

3.1 INTRODUCTION

The Housing Plan is a blueprint to meet the City’s projected housing needs. Its composition requires an analysis of the City’s current housing conditions and policies for the development of life-cycle and affordable housing and the maintenance of neighborhoods and housing stock.

Champlin is projected to have approximately 9,500 housing units by 2040. With an additional 700 housing units expected over the next 20 years, the need for viable and diverse housing is important. At the same time, as housing accounts for the largest portion of land use city-wide, every effort should be made in continuing and enhancing local preservation efforts.

3.2 HOUSING ASSESSMENT

A housing assessment is the first step in identifying Champlin’s housing needs. We use Census data from 2000 and 2010 and also 2016 data from the City’s GIS (Hennepin County Assessor’s Data) and the Metropolitan Council. The tables below provide a “snapshot” of existing housing.

HOUSING MIX

Life-cycle housing is housing that meets the needs of all residents in various phases in life. It ranges from housing for young adults establishing new households to homes for growing families with children and housing for seniors. The tables below illustrate Champlin’s housing mix and how it has changed since 2000.

Table 3.1: Residential Housing by Type, 2000 – 2016

	2000		2010		2016	
	Number	Percent	Number	Percent	Number	Percent
Single Family Detached	6,108	81.6 %	6,547	76.1 %	6,597	77.0 %
Duplex, Triplex, Quad	127	1.7 %	177	2.1 %	173	2.1 %
Townhome	669	8.9 %	1,140	13.3 %	1,186	11.9 %
Apartments	583	7.8 %	734	8.5 %	685	9.0 %
Total	7,487	100 %	8,598	100 %	8,641	100 %

Table 3.2: Housing by Tenure, 2000 - 2016

	2000		2010		2016	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	6,648	88.9 %	7,429	86.4 %	7,186	83.2 %
Rental	839	11.1 %	1,169	13.6 %	1,455	16.8 %
Total	7,487	100 %	8,598	100 %	8,641	100 %

Champlin is predominantly a community of owner-occupied single family detached housing units. However, since 2000, the City has experienced development of townhome/condominium projects widening the range of housing opportunities for homeowners and renters.

The current housing mix is supported by residents according to a 2017 Resident Survey (attached). The survey suggests there is only one type of housing lacking, "starter homes for young families costing between \$200,000 and \$300,000."

HOUSING AFFORDABILITY

The Metropolitan Council, through the comprehensive plan process, requires cities to provide opportunities for affordable housing. Affordable housing is considered that which is affordable to those households making less than 80 percent of area median incomes (AMI). For instance, a housing unit is "affordable at 80% of AMI" if a household whose income is at or below 80% of AMI can live there without spending more than 30% of their income on housing. What this means in practice differs for rental and ownership units.

Affordable rents for housing units vary by the number of bedrooms in the housing unit. This is because the income limits vary by household size, and the number of bedrooms affects how many people a unit can comfortably house. Below are affordable monthly rents at the different incomes levels for 2017:

Table 3.3: Affordable Rents

Number of Bedrooms	Affordable Rent at 30% AMI	Affordable Rent at 50% AMI	Affordable Rent at 80% AMI
Studio	\$450	\$751	\$1,201
1-BR	\$483	\$805	\$1,288
2-BR	\$579	\$966	\$1,545
3-BR	\$669	\$1,115	\$1,784
4-BR	\$747	\$1,245	\$1,992

Affordability calculation for ownership units is more complicated due to variables in monthly housing costs such as interest rates and down payments. For 2016, the following home values are considered affordable: \$82,500 (30% AMI), \$148,000 (50% AMI) and \$235,000 (80% AMI).

Using the affordability limits above, Champlin’s affordable housing stock in 2016 based on Metropolitan Council estimates is as follows:

Total Housing Units – 8,641

Table 3.4: Housing Affordability in 2016

Units affordable to households at or below 30% AMI	Units affordable to households with income 31% to 50% AMI	Units affordable to households with income 51% to 80% AMI
145	848	5,370

In total there are 328 publicly subsidized housing units in Champlin. There are three publicly subsidized apartment housing complexes providing 195 affordable housing units and another 185 affordable units under construction (The Legends of Champlin Senior Apartments).

1. Elm Creek Apartments 72 units
2. Hayden Lake Apartments – 24 units for seniors and disabled
3. River Manor Apartments – 99 units

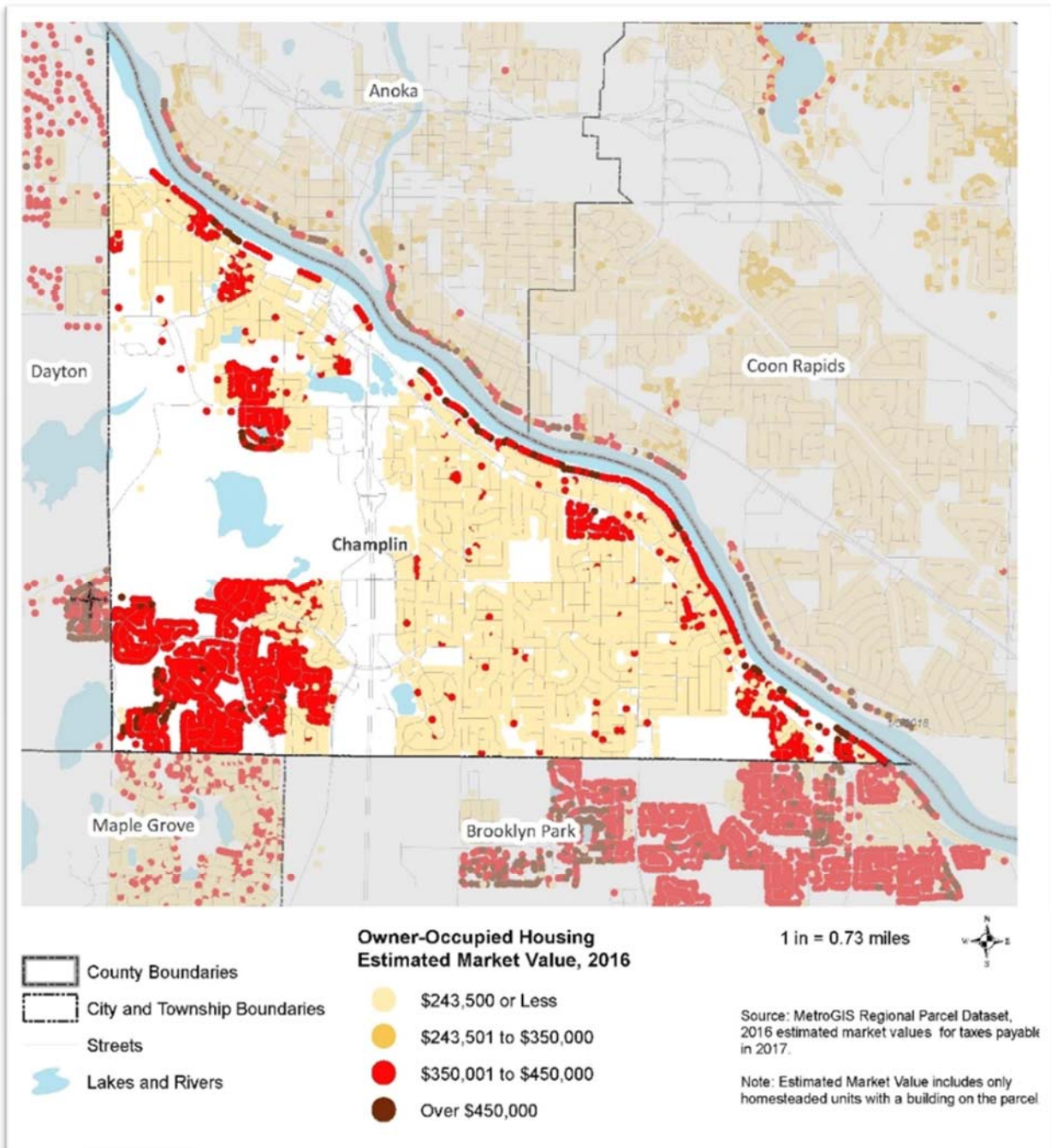
The median gross income for households in Champlin is \$83,851 a year, or \$6,988 a month. The median rent for the city is \$1,110 a month. Households who pay more than thirty percent of their gross income are considered to be Rent Overburdened. In Champlin, a household making less than \$3,700 a month would be considered overburdened when renting an apartment at or above the median rent. 46.19% of households who rent are overburdened in Champlin.

Table 3.5: Housing Cost-Burdended Households in 2016

Income at or below 30% AMI	Income 31% to 50% AMI	Income 51% to 80% AMI
224	490	540

Over 75% of the City’s existing housing stock is affordable to those making 80% or less of AMI; though there is very little housing for those making less than 30% AMI. This market is difficult to attain without significant government subsidy.

The map below identifies owner-occupied housing values in Champlin.



In determining the need for future affordable housing for the planning period 2021 through 2030, the Metropolitan Council conducted a regional housing needs analysis (aka The Housing Policy Plan). The plan outlined how many newly-constructed affordable units will be required in each community to meet the forecasted demand for affordable housing. Champlin’s share of the region’s need

for low and moderate income housing is 201 units. This is broken down into the following categories:

Affordable Housing Need Allocation

At or below 30 percent of Area Median Incomes	115
From 31 percent to 50 percent of Area Median Incomes	66
From 51 percent to 80 percent Area Median Incomes	20
Total Units	201

Met Council staff acknowledges the difficulty in building affordable housing. In today's market, affordable housing usually requires increases in density and/or financial subsidies. The Met Council's expectations do not require that cities commit to building affordable housing but instead, require cities to provide adequate land use (i.e. medium and high density) for affordable housing to occur.

With the Comprehensive Plan update, the City must identify medium and high-density residential sites supporting 201 affordable housing units for the decade 2021 through 2030. The Land Use Plan (Section 2 – Table 2.4) identifies vacant land guided for residential densities supporting the potential of housing affordability.

- Medium Density – 8 acres (minimum density of five units per acre)
- High Density – 8 acres (minimum density of 12 units per acre)
- Mixed-Use – 16 acres (8 acres or 50 percent high density residential at 40 units per acre)

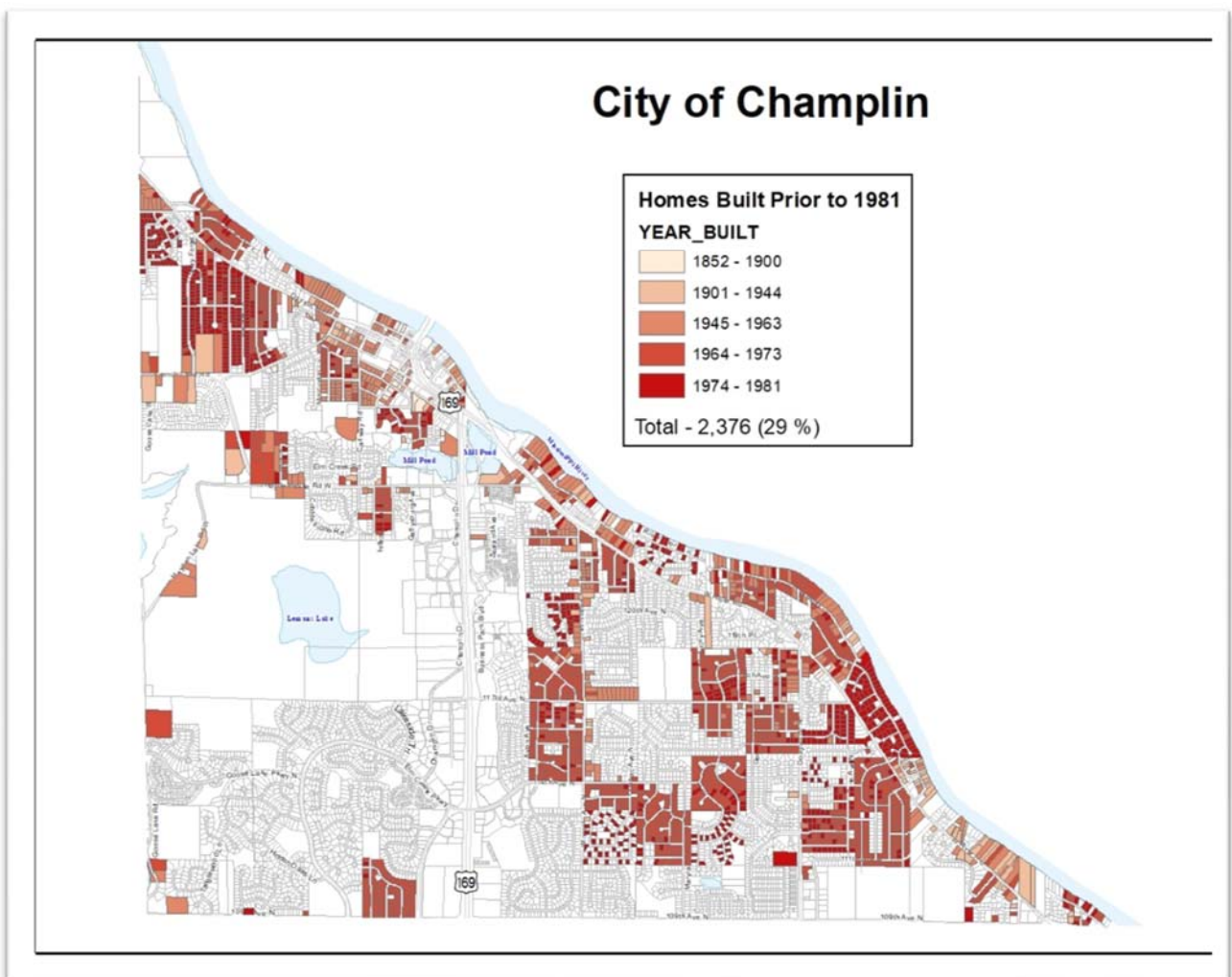
These vacant lands support 436 units of housing. The high density and mixed-used acreages are specifically needed to support affordable housing for households below 50 percent AMI.

While not guided for residential use, there are potential areas that may be suited for high density residential development. These sites are along the T.H. 169 corridor currently guided for commercial or office land use of sufficient size to support a high-density residential development. Questions have been raised suggesting that there may be too much commercially guided property, which suggests the potential for medium or high-density residential land use. In evaluating these sites, the City Council did not desire to guide the property for high density residential use. That said, however, the City did approve development of "The Legends of Champlin" in 2016, which re-guided property from Commercial to High Density Residential. The facility supports 185 units of subsidized senior housing at 70 percent of area median incomes.

HOUSING MAINTENANCE AND PRESERVATION

Over 70% of housing in Champlin was built after 1980. However, Champlin did partake in the housing boom of the late 1970's as it started to gain popularity as a suburban bedroom community. In addition, many of Champlin's apartment units were constructed in the 1960's and 1970's.

The condition of Champlin's housing stock closely reflects the age characteristics. Many of the homes built between 1960 and 1980 are seeing rehabilitation and renovation work. A number of the rehabilitation projects have utilized Community Development Block Grant (CDBG) funds for assistance. The biggest challenge for Champlin will be when the housing built in the 1980's requires reinvestment. Programs fostering housing maintenance will become increasingly important as the community ages. Programs for housing rehabilitation is supported by the 2017 Resident Survey as over 80% of respondents support the City offering a program to make funds available to homeowners for remodeling or home improvements.



Year Structure Built

	Pre- 1949	1950 – 1959	1960 – 1969	1970 – 1979	1980 – 1989	1990 – 1999	2000 – Present	Totals
Owner-occupied	254	201	472	1,253	2,583	1,681	1,232	7,676
Renter-occupied	19	29	178	267	170	157	145	965
Totals	273	230	650	1,520	2,753	1,838	1,227	8,641

SUMMARY OF HOUSING NEEDS

The data and analysis above suggest the following housing needs in Champlin through 2040. The Implementation section of this Chapter lists the tools and strategies that can be used to address those needs.

1. Housing preservation and rehabilitation assistance for low-income homeowners at or below 60% AMI;
2. Rental units for large families at all affordability levels;
3. Preservation of naturally-occurring affordable housing within all bands of affordability.

3.4 HOUSING POLICY PLAN

The purpose of the Housing Policy Plan is to set a course of action for the City to ensure the availability of quality housing to those who reside and those who seek to reside in Champlin. The housing goals and policies set forth approach housing in a comprehensive manner. Provisions within this Plan include stipulations for existing housing development and the conservation of existing neighborhoods, guidelines for modest cost housing and market rate housing along with provisions for protecting the environment. The Housing Policy Plan serves as a guide in establishing housing programs.

Housing Availability:

- Goal. The City recognizes the value of its affordable housing stock and will pursue programs and plans that support and preserve these opportunities.
- Goal. The City is committed to pursuing affordable housing opportunities for all populations.

- Goal. The City acknowledges the high merits of providing lifecycle-housing opportunities for current and future residents and will provide for a balanced housing market meeting the needs of all individuals.
 - Policy: To promote housing for those of all ages and needs.
 - Policy: To support fair housing laws and programs designed to eliminate discrimination in the sale or rental of housing.
 - Policy: To discourage unnecessary delays in subdivision review by streamlining the review process.
 - Policy: To encourage innovative zoning and land use approaches to encourage development of more affordable housing.

Housing Quality:

- Goal. The City is supportive of orderly and planned community development.
- Goal. The City will encourage quality housing construction throughout the community.
- Goal. The City will encourage the preservation and rehabilitation of its housing stock to protect the integrity and long-term viability of neighborhoods.
 - Policy: To provide financial assistance to low and moderate income persons for repairs and improvements made to substandard housing.
 - Policy: To ensure that industrial, commercial and other types of development are designed compatible with housing in existing neighborhoods and residential areas.
 - Policy: To restrict housing development on wetlands, floodplains, steep slopes and other environmentally or culturally sensitive areas.
 - Policy: To encourage residential development to coincide with the development of urban facilities and services.
 - Policy: To take all reasonable steps to protect the residential community from adverse environmental impacts of air, noise, dust and odor pollution by enforcing conformance with applicable state and federal laws.
 - Policy: To ensure neighborhood safety and security through good design.

3.5 IMPLEMENTATION

The Housing Implementation Plan identifies steps the City of Champlin will take to implement the Housing Policy Plan. To be effective, the Housing Implementation Plan will include a wide range of integrated functions and activities in which the City will be involved. These functions include establishing housing objectives, developing housing programs, designing development regulations, implementing administrative procedures and establishing adequate feedback systems to monitor the applicable housing program. Implementation emphasizes maintenance of present housing conditions and the expansion of life-cycle housing opportunities.

1. *Rehabilitation and Neighborhood Preservation*

The City will implement strategies to encourage housing rehabilitation in single family neighborhoods. The City will partner with the Center for Energy and Environment to establish a home rehabilitation loan/grant program or similar program. The program will use funds generated in an existing Housing Tax Increment District (Champlin Shores). The fund is anticipated to generate \$1.5 million to support affordable housing. It is recommended that a housing maintenance and rehabilitation program be implemented in 2020.

For rental units, the City should continue with its Rental Licensing Program to ensure property maintenance and livability standards are met.

2. *Develop Innovative Projects Under the Livable Communities Act*

In 1995 the City of Champlin elected participation in the Livable Communities Act (LCA). LCA was enacted by the State Legislature to encourage communities to invest in local economic revitalization and affordable housing initiatives. Livable Communities goals were established by comparing city numbers to benchmarks set by the Metropolitan Council. The benchmarks are based on numbers compared with surrounding communities with similar issues and profiles. The Metropolitan Council awards funding to communities that develop unique models achieving their LCA goals. The City of Champlin should evaluate and study potential projects that could take advantage of this program to help Champlin attain its housing goals, specifically in providing affordable rental housing for large families. Prior to participating the City would need to adopt a local Fair Housing Policy.

A Fair Housing Policy shall be established by end of year 2022.

3. *Housing Programs*

The City will become acquainted with the array of established housing programs and funding sources available to facilitate affordable housing. The City will use programs offered by the Minnesota Housing Finance Agency

(MHFA), the Department of Housing and Urban Development (HUD), as well as local initiative funds that may be available to develop housing opportunities. Local initiatives and tools include:

- Housing revenue bonds. Tax exempt bonds will be used to fund multi-family development providing 20 % of the units for families earning 50 % or less of median income.
- Tax increment financing (TIF). TIF shall be used to write down land costs and support infrastructure for multi-family rental housing redevelopment. Specifically, TIF shall be used in support of redevelopment or rehabilitation of existing multi-family affordable housing. The City will also use TIF in support of new affordable housing development designed for larger families (three or more bedrooms).
- Community Development Block Grant (CDBG) program. The City of Champlin receives an annual allocation of CDBG funds. These funds shall be used to assist in housing rehabilitation or for development of new affordable housing.
- Consolidated request for proposals from Minnesota Housing.
- The HOME Investment Partnerships Program (HOME) is a flexible federal grant program that allows Hennepin County communities to fund affordable housing activities for very low and low-income families or individuals, homeless families, and persons with special needs. The City will collaborate with Hennepin County to use this resource in support of new affordable housing opportunities.
- Development of a Fair Housing Policy.
- First-time homebuyer, down payment assistance and foreclosure prevention programs. The EDA shall support these programs via resource allocation.
- Preservation of expiring low-income housing tax credit properties (LIHTC).
- Preserve naturally occurring affordable housing via Housing Improvement Areas and partnerships with sources of preservation financing (MN Housing, Greater Minnesota Housing Fund's NOAH Impact Fund) and local 4(d) tax incentive program.

4. *Zoning*

Land use and zoning regulations are among the primary tools the City can use to guide housing development. These regulations must be designed to protect the health, safety and welfare of existing residents with excluding any group due to age or income. To encourage a diversity of housing in the City, the following provisions should be implemented:

- Zero lot line development or other innovative site planning techniques
- Allowance of Planned Unit Developments
- Reduce surfacing width or depth requirements for residential streets
- Implement flexible land-clearing ordinances that protect the environment

- Establish criteria that ensure the fees are related and fairly proportional to the need for facilities and services generated by the proposed development
- Exempt or reduce fee schedules for affordable housing
- Implement a simplified and streamlined permit process
- Provisions for density bonuses if desirable objectives of the City are met such as environmental protection or affordable housing.

The use of these tools shall be included in the City's Fair Housing Policy. Zoning Ordinance amendments shall be considered by 2021.

5. *Role of the Champlin EDA*

The City established an HRA in January of 1981 to advise the City Council on matters pertaining to urban development, redevelopment, housing rehabilitation and affordable housing issues. In 1994, the HRA was abolished in favor of an EDA. The EDA is essentially the HRA with expanded development powers provided under law. The role of the EDA should continue to be encouraged. Future projects and roles include:

- Monitor the City's progress in implementing the Housing Element of the Comprehensive Plan.
- Invest in programs that help support the creation and maintenance of affordable housing.
- Form partnerships with other organizations involved in the development and preservation of affordable housing.