Housing Forum
Housing Focus Group/
Comp Plan Steering Committee/Planning Commission

January 22, 2018
COTTAGE GROVE 2040 COMPREHENSIVE PLAN

Comp Plan
Information
Vision/Goals
Alternatives
Implementation
Draft Plan
Final Plan

Metropolitan Council 2010 Generalized Existing Land Use

City Boundary
Farmsland
Single Family Detached
Single Family Attached
Multifamily
Manufactured Housing Park
Retail and Other Commercial
Office
Mixed Use Residential
Industrial and Utility
Extractive
Institutional
Park, Recreational or Preserve
Golf Course
Right-of-Way
Railway
Agricultural
Undeveloped
Water

June 9, 2016

0 4,500 9,000 Feet

Cottage Grove
Where Pride and Prosperity Meet
My Future Cottage Grove

Stantec
My Future Cottage Grove
Housing Recommendation

Develop a Housing Plan that reflects what Cottage Grove is becoming
2040 Comprehensive Plan
Community Vision and Themes

Cottage Grove is a welcoming city with convenient access to urban opportunities while enjoying recreational amenities, open spaces, high-quality schools, and a close-knit community. We strive to address these key themes in planning for the future:

Commercial/Retail Offerings – work to develop a greater variety of retail, restaurant and entertainment options
Business & Jobs – expand the City’s economy with good jobs, a strong workforce and ample land for business development
Transportation Connections – continue to develop walking, biking and transit as important complements to local and regional roadway access serving the City

Housing Options – strive to provide a diverse mix of housing types that are needed to serve all income levels and stages in the life cycle
Great Schools – work with the school district to support strong schools, to attract and retain families
Parks, Trails, & Recreation – continue to build the City’s parks and trail systems as a source of pride for residents

Serving All Generations – continue to create diverse and vibrant neighborhoods with equal access to services and amenities for all citizens
Mississippi River Access – work to provide public access to the river and appropriate development opportunities on Lower Grey Cloud Island
Environmental Stewardship – continue to protect and enhance the natural environment, including air quality, groundwater resources, stormwater management and energy usage
Defining Our Character – preserve and enhance the variety of neighborhood experiences in the City
2040 Comprehensive Plan
Community Vision and Themes

**Housing Options** – strive to provide a diverse mix of housing types that are needed to serve all income levels and stages in the life cycle

**Serving All Generations** – continue to create diverse and vibrant neighborhoods with equal access to services and amenities for all citizens
Key Themes are Interconnected

Commercial Retail

Housing Options

Transportation Connections

Business & Jobs

Parks & Trails
What does it mean in Cottage Grove to have diverse housing options for all incomes and ages?
What is Affordable Housing?

What is housing affordability?

According to the US Department of Housing and Urban Development (HUD):

**Housing is affordable to a resident if they pay less than 30% of their income towards housing costs.**

For people who own their homes, a general rule of thumb:

**A mortgage is affordable if it is less than 2.5 times the gross salary of the homeowner.**

Source: US Department of Housing and Urban Development

What is included in housing costs?

- If you own a home:
  - Mortgage(s)
  - Property Taxes
  - Insurance
  - HOA fee (if applicable)
  - Utilities

- If you rent:
  - Contract rent
  - Utilities
What is Affordable Housing?

How do you calculate affordability for a city or region?
When the Met Council sets affordable housing requirements, they do so based on the area median income (AMI). The Area Median Income is the median income a family makes in the 7-county metro area. It is important to note that a family does not include a single person supporting themselves.

Often, to qualify for HUD programs, a family must make 80% of the AMI or less. In Cottage Grove, we also define affordable units as units that are affordable to families making 30%, 50%, and 80% of the AMI.

What does the Met Council require?
The Met Council requires a total of **568 affordable units** to be built by 2040 in Cottage Grove.

- **30% AMI**: 333 units
- **50% AMI**: 221 units
- **80% AMI**: 14 units

Area Median Income
In 2014, for a family of four living in the Twin Cities Metro Area, annual pre-tax income is...

- **AMI in Twin Cities**: $82,300
- **30% AMI**: $26,000
- **50% AMI**: $43,300
- **80% AMI**: $65,800
What is Affordable Housing?

What is an affordable unit at a percent of AMI? What does it cost?

The following table uses the family incomes determined by the Met Council to outline what is affordable for these different groups. *Remember we are assuming a family of four.*

<table>
<thead>
<tr>
<th>Annual Family Income</th>
<th>Percent of Area Median Income</th>
<th>Affordable Annual Housing Costs</th>
<th>Affordable Monthly Housing Costs</th>
<th>Affordable Home Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26,000</td>
<td>30%</td>
<td>Up to $7,800</td>
<td>Up to $650</td>
<td>Up to $65,000</td>
</tr>
<tr>
<td>$43,300</td>
<td>50%</td>
<td>Up to $12,990</td>
<td>Up to $1,083</td>
<td>Up to $108,250</td>
</tr>
<tr>
<td>$65,800</td>
<td>80%</td>
<td>Up to $19,740</td>
<td>Up to $1,645</td>
<td>Up to $164,500</td>
</tr>
<tr>
<td>$82,300</td>
<td>100% (median)</td>
<td>Up to $24,675</td>
<td>Up to $2,056</td>
<td>Up to $205,750</td>
</tr>
</tbody>
</table>

Cottage Grove median home value: $204,600
What is Affordable Housing?

Housing Affordability in Cottage Grove

In Cottage Grove, median home values and rents are similar to surrounding communities and the Twin Cities region as a whole. Rents and home values are slightly lower than the Dakota County average and higher than the neighboring communities of Newport and St. Paul Park.
Market & Development Context/Housing

**Housing Development by Decade**

*Source: Assessor Data*

**Year of Housing Development**
- Red: 1930 - 1960
- Orange: 1961 - 1970
- Yellow: 1971 - 1980
- Light Yellow: 1981 - 1990
- Light Green: 2001 - 2014

**Townhome Developments**

*Source: Assessor Data*
Market & Development Context/Housing

Cottage Grove Projected General Occupancy Demand 2013-2020

- Total housing demand through 2020 = **2,500 + units**
- Total housing demand through 2030 = **3,500 + units**
- Total housing demand through 2040 = **4,500 + units**
Market & Development Context/Housing

Historic and Projected
Single Family Housing Production = 150 units/yr
(other housing = 50 units/year)
Opportunity Areas for Change
(most of the City won’t change)
Cottage Grove Potential Areas of New Housing Development

- New School
- North
- 70th & Keats
- East Ravine
- South
- H
- BRT
- Cottage Grove
- Mooers Lake
- Mississippi River
Harkness Avenue Small Area Plan

Existing Land Use

2030 Land Use Plan

Existing Zoning
Harkness Avenue Small Area Plan

<
Recommended Land Use Plan

Concept Plan

>
Washington County/Kimley-Horn BRT/Small Area Plan

80th Street Development Opportunity Areas
Washington County/Kimley-Horn BRT/Small Area Plan

80th Street Areas of Change
80th Street Scenario
(School District Site)
Potential short/mid term opportunities
Washington County/Kimley-Horn BRT/Small Area Plan

Jamaica Avenue Areas of Change
Washington County/Kimley-Horn BRT/Small Area Plan

Jamaica Scenario
(Short Term Opportunities: Alley Church and Peaceful Grove United Methodist Church sites)
My Future Cottage Grove

Housing Recommendation

• Polling Questions on Housing
• Real-Time Responses
• Hand-held Devices
What is your favorite dessert?

A. Ice cream
B. Cake
C. Cookies
D. Pie

0% 0% 0% 0%
How would you rate the quality of life in Cottage Grove?

A. Excellent
B. Good
C. Fair
D. Poor
How long have you lived in Cottage Grove?

A. Less than 1 year
B. 1-5 years
C. 5-10 years
D. 10-20 years
E. 20+ years
As things stand now, how long in the future do you expect to live in Cottage Grove?

A. Less than 1 year
B. 1-5 years
C. 5-10 years
D. 10-20 years
E. 20+ years
Do you think the current number of affordable rental units is...

A. Too many units
B. Too few units
C. About right
How much do you think the property value is for a detached single-family home for it to be considered affordable?

A. $100,000 - $200,000
B. $200,000 - $300,000
C. $300,000 - $400,000
D. Above $400,000
How much would you pay per month for a 2 bedroom apartment in Cottage Grove?

A. $800 - $1,000
B. $1,000 - $1,200
C. $1,200 - $1,400
D. $1,400 - $1,600
E. $1,600 +
How much do you think a new condo or townhome costs in Cottage Grove?

A. $100,000 - $150,000
B. $150,000 – 200,000
C. $200,000 - $250,000
D. $250,000 +
How much do you think a “starter” home for a young family costs in Cottage Grove?

A. $100,000 - $150,000
B. $150,000 - $200,000
C. $200,000 - $250,000
D. $250,000 - $300,000
E. $300,000 +
How much do you think a “move-up” home for a family looking for more space costs in Cottage Grove?

A. $200,000 - $250,000
B. $250,000 - $300,000
C. $300,000 - $350,000
D. $350,000 - $400,000
E. $400,000 +
Do you think the current number of single-level homes maintained by a homeowners association for seniors is...

A. Too many units  33%
B. Too few units  33%
C. About right  33%
What is the optimum residential lot size for detached single-family home in Cottage Grove?

A. 5,000 – 7,500 SF
B. 7,500 – 10,000 SF
C. 10,000 – 15,000 SF
D. Above 15,000 SF
What type of residential density should Cottage Grove value most?

A. Low Density: 1-4 units per acre
   - 33%

B. Medium Density: 5-10 units per acre
   - 33%

C. High Density: 10-20 units per acre
   - 33%
How would you rate general economic development in Cottage Grove?

A. Excellent
B. Good
C. Fair
D. Poor
Questions on Background

Discussion over Maps/Discuss Questions & Polling

Next Steps

Adjourn to Planning Commission
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