

## CHAPTER 3 – HOUSING

### HOUSING GOALS

Current (2030 Plan) Goals	Updated 2040 Plan Goals
Where appropriate, the City will encourage increased density through appropriately designed townhouses and apartments, a variety of single family detached-style homes with clustering, varying lot sizes, and shared open space.	[Moved to Land Use chapter goals and revised.]
Redevelopment will be encouraged and supported for areas that are obsolete or blighted, and where such redevelopment is to foster job growth and increase property values as well as create a more positive community image. The plan will include specific targeted areas such as the University Avenue corridor, the older industrial park located in the area of 105th Avenue and Nassau Street as well as select areas along Highway 65 and others, including residential areas, that have been identified through the planning process.	[Moved to Land Use chapter goals and revised.]
The City is committed to maintaining affordable life-cycle housing in our community.	Provide housing opportunities, which meets the needs of all generations and income levels, particularly varying type of independent and accessible senior housing.
The City will support development of multi-family housing projects, which are appropriately located and well designed. The City will create quality multi-family development, which respects open space, tree preservation and wetlands, creates positive community impacts and has access to services and transportation.	The City supports the development of well-designed and appropriately-located multi-family housing projects when these developments improve access to affordable housing and transit, creative positive community impacts, and preserve natural resources.
The City Council supports the goal of providing housing opportunities, which meets the needs of all generations and income levels, particularly entry level housing for families.	As housing preferences change, the City supports taking actions that improve the quality of the existing housing stock and supports the development of housing that meets the needs of the population today.
(Not a 2030 Plan goal)	Preserve the manufactured housing communities within Blaine as important affordable housing option.
Recognizing the change in demographics that will continue to occur in future years, the City will continue to encourage development and redevelopment of different types of senior housing within the community.	(See goals 2 & 4)

TABLE 1: HOUSING GOALS (INCLUDES COMPARISON TO 2030 PLAN GOALS)



The best comprehensive plans take into consideration the market forces that drive development. By analyzing such forces, the residents of Blaine will be able to thoughtfully guide growth instead of scrambling to react to it. Therefore, this section of the Comprehensive Plan examines how historical housing development trends, both locally and regionally, may illuminate future development trends over the next 20 years.

## HOUSING OVERVIEW

### Regional Growth Characteristics related to Residential development

Housing markets can vary greatly from one community to another within a large metropolitan region such as the Twin Cities. The forces that determine what type of housing gets built, how much housing gets built, and where that housing gets built can change dramatically from decade to decade or even year to year, often resulting in vastly different development experiences for individual communities such as Blaine. Nonetheless, metropolitan regions are, by definition, interconnected places. Any long-term projections of the housing market at a local level must first be viewed with an understanding of historical housing market trends at the metropolitan level.

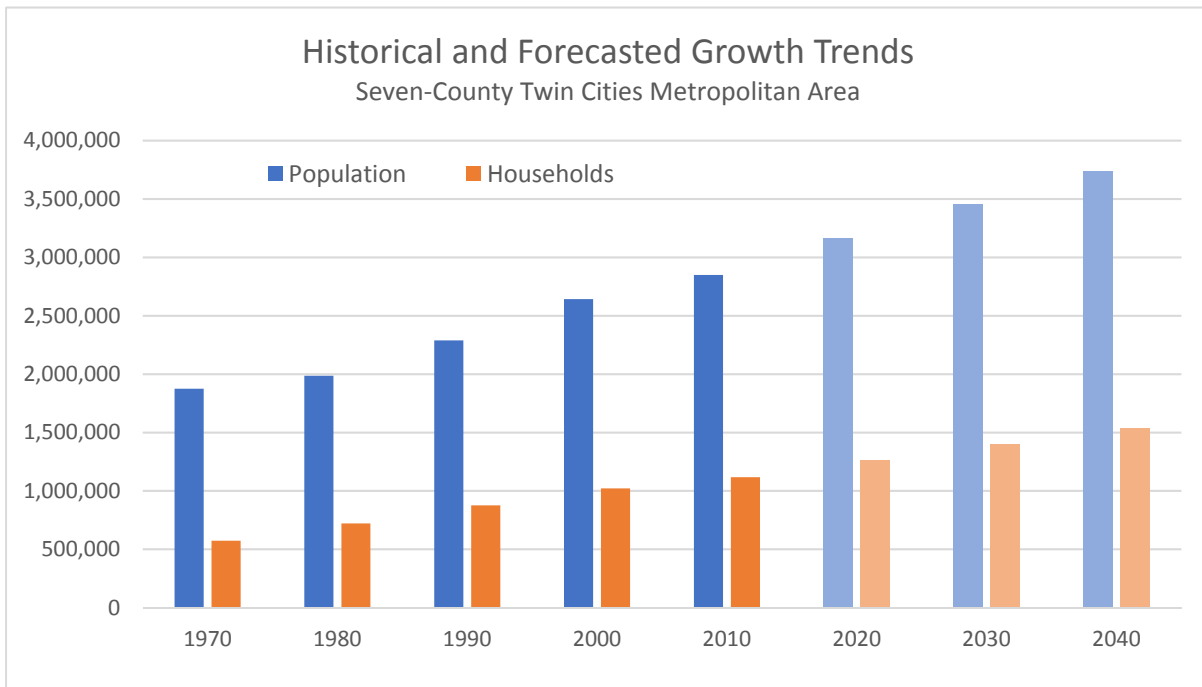
This section of the report examines regional demographic and construction trends associated with the Twin Cities housing market since 1970. In this section, we address overall household growth trends, changes in the age distribution of the population, where housing construction has been concentrated, and whether it has been predominantly single-family or multifamily.

### Metropolitan Population and Household Growth Trends

The seven-county Twin Cities region that is the jurisdiction of the Metropolitan Council (including Hennepin, Ramsey, Anoka, Washington, Dakota, Carver and Scott counties) has grown steadily from 1970 to 2010 and is projected to continue its steady rate of growth through 2040. Figure 3-1 indicates that in 1970 there were about 575,000 households in the seven-county region. By 2040, it is projected that the region will contain over 1.5 million households.



FIGURE 3-1 – HISTORICAL AND FORECASTED GROWTH TRENDS, 7-COUNTY TWIN CITIES METROPOLITAN AREA



The Twin Cities region overall is experiencing a period of growth, especially in areas closest to the region's urban core. The Metropolitan Council has predicted that the overall regional population in 2040 will be older, more racially diverse and more likely to live in smaller households than the current population of the present day. The needs and preferences of an aging and diversifying population is likely to translate to a higher regional demand for more smaller housing units and multifamily development, and if trends endure, a continued preference for locating in areas closer to the urban center. Communities such as Blaine that are considered "suburban edge" cities have developed rapidly since 1970. Since 2010, Blaine has one of the highest rates of population growth for any city in the metro area. Although the greatest gains in population are expected in the region's urban center, Blaine can expect a continued high rate of growth in the decades to come, and is expected to become fully or nearly fully developed by the year 2040.

Overall, regional population growth is outpacing new housing development. Between natural population increases and net in-migration, the region is experiencing high population growth which has not been matched by an equally high growth in the number of new housing units. In the past decade, this has resulted in very low vacancy rates and low overall housing availability, which has driven up the cost of housing across the region.



### Age Distribution

Housing markets are greatly affected by the age distribution of the population. Aging populations increase the demand on multifamily housing options which are better-suited for older residents who prefer the accessibility, lower maintenance and care options available in an apartment residential setting. Figure 3-3 shows that the share of the senior population across the region is expected to grow over the coming decades. Blaine has seen growth in its share of residents over the age of 60 over the past decade, echoing the regional trend. As the demand for multifamily housing increases with an aging population, more turnover of existing single family homes to younger families and households is also expected.

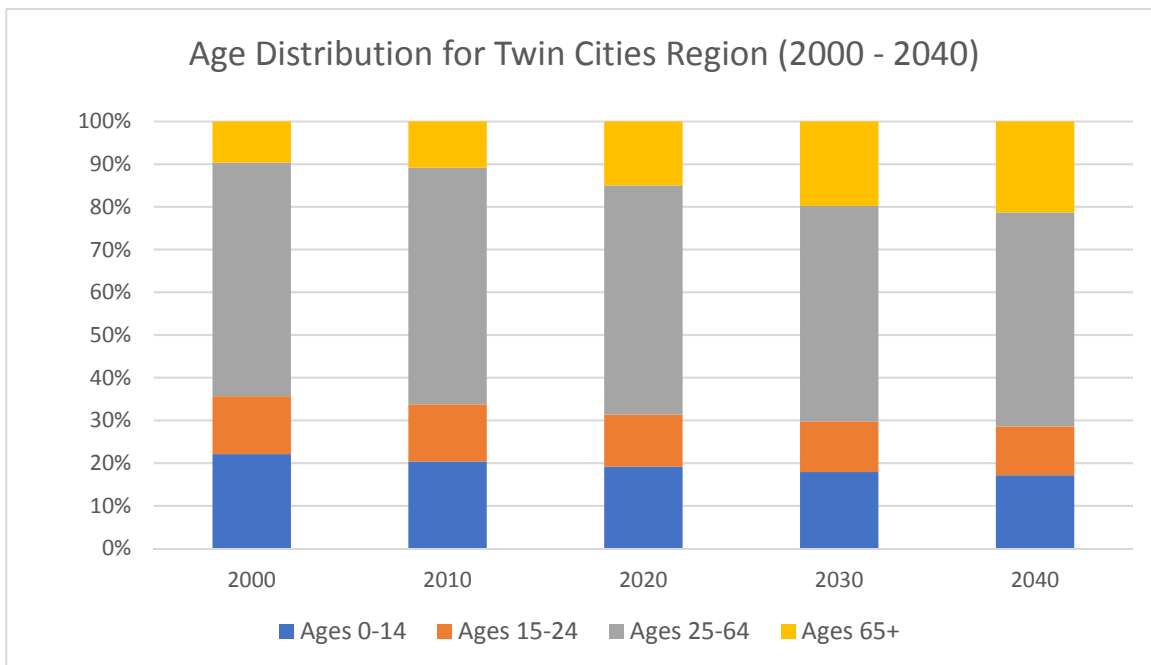


FIGURE 3-3: REGIONAL AGE DISTRIBUTION. (SOURCE: METROPOLITAN COUNCIL DATA).

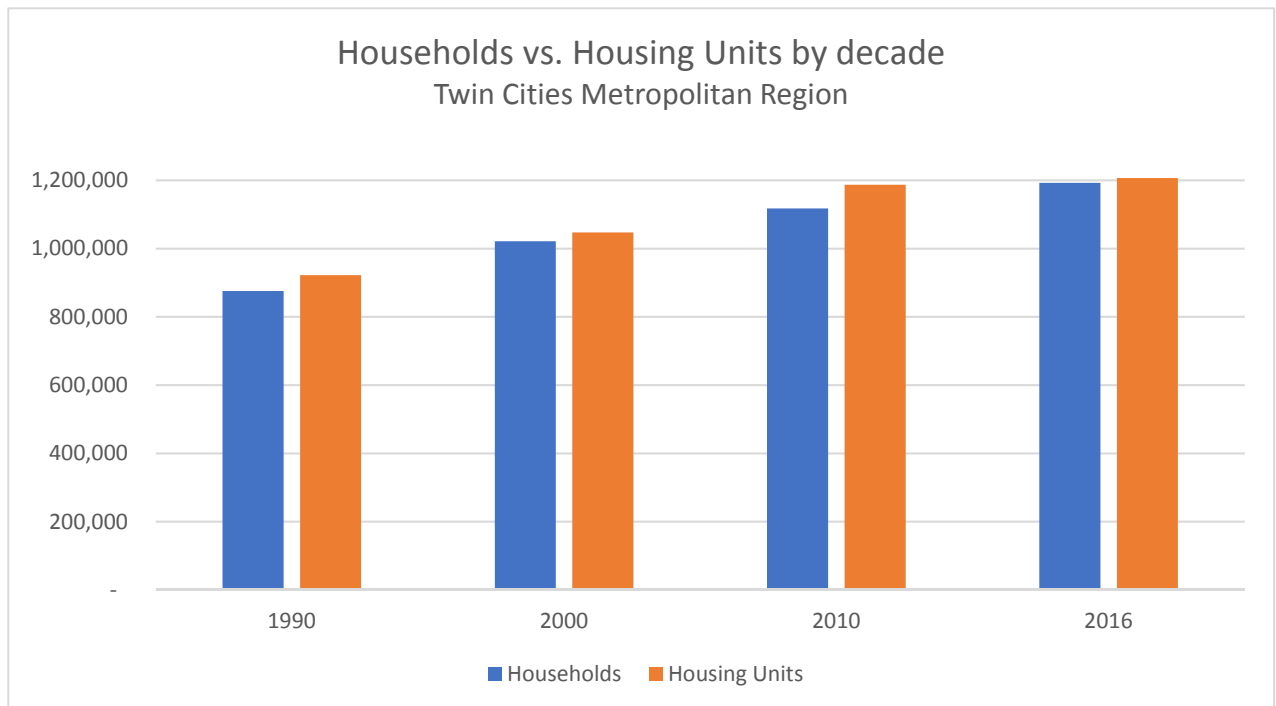
Blaine has historically provided a range of housing types and a higher rate of more affordable family housing options than other Twin Cities suburbs. Although its location is not at the core of the Twin Cities metropolitan area, Blaine can reasonably expect to be part of the shifting regional demographic landscape toward an older and more diverse population. The City will continue to provide a range of housing options that will serve a diverse population, and will consider opportunities to encourage multifamily and attached housing infill development to meet a growing regional demand that is driven particularly by older and aging residents.

### “Households” versus “Housing Units”

Although a household is, by definition, an occupied housing unit, the growth in the number of households does not always translate to a one-to-one growth in the number of housing units since housing markets are often affected by age distribution of the market, the cost of housing, the cost of land, and local regulations to name but a few factors. In addition, the long lead time nature of the housing industry means that it cannot respond immediately to changes in demand and at times, the number or types of housing units being created can be out of sync with the current demand.

Figure 3-4 helps visualize in recent decades the mismatch between the number of households and the number of housing units in the Twin Cities region. During the 1990s, the rate of new home construction was sharply curtailed in response to an oversupply of housing units. By the end of the 1990s, however, household growth exceeded expectations and pent-up demand for housing sharply increased setting the stage for tremendous amounts of new construction in the early 2000s. Lingering effects of this explosive growth in new construction can be seen in 2010 where there is a significant gap between housing units and households. However, the housing market collapse in the late 2000s brought a sharp end to explosive growth in housing supply. The most recent 2016 estimates show that the mismatch between housing units and households in the region has narrowed to its smallest margin in decades. Blaine is no exception to this trend and has seen dramatic slowing of new construction and lower vacancy rates over the past decade.

FIGURE 3-4

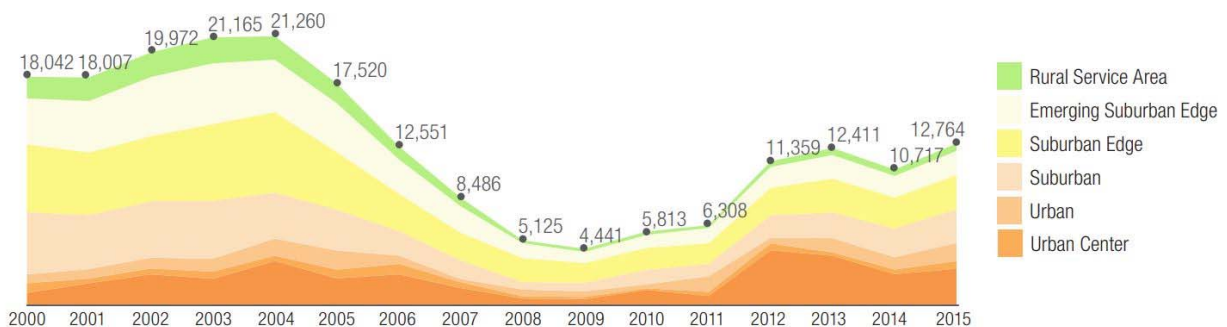


## New Housing Units by Community Designation

The preceding factors of rate of growth, age distribution, and relative supply of new units often come together to affect where new units tend to get built in a region. For example, sharp increases in the demand for housing among younger households ages 18 to 34 may likely mean increased pressure to develop land where housing costs are the least expensive (i.e., exurban or rural areas) or can achieve significant economies of scale (i.e., multifamily developments on in-fill sites).

Figure 3-5 depicts where new units have been added in the metropolitan area since the year 2000 by *community designation*, which is a Metropolitan Council classification that correlates with community location, historical development pattern and land use characteristics. Before the recession, suburban-designated communities saw by far the largest shares of new housing unit development in the region. The recession caused a dramatic overall decline in new unit construction compared to early 2000s levels of development. Following the recession, there has been a significant increase in the share of new housing unit construction occurring in the urban and urban center communities, and an “evening out” of new housing development across the different community designation types in the region.

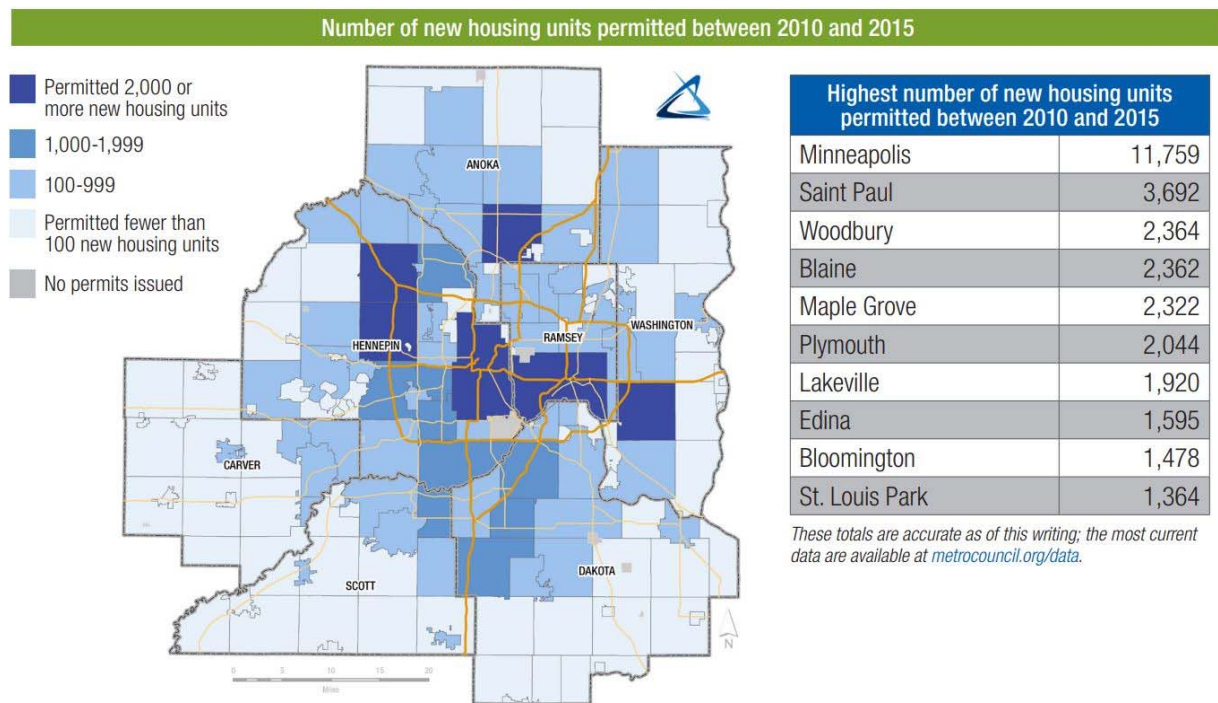
FIGURE 3-5: PERMITTED NEW HOUSING UNITS BY COMMUNITY DESIGNATION, 2000-2015



Source: Metropolitan Council's Residential Building Permit Survey, 2000-2015. Building permit data are occasionally updated. The most current data are available to view and download at [metro council.org/data](http://metro council.org/data). A detailed description of Community Designations is available in the regional development guide, *Thrive MSP 2040* [PDF].

Suburban edge communities such as Blaine, where some land remains for development, are still seeing a significant portion of the region's new unit construction as they were before the recession. Since 2010, Blaine has produced more new housing units than almost any other city in the metro area, as shown in Figure 3-6.

FIGURE 3-6



### Shifts in Type of New Housing Constructed

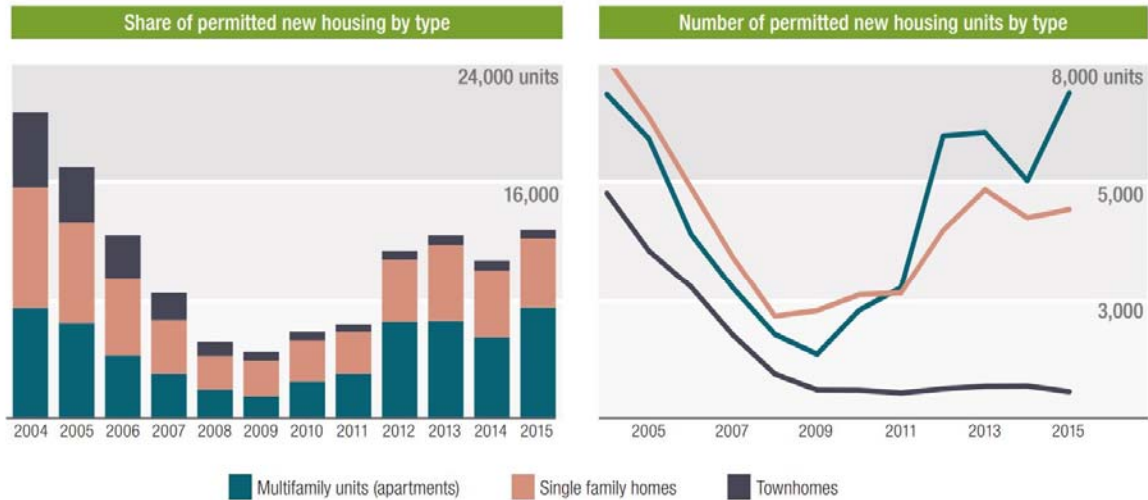
Detached single-family housing tends to be the most expensive type of housing because it requires the most land. In the 1990s, there was a sharp departure from the relative balance between single family and non- single family units of the previous three decades, as the vast majority of homes built were detached single- family homes. This likely is the result of a period in the early part of the decade when land prices were depressed because of an oversupply of homes, thus making detached product relatively more affordable, and because of the large number of persons in the age groups between 35 and 64, which are the prime years for owning a single-family home when families often have school-aged children at home.

In more recent years, multifamily housing development has rebounded significantly as land costs have increased and location preferences have shifted inward toward the urban core. Figure 3-7 illustrates the shifts in new housing construction by type in the time period from 2004 to 2015. Perhaps one of the most significant changes during this timeframe has been the decline in the development of new townhomes, most likely due to decreases in cost feasibility and demand for the product.





FIGURE 3-7



Source: Metropolitan Council's Residential Building Permit Survey, 2004-2015. Building permit data are occasionally updated. The most current building permit data are available to view and download at [metro council.org/data](http://metro council.org/data).

### Income Growth, Housing Value and Cost Burden

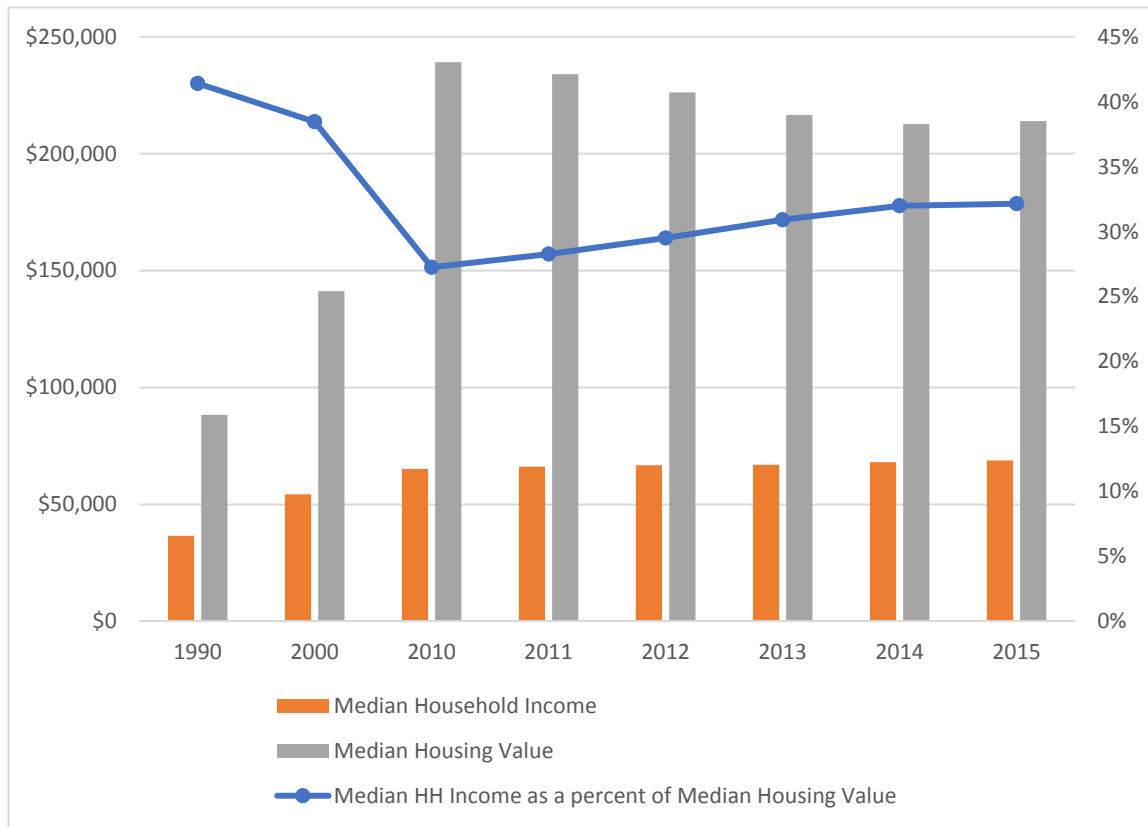
One of the biggest impacts on the rate and type of new development is the relationship between income and home value. If the cost of housing takes a larger and larger percentage of a family's income, the result is often the delay of purchasing new housing or the willingness to purchase a smaller home with less surrounding land. Figure 3-9 shows that the relationship between income and home values can change over time. This can occur for a variety of reasons, including the introduction of more financing flexibility, readily available vacant land, and transportation congestion or improvements, to name a few.

Not surprisingly, the value of housing relative to income can have an impact on housing choice. In 1990, the ratio of median household income to median housing value in the region reached almost 45 percent, but by 2010 that ratio had dropped to under 30 percent. Figure 3-8 shows that from 1990 to 2010 the rate of income growth was outpaced by the growth in housing value. Since 2010 the ratio of income to housing value has shown a steady increase again, but has not come close to 1990 levels. As housing consumers have experienced a decline in their relative buying power relative to the value of homes in the region, their housing choices have become more constrained.



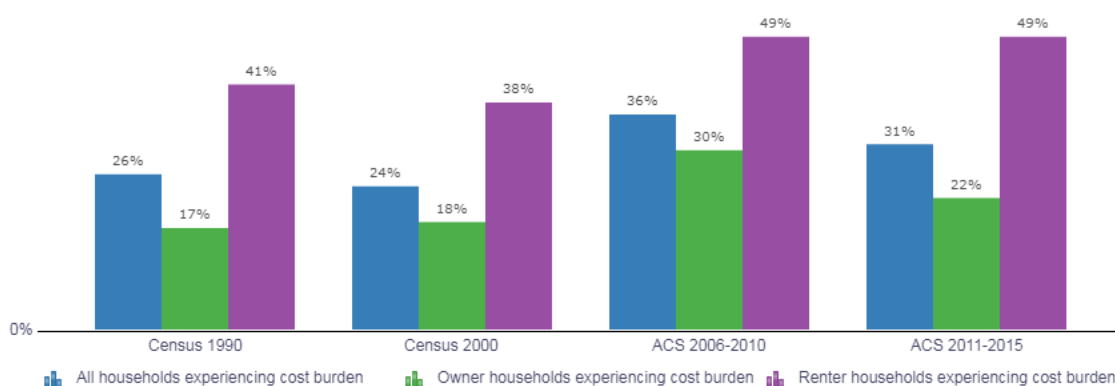


FIGURE 3-8: COMPARING MEDIAN HOUSEHOLD INCOME AND MEDIAN HOUSING VALUE



Perhaps unsurprisingly, the region's housing cost burden has increased since 1990, which likely correlates with the phenomenon of rising housing values relative to household income. Cost burdened households are those that spend more than 30 percent of their income on housing. Figure 3-9 shows that overall, the share of cost burdened has decreased from a 2010 high of 26 percent, but cost burden among the renting population remains as high as it has ever been at nearly one in two renting households experiencing cost burden across the region.

FIGURE 3-9: PERCENT OF HOUSEHOLDS EXPERIENCING HOUSING COST BURDEN IN THE TWIN CITIES REGIO

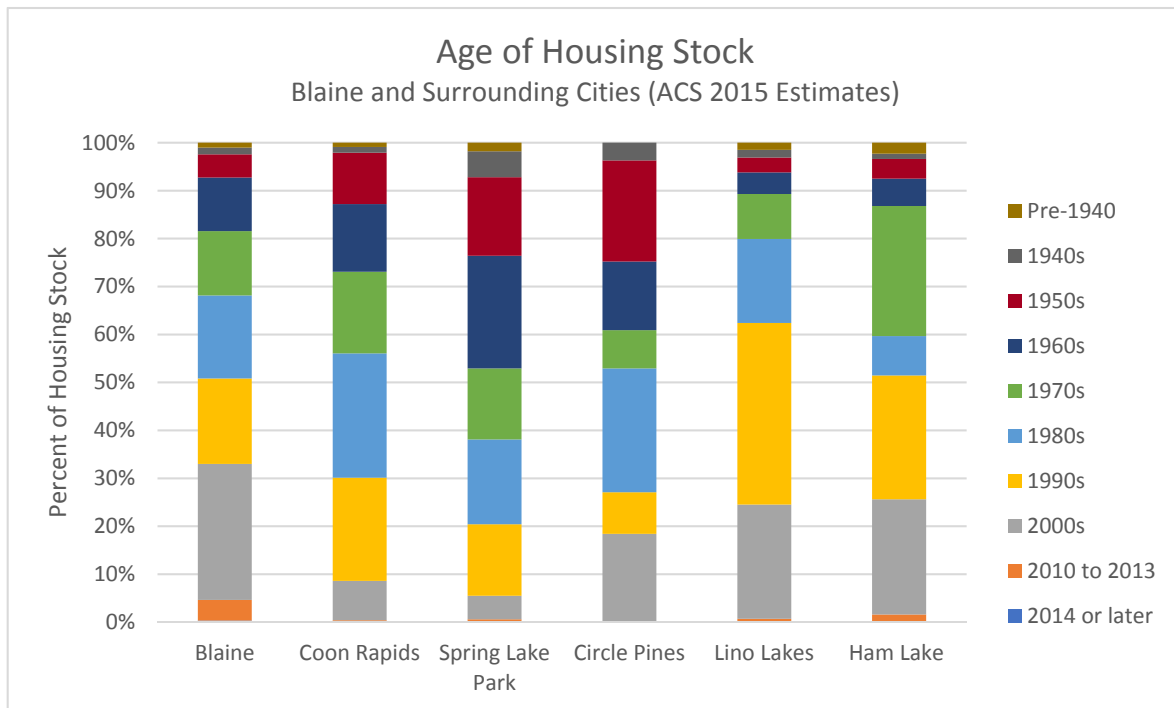


## HOUSING CONDITIONS IN BLAINE AND NEARBY COMMUNITIES

### Age of Housing Stock

Blaine began suburban-style development in the 1960s and has had consistent growth each decade since. Therefore, much of its housing stock is spread somewhat evenly over several decades (Figure 3-10), although Blaine experienced a housing construction boom in the 2000s. Coon Rapids, Blaine's neighbor to the west, has had a similar development history, however, the smaller and older communities to the south and southeast have a much larger proportion of their housing stock that is over forty years old. In contrast, Lino Lakes and Ham Lake have a much younger housing stock because of a higher percentage of homes built since the 1990s.

FIGURE 3-10: AGE OF HOUSING STOCK IN BLAINE AND SURROUNDING COMMUNITIES



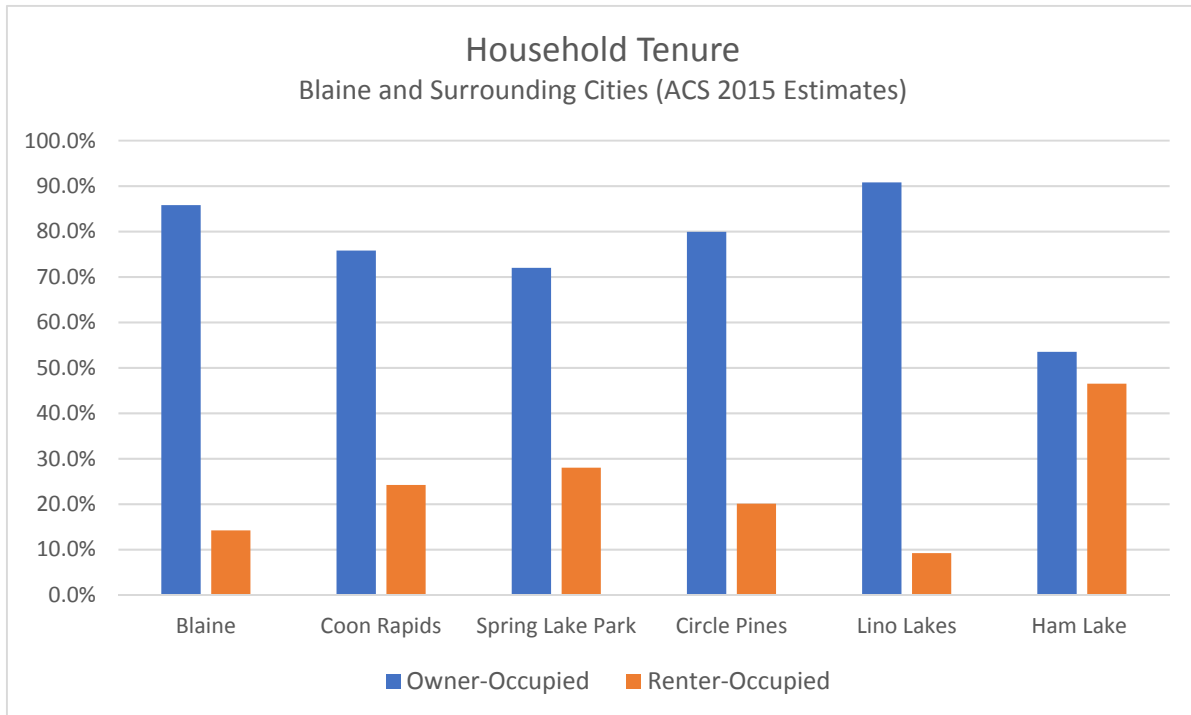
### Household Tenure

According to 2015 ACS estimates, 86 percent of households own their housing in Blaine (Figure 3-11). This is a much higher percentage than the metro-wide rate of 68 percent. Blaine's older neighbors to the south and west have a slightly lower rate of homeownership. Blaine's younger neighbors to the north and east have a slightly higher rate of homeownership. These differences can be somewhat explained by the fact that older communities have experienced a greater degree



Blaine 2040 Comprehensive Plan Chapter 3: Housing of infill development and redevelopment, which tends to consist of more multifamily, rental housing.

FIGURE 3-11: HOUSEHOLD TENURE, BLAINE AND SURROUNDING COMMUNITIES (2015)

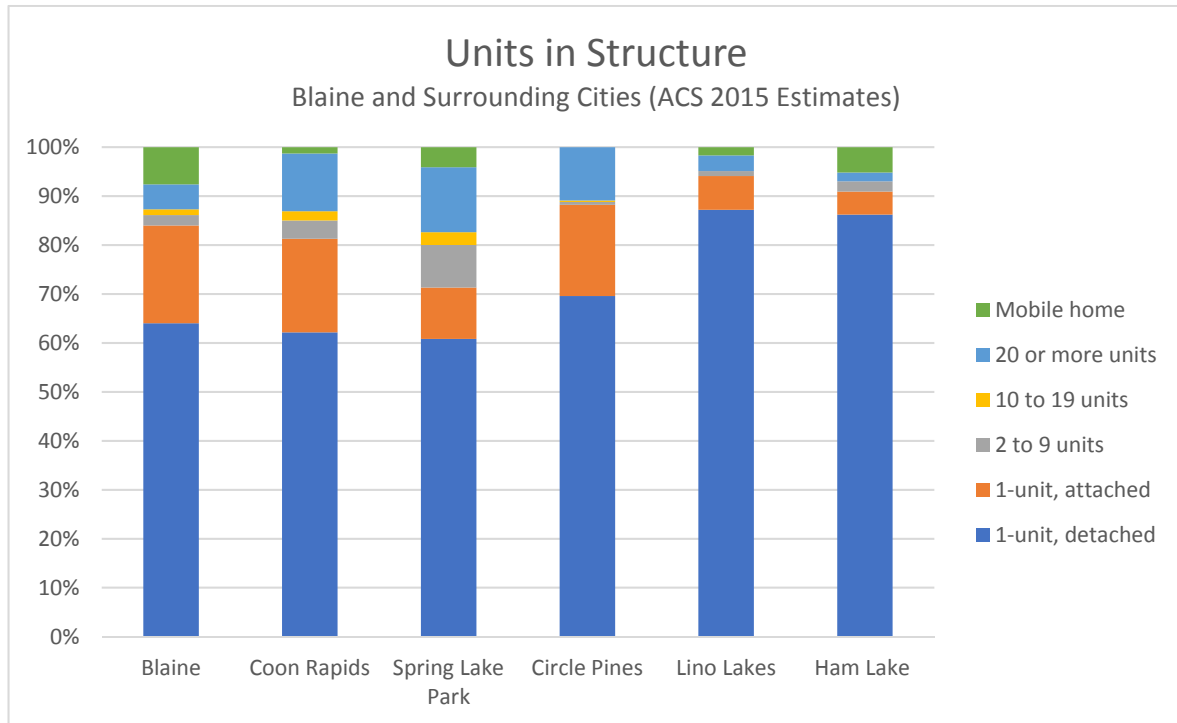


### Units in Structure

Although detached, single-family homes are the most prevalent type of housing in Blaine (64%), other significant types of housing include townhomes (20%) and mobile homes (7.6%). The concentration of mobile homes in Blaine is noteworthy because only one percent of all homes metro-wide are mobile homes and Blaine has the largest supply of manufactured housing parks in the state. No new parks have been built since 1991, and 10 parks have closed since then. Coon Rapids and the smaller neighbors to the south have a similar percentage of detached, single-family homes compared to Blaine. In contrast, Lino Lakes and Ham Lake have a much higher percentage of single-family homes, which is due in part to less availability of municipal services and lesser ability to build at multifamily densities.



FIGURE 3-11: UNITS IN STRUCTURE, BLAINE AND SURROUNDING CITIES (2015)



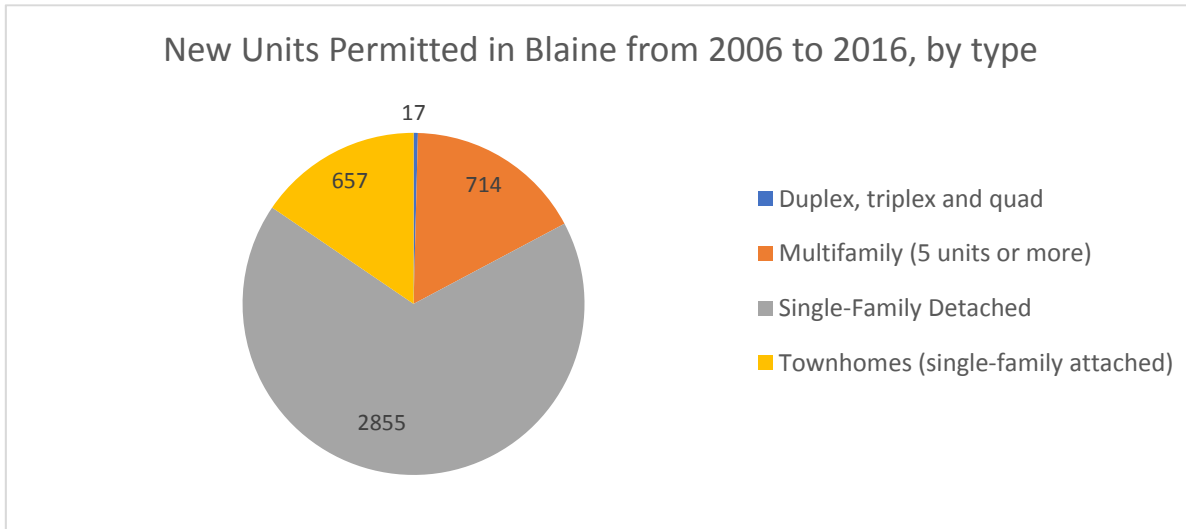
### Pattern of Recent Construction

Although detached, single-family homes have dominated the development landscape in Blaine and its neighbors overall, recent trends suggest that various types of multifamily product are becoming more prevalent. In the decade between 2006 and 2016, one third of the new units constructed in Blaine were either townhomes or multifamily units (Figure 3-12). This is a big departure from historic housing development trends. Much of this change can be attributed to demographic shifts, in which older households are downsizing from single-family homes to maintenance free, attached dwellings, as well as market trends that make multifamily housing more palatable to developers.

Since 2010, Blaine has captured a significant amount of home construction in Anoka County. Over 2,326 units have been permitted for construction, which is, on average, about 465 units per year. This is far more units than any other community adjacent to Blaine.



FIGURE 3-12: PERMITTED NEW UNITS IN BLAINE, 2006-2016



### HOUSING DEMAND AND HOUSING NEEDS IN BLAINE

Although much of Blaine has been developed over the past four decades, the City is currently on the developing edge of the north central sector of the Twin Cities metropolitan region. Significant growth is expected to occur in Blaine through 2040. Over the next 25 years, most of the growth in this area will likely occur in the remaining undeveloped portions of Blaine's northeastern and northwestern areas, since both contain significant tracts of undeveloped land with planned sewer service that will conceivably be developed and marketed to the largest and most active segments of the market.

As of 2016, the Metropolitan Council forecasts that Blaine will grow by about 9,700 households by 2040. The land use and staging portion of this plan demonstrates there is an expectation that about a quarter of this growth will occur between present and 2020, 65% between 2020 and 2030, and about 10% in the decade from 2030 and 2040. This forecasted growth represents a shift from the the Metropolitan Council's decadal forecasts by anticipating that the majority of the City's growth will occur by the year 2030. This shift is due to current market development trends in the City. This staging plan does not alter the overall forecasted growth for Blaine for the year 2040.

Table 3-3 shows the historical household census for Blaine compared to Anoka County overall, as well as forecasts for 2020, 2030, and 2040. Blaine's rate of growth largely surpassed that of the County from the 1980s through the 2000s, but households are expected to grow at a similar rate to the County in the decades to come. Blaine is expected to capture about 22 percent of the Anoka County's growth in the planning period from 2016 to 2040.



TABLE 3-X: HOUSEHOLD HISTORY AND FORECASTS

	Actual				Estimate	Forecast		
	1980	1990	2000	2010	2016	2020	2030	2040
Blaine	8,474	12,825	15,926	21,077	23,586	25,100	29,200	33,300
(increase)		51%	24%	32%	12%	6%	16%	14%
Anoka County	60,716	82,437	106,428	121,227	128,135	136,860	155,300	171,930
(increase)		36%	29%	14%	6%	7%	13%	11%
Source: U.S. Census, Metropolitan Council estimates and forecasts.								

Blaine's growth is projected to continue, as development occurs in undeveloped areas of the County and sewer is extended to the rest of the City. It is forecasted that Blaine will add an additional 23,000 people between 2016 and 2040. It should be noted that Blaine's household growth is anticipated to slightly outpace its population growth, but only by a small margin of 5 percent. In other words, Blaine's population and households are expected to grow at largely the same rate through 2040.

### Age Breakdown and Housing Needs

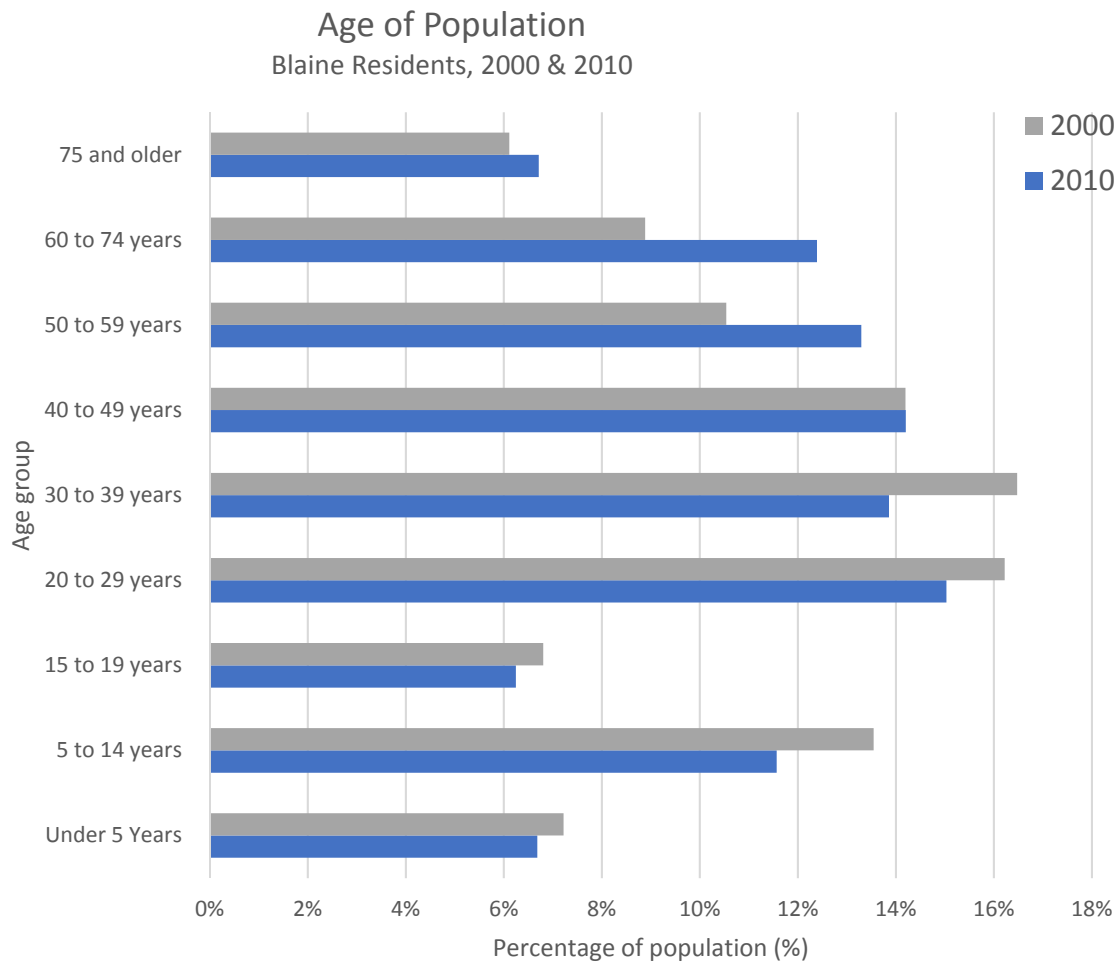
Figure 3-13 shows the age breakdown of the City's population. Blaine's population is aging; in the decade from 2000 to 2010, the senior population grew in overall share, while the share of younger adults (aged 20 to 40) declined. Currently, 84 percent of Blaine's housing is single-family dwelling units. While Blaine is (and will likely remain) a community with a large number of family households, the city may continue to see increases in the senior population, which is likely to increase the demand for apartment-style units that are smaller in size and cater to one or two occupants, require less maintenance and are better-suited to in-home care services. As seniors age out of their homes and are able to transition into age-appropriate housing options, their housing units will likely continue to filter to younger families and professionals.

The need to allow for and encourage a full suite of life cycle housing options to meet the needs of the population is expressed in this Housing Goal:

*Provide housing opportunities, which meets the needs of all generations and income levels, particularly varying type of independent and accessible senior housing.*



FIGURE 3-13: AGE OF POPULATION, 2000 &amp; 2010



## Affordable Housing Assessment

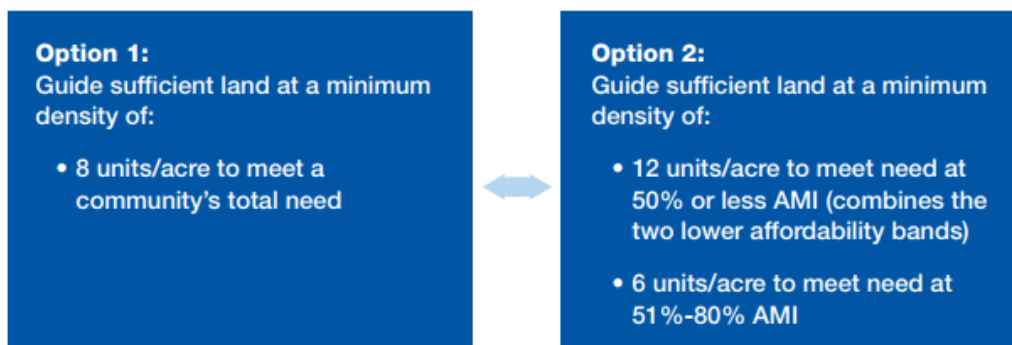
Housing cost burden and the availability of affordable housing is a significant issue facing the Twin Cities Metropolitan region. Construction of new affordable housing has declined significantly over the past 15 years, while the share of households living with a housing cost burden has been rising. The comprehensive planning process is an opportunity for every community in the region to analyze their existing affordable housing goals and actions, and to work together to address regional affordable housing needs. The 1976 Metropolitan Land Use Planning Act (MLUPA) enacted by the state legislature requires communities in the region to include in their comprehensive land-use plans a housing element that acknowledges the city's share of the forecasted regional need for low- and moderate-income housing.

Defining housing affordability is a challenge, but there are several metrics that attempt to get at the underlying issue of affordability as it relates to housing.





- **Existing affordable housing** – This is a measure of the existing housing stock of a community and the costs of that housing compared against regional Area Median Income (AMI) levels. Housing affordability is assumed to be a housing cost that is at or less than 30% of a household’s income, and can be further broken down into “affordability bands”.
- **Cost-burdened households** – This is a measure of how many existing households in a community are paying more than 30% of their income toward housing. Cost burden can be further broken down into “income bands” based on AMI.
- **Affordable Housing Performance Score** – Assessed annually, this is a score ranging from 0-100 that captures the effectiveness of a community’s affordable housing efforts and policies. Higher scores indicate better affordable housing performance.
- **Affordable Housing allocation** – This is the determination of each community’s share of the regional affordable housing need. This allocation is based on each community’s existing affordable housing stock and projected growth and adjusted by the balance of low-wage jobs and workers.
- **Guided land use density** – Metropolitan Council guidance establishes density as a proxy for planning for new affordable housing in the community. The Metropolitan Council defines two different mechanisms for guiding sufficient land in a community to meet the affordable housing allocation. Blaine has met the requirements using Option 2.



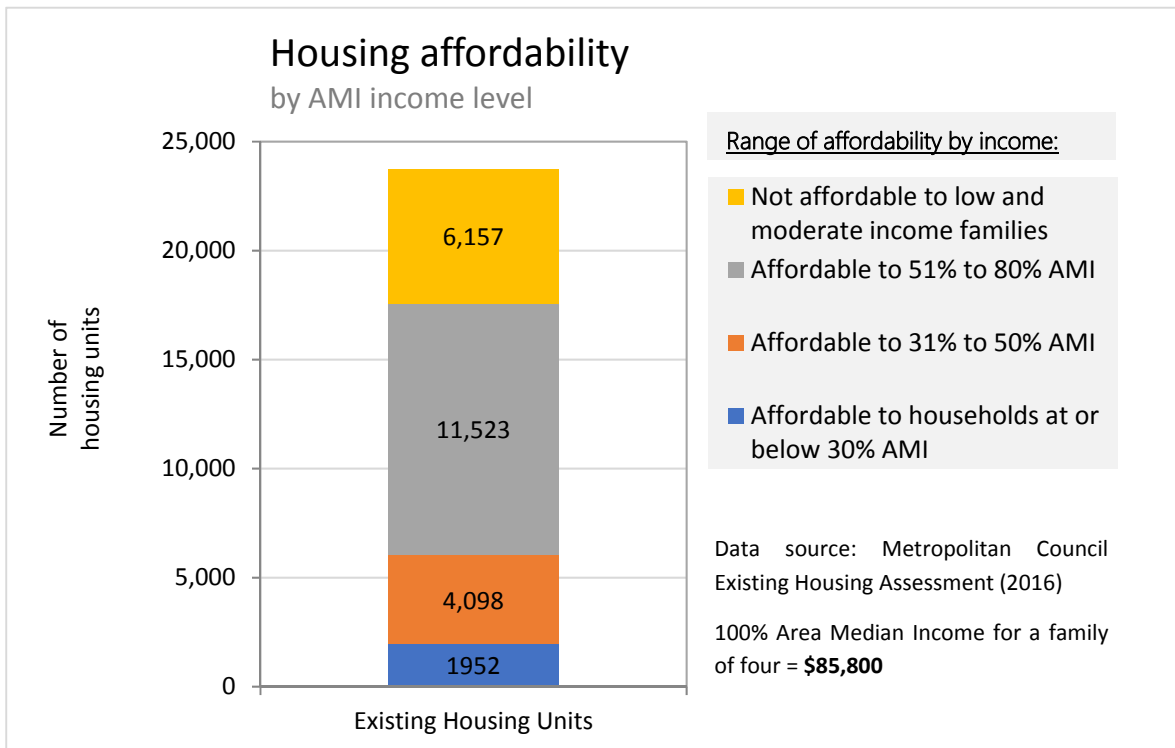
- **Affordable housing tools** – The tools and strategies to produce or maintain affordable housing are important link connecting affordable housing goals to outcomes. These will be discussed in this chapter.

The above are all metrics to consider when examining Blaine’s affordable housing landscape, and will be discussed in this section. Ultimately, Blaine’s affordable housing **needs** should be determined by a combination of existing data on housing stock and income levels as well as forecasted future need projected by affordability factors. This in turn should drive Blaine’s affordable housing **goals**, which can be addressed through the identification of practical and actionable **tools and strategies** that the city is willing to enact or encourage.

### Existing Affordable Housing

Based on a 2016 Metropolitan Council assessment of Blaine's existing affordable housing stock, nearly three-quarters of Blaine's existing housing stock is considered affordable to households making less than 80 percent of the Area Median Income (AMI) (Figure 3-14). Most of this housing is affordable to households in the highest income band, or those making 50 to 80 percent of AMI.

FIGURE 3-14



Compared to neighboring cities, Blaine's affordable housing rate is lower than its older neighbors to the south and west, but considerably higher than both Lino Lakes and Ham Lake. Blaine's existing affordable housing share is comparable to the overall regional share (Figure 3-15 below).

TABLE 3-4

	Existing Affordable Units			
	at <30% AMI	at 31-50% AMI	at 51-80% AMI	Total Affordable Units
Blaine	8%	17%	49%	74%
Coon Rapids	5%	34%	52%	91%
Spring Lake Park	9%	37%	49%	95%
Lino Lakes	2%	11%	43%	56%
Circle Pines	<1%	37%	47%	84%
Ham Lake	5%	7%	40%	52%
Twin Cities region	6%	22%	40%	68%

Source: Met Council Existing Housing Assessment 2016



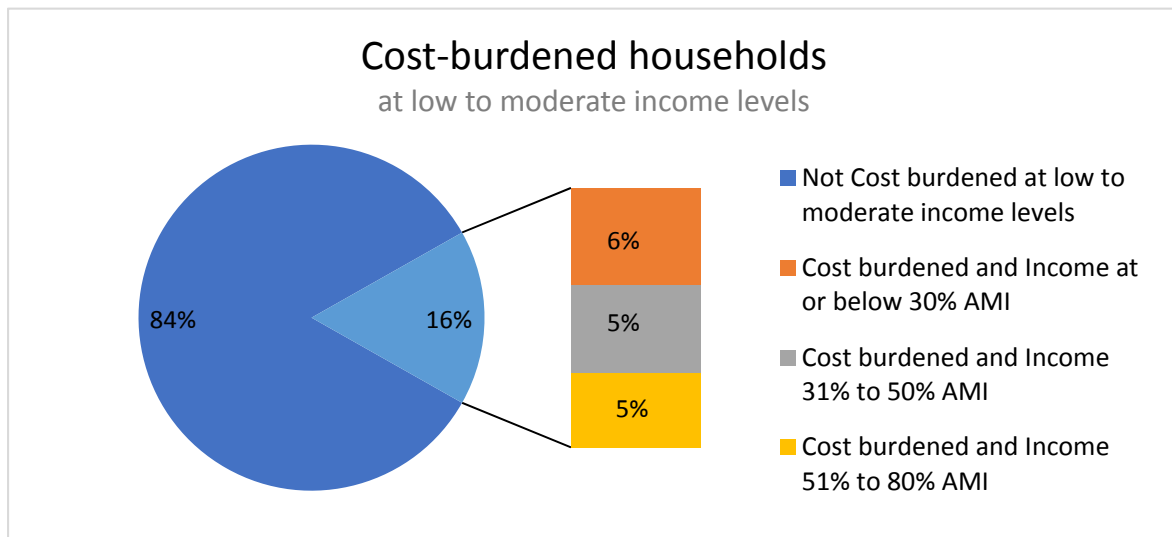
### Cost-burdened Households

While the price of housing units relative to area median income is one measure of housing affordability in a community, another way to examine the impact of housing costs is by looking at **cost-burdened households**. Households are “cost-burdened” if their housing costs are at or over 30 percent of their income. This is an indicator of households that are spending a disproportionate share of their income on housing. The implications of a housing cost burden are most severe for households in the lowest income tier.

**FIGURE 3-15** illustrates the share of low-to-moderate income households that are cost-burdened in Blaine, by AMI income level. In total, 16 percent of Blaine’s low-to-moderate income households are cost-burdened, and that share is spread evenly across the three income bands.

Notably, the cost-burdened share is lower in every income band than the supply of existing affordable housing indicated in the previous section. From a supply perspective, Blaine has more affordable housing in its current stock than the existing cost-burdened household share. This does not mean that Blaine has a “surplus” of affordable housing, but rather that Blaine is currently well-positioned to offer affordable options to its cost-burdened households – provided that the affordable housing types match with cost-burdened household needs.

**FIGURE 3-15**



Source: Met Council Existing Housing Assessment 2016

Overall, Blaine is comparable to most of its neighboring communities when it comes to a breakdown of housing cost burden by income, and has a lower total rate of housing cost burden than the Twin Cities region overall (see Table 3-5 below).

**TABLE 3-5**



	Cost-burdened Households			
	at <30% AMI	at 31-50% AMI	at 51-80% AMI	Total Affordable Units
<b>Blaine</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>16%</b>
Coon Rapids	9%	9%	5%	23%
Spring Lake Park	4%	10%	4%	18%
Lino Lakes	6%	5%	4%	15%
Circle Pines	4%	6%	5%	15%
Ham Lake	8%	8%	11%	27%
<i>Twin Cities region</i>	<i>10%</i>	<i>8%</i>	<i>6%</i>	<i>24%</i>
<i>Source: Met Council Existing Housing Assessment 2016</i>				

### Affordable Housing Performance Score

The Metropolitan Council produces on an annual basis a score for each community that indicates its progress on affordable housing. This score, the Housing Performance Score, assigns each community a score between 0 and 100 and this score is used in the evaluation and prioritization of applications for funding by the Metropolitan Council. Some of the funding sources that are affected by this scoring system include the LCA Fund, Smart Growth initiatives, transportation – TEA-21, Metro Environment Partnership grants, and other investments and programs such as those for parks and open space.

In 2016, Blaine's Housing Performance Score is 93 which puts it among the upper tier of performers in the region. A comparison with nearby communities is contained in Table 3-6.

**TABLE 3-6: AFFORDABLE HOUSING PERFORMANCE SCORES**

	Housing Performance Score
<b>Blaine</b>	<b>93</b>
Anoka	82
Circle Pines	30
Coon Rapids	98
Fridley	79
Lexington	25
Lino Lakes	56
Mounds View	69
Spring Lake Park	27



### **Affordable Housing Allocation**

For the required local comprehensive plan updates prepared for the period 2008 to 2018, the Metropolitan Council has asked communities to plan for new affordable and life-cycle housing for 2021-2030 in numbers consistent with the community affordable housing allocations identified in the Thrive 2040 Housing Policy Plan.

In order to determine the regional need for affordable housing for 2021 – 2030, the Metropolitan Council followed a forecasting process. In the 2021–2030 time period, the definition of affordable housing will be a unit that is priced at or below 30% of gross income of a household at three different affordability bands related to the Area Median Income, which in 2016 was \$85,500 for a family of four. The three different income affordability bands are: less than 30% AMI, 31-50% AMI, and 51-80% AMI.

There is a complex method for projecting affordable housing need. The first step was to forecast the land consumption needs on a regional basis for new construction of affordable housing. The second stage was to tie the forecasted affordable housing needs to forecasted household growth in sewer- serviced areas. Finally, the third stage was to adjust each community's allocation by two factors related to affordable housing. These factors are as follows:

- Low-Wage Job Proximity Ratio

This factor considers the ratio of the amount of low-wage jobs in an area compared to the number of low wage workers. Communities that have an abundance of low wage jobs but relatively few low wage workers are forced to import low wage workers. This imbalance can be mitigated to some extent through the provision of additional affordable housing. Blaine was determined to have a well-balanced job and housing market. The ratio of 0.91 indicates that Blaine has slightly more low-wage workers than job opportunities and therefore Blaine's affordable housing allocation was reduced by 46 units by this adjustment factor.

- Affordable Housing Stock

This factor considers a community's existing supply of affordable housing, reducing requirements for communities that already supply higher levels of affordable housing. This factor is estimated using Metropolitan Council estimates based on 2013 and 2014 MetroGIS Regional Parcel Datasets; 2008- 2012 Comprehensive Housing Affordability Strategy (CHAS) data; and the Metropolitan Council's annual survey of manufactured housing parks. 81% of Blaine's current housing stock was determined to be affordable to low-income households, which is above the Metropolitan Council's average of 66%; therefore, Blaine's affordable housing allocation was decreased by 162 units by this adjustment factor.



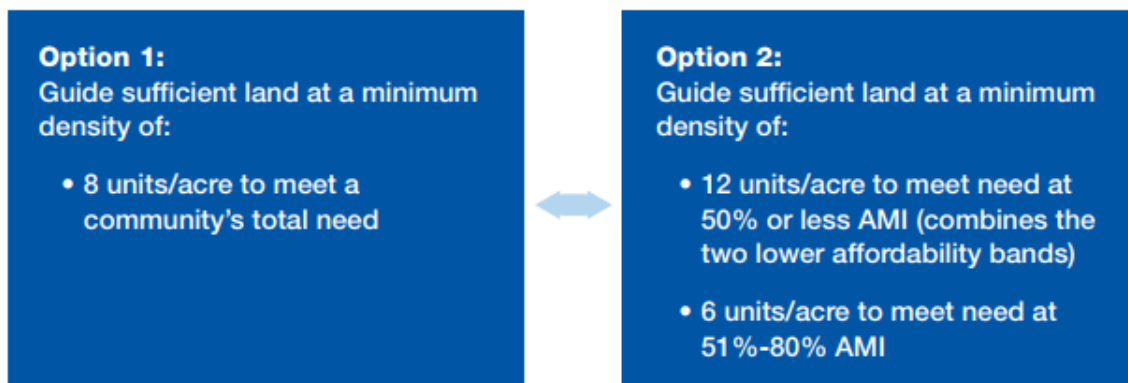
Table 3-8 contains Blaine's 2021-2030 affordable housing allocation, broken down by AMI band.

**TABLE 3-8: BLAINE AFFORDABLE HOUSING ALLOCATION FOR 2021-2030**

Affordability Band	Required Units
At or Below 30% AMI	527
From 31 to 50% AMI	299
From 51 to 80% AMI	313
<b>Total Affordable Allocation Units</b>	<b>1,139</b>
<i>AMI = Area Median Income</i>	

### Guiding Sufficient Land for Affordable Housing at Appropriate Densities

Metropolitan Council guidance establishes density as a proxy for planning for new affordable housing in the community. Sufficient land use guidance at densities appropriate to meet the community's affordable housing allocation is required. The Metropolitan Council defines two different mechanisms for guiding sufficient land in a community to meet the affordable housing allocation.



The Land Use chapter of this plan describes Future Land Use guidance in great detail, and demonstrates the Blaine is able to meet its affordable housing allocation using Option 2. The following table, modified from the Land Use chapter, shows the residential future land use district guidance including guided acreage, density range, decadal staging, and expected units using the *minimum* of the density range. Those districts whose minimums meet the 6 and 12 unit per acre requirements of Option 2 are highlighted in **TABLE 3-9**, followed by the resulting housing units that meet the density requirements of the affordable housing allocation that are expected within the 2021-2030 decade.



TABLE 3-9: SUMMARY OF LAND USE GUIDANCE FROM 2040 PLAN EXPECTED TO RESULT IN AFFORDABLE HOUSING UNITS

			Acres			Density Range			(Minimum) Units			(Midpoint) Units		
Residential Land Use Districts	Land Yield	Total Acres	2020	2030	2040	Min	Mid	Max	2020	2030	2040	2020	2030	2040
High Density Residential	100%	36.71	0.00	36.71		12	18.5	25	0	441	0	0	679	0
High Density Residential/Planned Commercial	50%	48.31	4.69	43.61		12	18.5	25	28	262	0	43	403	0
High Density Residential/Planned Industrial	50%	25.07	0.00	25.07		12	18.5	25	0	150	0	0	232	0
High Density Residential/Planned Commercial/Industrial	50%	23.44	13.36	10.08		12	18.5	25	80	60	0	124	93	0
Medium/High Density Residential (High)	50%	9.58	0.00	9.58		12	18.5	25	0	57	0	0	89	0
Medium Density Residential	100%	56.85	16.50	40.35		6	9	12	99	242	0	149	363	0
Medium/High Density Residential (Med)	50%	9.58	0.00	9.58		6	9	12	0	29	0	0	43	0

For the 2021-2030 decade, units that meet the 6 du/acre guidelines are shown highlighted in green, while units that meet the 12 du/acre guidelines are shown highlighted in orange.

Housing units that meet Option 2 Affordable Housing Land Use guidance requirement	
Units that meet 50% or less AMI requirement ( $\geq 12$ units/acre)	971 units (826 allocated)
Units that meet 50-80% AMI requirement ( $\geq 6$ units/acre)	271 units (313 allocated)

While the affordable housing allocation shows a significant surplus in 12 du/acre units compared to the allocation, and a slight deficit in 6 du/acre units, the land use plan and resulting affordable housing guidance meets the spirit and intent of the Metropolitan Council's Housing Policy Plan by meeting the overall allocation through higher density guidance. While the minimum density value is used here to demonstrate capacity for affordable housing development, anecdotal observation and market trends make it very likely that most housing developed following the guidance of the land use plan would be developed at densities higher than the minimum in the density range,



### **Summary of Affordable Housing Needs**

Overall, Blaine's current housing landscape is affirmative of what is anecdotally known: Blaine is a community whose housing options tend to be generally affordable, and more affordable than the metro area average. Blaine's continued efforts toward affordable housing production are reflected in a high affordable housing performance score. Moreover, Blaine has a relatively low household cost burden rate, and housing options tend to be fairly well-matched to the incomes of the households who live here.

Blaine's affordable housing needs over the coming decades will be largely driven by the community's high rate of forecasted growth and demographic trends. As the population of the city continues to grow older and more diverse, and as housing costs continue to rise relative to median household income growth, meeting affordable housing needs will require more than simply guiding sufficient land at appropriate densities to achieve affordability. The City's affordable housing needs are well-reflected in the Housing Goals, which are reiterated here from the beginning of the chapter:

- **Goal 1:** Provide housing opportunities, which meets the needs of all generations and income levels, particularly varying type of independent and accessible senior housing.
- **Goal 2:** The City supports the development of well-designed and appropriately-located multi-family housing projects when these developments improve access to affordable housing and transit, creative positive community impacts, and preserve natural resources.
- **Goal 3:** As housing preferences change, the City supports taking actions that improve the quality of the existing housing stock and supports the development of housing that meets the needs of the population today.
- **Goal 4:** Preserve the manufactured housing communities within Blaine as important affordable housing option.

Connecting Blaine's affordable housing goals to appropriate implementation tools is the subject of the next section of this chapter.



Affordable Housing Tools Matrix (TABLE 3-10)

Identified Housing Need Goals	Affordable Housing Tools																					
	Local Funding			Local Strategy and/or Partnership												Regional/Federal Funding			Affordable Housing Preservation			
	Development Authorities (EDA)	Housing Bonds	Tax Increment Finance	Blaine Home Loan Program (CEE)	Homebuyer assistance programs	Foreclosure prevention	Effective Supportive Referrals	Partner with affordable housing developers	Partner with non-profit programs (i.e. Habitat for Humanity, other)	Rental license, inspections and code enforcement program	Anoka County Community Action Partnership (Homebuyer assistance, energy assistance, affordable units)	Anoka County Community Development (CDBG, other)	Blaine Housing Action Plan	Zoning regulation	Site Assembly techniques	Livable Communities grant (Met Council)	Minnesota Housing Finance Agency Consolidated RFP	NOAH (Naturally Occurring Affordable Housing) Impact Fund	LIHTC properties	Scattered-site housing strategy	Housing Improvement Areas (HIAs)	Support Public Housing projects (ACCAP, other)
Provide housing opportunities, which meets the needs of all generations and income levels, particularly varying type of independent and accessible senior housing. <b>(Target AMI: 80% and below)</b>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
The City supports the development of well-designed and appropriately-located multi-family housing projects when these developments improve access to affordable housing and transit, creative positive community impacts, and preserve natural resources. <b>(Target AMI: 80% and below)</b>	X	X	X					X	X		X			X	X	X	X		X			X
As housing preferences change, the City supports taking actions that improve the quality of the existing housing stock and supports the development of housing that meets the needs of the population today. <b>(Target AMI: 80% and below)</b>				X	X	X	X		X	X	X	X		X				X		X	X	
Preserve the manufactured housing communities within Blaine as important affordable housing option. <b>(Target AMI: 30-80%)</b>							X		X					X				X				

All of the boxes shown with a yellow highlight are tools or strategies that Blaine is already using and/or implementing to achieve affordable housing goals.



### Affordability tools

This section explains each of the affordability tools from **FIGURE 3-11** in greater detail.

Affordability Category	Housing Affordability Tool
Local funding for Affordable Housing	<p><b>Development Authorities (EDA)</b> Blaine’s Economic Development Authority may elect to support or get involved in development projects, and will consider supporting those affordable housing projects that exemplify the housing goals enumerated in this plan. Although the Anoka County HRA does not currently operate projects within the City, Blaine should continue to partner with the County HRA on projects and program opportunities as they become available.</p>
	<p><b>Housing Bonds</b> HRAs can issue bonds that help to develop and administer affordable housing developments or programs. Cities may make or purchase loans using the proceeds of the bond sales for activities such as new construction, acquisition and rehabilitation, or refinancing bond debt. There are specific affordable unit thresholds that must be met in bond-financed projects. Bond-supported projects would typically support affordable housing for the 50% and 80% AMI bands.</p>
	<p><b>Tax Increment Financing</b> Blaine may create a tax increment financing (TIF) district with the TIF bonds issued on this district used to support the construction of affordable housing. All property taxes received above the original tax value from the development is used to finance these bonds. Blaine has discretion over TIF allocations. The City will consider using affordable housing TIF for projects that include not only a significant percentage of affordable units but also provide a substantial public benefit (including but not limited to: environmental remediation, enhanced walkable urban design, open space or park land, provision of green space, stormwater infiltration, and/or improved streetscape design) and would not happen “but for” TIF assistance. TIF-supported affordable housing projects will help to reduce the City’s housing cost burden. By legislative definition, TIF that is used for affordable rental housing projects must meet provide affordability to those at 60% of AMI or less. The affordability threshold is 115% of AMI for owner-occupied housing projects.</p>
	<p><b>Blaine Home Loan Program (CEE)</b> The City of Blaine has partnered with the Lending Center at the Center for Energy and Environment (CEE) to provide low-interest financing for home improvement projects. Through this partnership, residents have access to financing as low as 5% (APR 5.010%). With flexible terms, monthly payments will be affordable. Most interior and exterior home improvement projects are eligible including remodeling, windows and doors, siding, roofing, and more. The City is interested in continuing and potentially expanding this program and partnership in support of its housing stock maintenance goals.</p>

Local policies and strategies to promote access to affordable housing	<p><b>Effective referrals</b> The City supports providing appropriate resources and education for existing housing support programs offered by other agencies and organizations. While the city does not have the capacity to provide a full-time staff to offer this service, there are opportunities to more effectively communicate to residents and prospective residents about existing programs offered through Anoka County community action partnership, Habitat for Humanity, Center for Energy and the Environment, Anoka County HRA, and beyond. Effective housing referrals will increase opportunities for residents to enter the community whom would otherwise have barriers, and improve the likelihood of existing housing maintenance. Housing programs support residents at a range of income levels, from very low up to moderate incomes, depending on the program.</p>
	<p><b>First time homebuyer, down payment assistance, and foreclosure prevention programs</b> The City encourages residents to access existing programs available through Anoka County Community Action Partnership, as well as the Minnesota Homeownership Center and the StartUp program through Minnesota Housing. The City will continue to form partnerships with external organizations who offer these programs and seek to provide referral information wherever possible. These programs will be especially valuable to households at or below 80% AMI that would otherwise face extreme hardships in purchasing or maintaining a home.</p>
	<p><b>Partner with affordable housing developers</b> Blaine will continue to work with affordable housing developers who provide low-to-moderate income housing opportunities through housing development or redevelopment. The City will encourage an affordable housing component in residential redevelopment projects where site conditions and financing allow.</p>
	<p><b>Partner with non-profit programs</b> The City will continue to work collaboratively with non-profits that offer housing programs, such as Habitat for Humanity and others, and make effective referrals to these programs,</p>
	<p><b>Rental license, inspections and code enforcement programs</b> Blaine already offers inspections and enforcement programs as well as a rental licensing program. These programs help to ensure that properties are well-maintained, and that rental tenants have access to a safe and fair living environment. The City intends to continue these programs, which will help Blaine achieve its housing maintenance goals.</p>
	<p><b>Anoka County Community Action Partnership</b> ACCAP offers a variety of programs and services to the Blaine community that help to achieve the City's affordable housing goals. ACCAP manages affordable rental properties, offers housing rehabilitation and weatherization funding, home ownership education and foreclosure prevention counseling, and crisis funding. Many of these programs are targeted to low-to-moderate income households. Blaine will continue to make appropriate referrals to ACCAP and work with this organization to help achieve the City's affordable Housing goals.</p>

	<p><b>Anoka County Community Development</b> Anoka County Community Development offers assistance programs, including CDBG and HOME funds, when funding is available that support housing rehabilitation and affordable housing projects. Blaine will continue to work with the County HRA when appropriate and funding, programs and opportunities become available.</p>
	<p><b>Zoning regulation</b> Blaine will continue to monitor its zoning and subdivision ordinances to make certain that its regulatory policies align with its housing goals and aspirations as outlined in this Plan. Zoning regulation should be in alignment with and support the City's housing goals.</p>
	<p><b>Blaine Housing Action Plan</b></p>
	<p><b>Site assembly and/or acquisition</b> The City will consider policies and participation in programs or opportunities that encourage reserving publicly owned properties, and other site assembly techniques for affordable housing.</p>
Regional & Federal funding for Affordable Housing	<p><b>Livable Communities Demonstration Account (LCDA)</b> West St. Paul is eligible for Met Council funding for developments within the community that will innovative projects often involving affordable and connected housing. The City will continue to work with developers in coordination with the Met Council in supporting RFP submissions for projects that will bring a significant number of new affordable units, and will urge more support for projects that meet affordability thresholds of 50% AMI or below as a reflection of the city's greatest cost-burdened need. The City is especially supportive of use of this grant opportunity to develop projects with a strong transit-oriented development orientation.</p>
	<p><b>MHFA Consolidated Request for Proposals</b> This major annual funding request from Minnesota Housing Finance Agency supports affordable housing development. The City will continue to work with developers in coordination with MHFA in supporting RFP submissions for projects that will bring a significant number of new affordable units, and will urge more support for projects that meet affordability thresholds of 50% AMI or below as a reflection of the city's greatest cost-burdened need.</p>
Affordable Housing Preservation Strategies	<p><b>Low Income Housing Tax Credit Properties (LIHTC)</b> With LIHTC, developers apply for tax credits to offset costs at the time of development. Although the City does not fund this type of assistance, Blaine will consider stating its intent of support for developers who pursue LIHTC and who intend to seek ways to retain the affordability of the LIHTC property after the terms of LIHTC are up.</p>
	<p><b>Scattered site housing opportunities</b></p>

	<p><b>Housing Improvement Areas (HIAs)</b> HIAs are a defined area in a city in which housing improvements in condominium or townhome complexes may be financed with the assistance of the city (EDA, HRA). An active development authority would have the opportunity to designate an HIA in an area where existing housing needs improvement for retention of housing affordability is at risk.</p>
	<p><b>Public and/or subsidized housing</b> Blaine will continue to work collaboratively with entities that offer subsidized housing opportunities to very low-income residents. Housing subsidies are one of the only means by which to offer housing support to very low income individuals and families, and Blaine recognizes this is an effective housing tool for very low-income, high-barrier and highly cost-burdened households.</p>