to \$499	9	19.1
\$500 to \$549	0	0
\$550 to \$599	0	0
\$600 to \$649	0	0
\$650 to \$699	9	19.1
\$700 to \$749	3	6.4
\$750 to \$799	0	0
\$800 to \$899	9	19.1
\$900 to \$999	0	0
\$1,000 to \$1,249	7	14.9
\$1,250 to \$1,499	0	0
\$1,500 to \$1,999	0	0
\$2,000 or more	0	0
No cash rent	3	6.4

Source: U.S. Census

Residential development will continue to be the predominant type of growth in the future. The community's significant amount of natural amenities, close location to the metropolitan area, and lower land costs makes East Bethel an attractive location for residential developments. As Table III-7 indicates, East Bethel is projecting to add 3,193 housing units between 2010 and 2020.

**Table III-7. Growth Projections, 2010 – 2030**

	<b>Actual</b>			
	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>2020</u></b>	<b><u>2030</u></b>
Population	10,941	12,600	18,400	23,500
Households	3,607	4,500	6,800	9,000
Employment	1,211	2,000	3,300	4,500

*Source: City of East Bethel (assumes implementation of municipal services)*

## **Goals and Policies**

The City strives to provide safe, attractive, and diverse housing with a range of values to accommodate the present and future needs of all residents. To achieve the City's goals, existing neighborhoods and current housing stock will need to be maintained. Older units, especially in areas surrounding Coon Lake, will need to be rehabilitated, or some areas may need to be redeveloped. The City will need to ensure that new developments meet the housing needs of the residents.

The City has formulated goals and policies in order to achieve the City's housing goals.

***Goal 1: Provide for a variety of high quality, affordable housing.***

Policy:

1. Ordinances relating to the development, redevelopment, and the maintenance of housing shall be adopted and/or amended to ensure affordable, high quality housing.
2. Develop and maintain development standards and housing policies that allow for low and moderate cost housing.
3. Develop and maintain regulations that permit a mix of housing types, sizes, and price ranges to be provided throughout the City.
4. Continue code enforcement program for existing housing.
5. Review annually programs through Anoka County Redevelopment Authority and explore public and private partnerships that could potentially aid in the development of mixed-use housing/commercial developments.

6. Participate in the Livable Communities Act. The City of East Bethel would be required to pass a resolution to participate in the Local Housing Incentives Program (LHIA). The Metropolitan Council and the City would then work together to negotiate affordability and life-cycle housing goals for the community.
7. Prepare a Housing Action Plan identifying how the City will address housing goals, as required as part of the LHIA.
8. Provide and maintain a variety of residential densities (dwelling units per acre).

***Goal 2: Provide for safe and attractive residential developments.***

**Policy:**

1. Ensure public improvements and on-site improvements are completed at the time of the final inspection of residential development.
2. Create and enhance neighborhoods to provide parks, trails, and open space. Neighborhoods should be linked by trails and open space when appropriate.
3. Link new and existing parks, open space, and schools by a trail system.
4. Ensure new development includes design features such as boulevard trees, sidewalks, and open space, and are separated by buffers from collector and arterial streets.
5. Parking lots shall be screened from neighboring residential properties to minimize visual impact.
6. Avoid direct private drive access from and to major collector and arterial streets.
7. Promote innovative subdivision design in the Mixed-Use/City Center district.
8. Development shall occur in a manner that provides protection to the many high quality natural habitats and habitats for rare species and high diversity of plants and animals throughout the City.
9. Development shall be planned in accordance with the Comprehensive Land Use Plan.
10. Proposed amendments to the Land Use Plan and requests for major extensions of public services or utilities to accommodate the proposed development and land uses shall be considered only after a thorough review and analysis of the City public facilities plan and potential environmental impacts.
11. Preserve and incorporate historical and natural features to the maximum extent.
12. Continue code enforcement program to eliminate illegal uses and deterioration from neighborhoods.

## **Implementation**

The implementation of a housing plan requires action by many entities. As a result of this, some goals may be achieved in a short period of time while other goals may take longer.

**Goal:** *Provide for a variety of high quality, affordable housing.*

### **Action Steps:**

To meet this goal, the City is in the process of updating its Zoning Ordinance and its Subdivision Ordinance. The City continues to review and update ordinances to ensure high development standards are required throughout the community. The 2008 Comprehensive Plan land use allows for a higher density of housing units than it has in the past. For example, the Mixed Use Land Use allows for a variety of housing types and up to ten housing units per acre.

Although the City currently does not participate in the Livable Communities Program, this is an area that will be considered in the future. Also, the City will review annual programs through Anoka County Redevelopment Authority and explore other public and private partnerships that could possibly aid in mixed-use/commercial developments.

**Goal:** *Provide for safe and attractive residential developments.*

### **Action Steps:**

The 2008 Comprehensive Plan includes medium residential densities at four to six units per acre. To provide densities in this range, the updated Zoning Ordinance will provide mixed uses in the City Center and Planned Business District and densities at four to six units per acre in the R-2 , Single-Family, and Townhome District. The medium residential density will ensure the City provides 181 new units between the years 2011-2020 for low to moderate income housing.

The City will require that adequate utilities are in place prior to the issuance of building permits or certificates of compliance. This will be regulated by the Subdivision Ordinance. The City will continue to review the Subdivision Ordinance to ensure regulations are up-to-date.

Residential developments will be protected from the encroachment and impact of commercial and industrial development. The Zoning Ordinance will include requirements for screening and buffering between residential and non-residential land uses. Also, the Subdivision Ordinance will include requirements of buffering between new developments of higher density residential areas abutting rural residential areas.

The Comprehensive Plan identifies large areas of new residential developments. Plan policies encourage the connection of neighborhoods and the connection of all parks and open space via trails. New developments will be required to connect to existing streets where applicable.