

*The Affordable Housing Legacy*  
**of the 1976 Land Use Planning Act**

---

Edward G. Goetz, Karen Chapple, and Barbara Lukermann

Center for Urban and Regional Affairs  
University of Minnesota

January 2002



UNIVERSITY OF MINNESOTA

A publication of the Center for Urban and Regional Affairs (CURA), an all-University applied research and technology center at the University of Minnesota that connects faculty and students with community organizations and public institutions working on significant public policy issues in Minnesota. The content of this report is the responsibility of the author and is not necessarily endorsed by CURA or the University of Minnesota.

© 2002 by The Regents of the University of Minnesota. This publication may be reproduced in its entirety (except photographs or other materials reprinted here with permission from other sources) in print or electronic form, for noncommercial educational and nonprofit use only, provided that two copies of the resulting publication are sent to the CURA editor at the address below and that the following acknowledgement is included: "Reprinted with permission of the University of Minnesota's Center for Urban and Regional Affairs (CURA)."

For information regarding commercial reprints or reproduction of portions of this publication, contact the CURA editor at the address below.

Publication No. CURA 02-2 (250 copies)

Edited by Michael D. Greco

This publication is available in alternate formats upon request.

 Printed with agribased inks on recycled paper with a minimum of 20% postconsumer waste.

Center for Urban and Regional Affairs (CURA)  
University of Minnesota  
330 HHH Center  
301—19th Avenue South  
Minneapolis, Minnesota 55455

Phone: (612) 625-1551

Fax: (612) 626-0273

E-mail: [cura@umn.edu](mailto:cura@umn.edu)

Web site: <http://www.cura.umn.edu>

*The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.*

# Table of Contents

Acknowledgments . . . . .	v
List of Figures . . . . .	vi
List of Tables . . . . .	vii
Executive Summary . . . . .	1
Methods . . . . .	1
Metropolitan Council Administration . . . . .	1
Quality of the Comprehensive Plans . . . . .	2
Plan Implementation . . . . .	3
Impact of Planning . . . . .	4
Part One: A Focus on Twenty-Five Communities and the Metropolitan Council . . . . .	5
Introduction . . . . .	5
Research Questions . . . . .	6
Methods . . . . .	7
Sample . . . . .	9
Implementation of LUPA . . . . .	12
LUPA and Met Council Housing Policy . . . . .	15
Compliance with LUPA . . . . .	19
Part Two: Review of Comprehensive Plans . . . . .	21
The Housing Element of Comprehensive Plans . . . . .	23
Variation across Waves . . . . .	24
Addressing Impediments to Low- and Moderate-Income Housing . . . . .	29
Variation across Communities . . . . .	30
Density and Affordability . . . . .	31
Summary . . . . .	32
Review of Comprehensive Plans . . . . .	33
Andover . . . . .	33
Apple Valley . . . . .	34
Blaine . . . . .	37
Brooklyn Park . . . . .	39
Burnsville . . . . .	40
Champlin . . . . .	42
Chanhassen . . . . .	43
Chaska . . . . .	46
Coon Rapids . . . . .	47
Cottage Grove . . . . .	49
Eagan . . . . .	51
Eden Prairie . . . . .	52

Inver Grove Heights . . . . .	53
Lakeville . . . . .	56
Lino Lakes . . . . .	59
Maple Grove . . . . .	60
Minnetonka . . . . .	62
Oakdale . . . . .	63
Plymouth . . . . .	65
Prior Lake . . . . .	66
Ramsey . . . . .	67
Rosemount . . . . .	69
Savage . . . . .	70
Shoreview . . . . .	72
Woodbury . . . . .	73
Part Three: Translating Planning into Action . . . . .	75
Monitoring Low- and Moderate-Income Housing Production . . . . .	75
Local Regulatory Changes to Promote Low- and Moderate- Income Housing . . . . .	76
Promises Kept . . . . .	78
Barriers . . . . .	83
Developers' Views of Obstacles . . . . .	84
Active Roles in the Development of Low- and Moderate-Income Housing Units . . . . .	89
Attitudes toward LUPA and Regional Share . . . . .	91
LUPA or LCA? . . . . .	91
The Fading Relevance of LUPA . . . . .	92
Summary . . . . .	93
Part Four: The Effect of Planning . . . . .	95
Tracking Land Set Aside for High-Density Housing . . . . .	95
The Location of Low- and Moderate-Income Housing . . . . .	95
The Maintenance of High-Density Land over Time . . . . .	96
"An Acre a Day" . . . . .	96
On the Ground . . . . .	104
Affordability . . . . .	105
Planned Unit Developments . . . . .	105
The Rate of Low- and Moderate-Income Housing Production . . . . .	105
Summary . . . . .	107
Part Five: Conclusions . . . . .	109
Part One . . . . .	109
Part Two . . . . .	110
Part Three . . . . .	110
Part Four . . . . .	112
Enabling Exclusion? . . . . .	113
Works Cited . . . . .	115
Appendix . . . . .	117

# Acknowledgments

---

This study was funded by the Family Housing Fund of Minneapolis and St. Paul with support from the Center for Urban and Regional Affairs and the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, and the Urban Studies Program at Macalester College. The following people assisted in the data collection and analysis: Kathy Ember, Andy Johnson, Michelle Lewis, Li Luan, Sarah Lynch, Jill Mazullo, Julie Morrison, Nicole Palasz, Gia Pionek, Antonio Rosell, Gary Schiff, Christy Stark, Leigh Tomlinson, Joey Vossen, and Josh Williams.

# List of Figures

Figure 1-1. Minnesota Land Use Planning Act (LUPA) of 1976 Compliance Study Area. . . . .	13
Figure 1-2. Income and Development Potential of Sample Communities . . . . .	14
Figure 3-1. Degree of Active Role in Promoting Low- and Moderate- Income Housing, by Community . . . . .	90
Figure 4-1. Current Designation of the Acreage Originally Designated for High-Density Development in Sample Communities . . . . .	102

# List of Tables

Table 1-1. Sample Communities, by County . . . . .	10
Table 1-2. Income Profile of Sample Communities. . . . .	10
Table 1-3. Low-Income Population and Affordable Housing Units in Sample Communities, 1990 . . . . .	11
Table 2-1. Dates of Comprehensive Plans of Sample Communities . . . . .	22
Table 2-2. Potential Regulatory Relief Mentioned in Comprehensive Plans of Sample Communities . . . . .	27
Table 2-3. Description of Multifamily or High-Density Acreage in Comprehensive Plans of Sample Communities . . . . .	28
Table 3-1. Reported Use of Regulatory Mechanisms to Promote Low- and Moderate-Income Housing among Sample Communities. . . . .	76
Table 3-2. Number of Listed Regulations that Limit Low- and Moderate- Income Housing Development in Sample Communities . . . . .	85
Table 3-3. Types of Regulations Limiting Low- and Moderate-Income Housing Development . . . . .	85
Table 3-4. Developers' Ranking of Obstacles to Building Affordable Housing . . . . .	87
Table 4-1. Current Zoning Designation of Low- and Moderate-Income Housing for Sample Communities, 2000 . . . . .	95
Table 4-2. Estimated Parcels Set Aside for High-Density Development in First-Wave Plans of Sample Communities. . . . .	97
Table 4-3. Current Status of Parcels Set Aside for High-Density Development in Sample Communities . . . . .	99
Table 4-4. Current Status of Acres Set Aside for High-Density Development in Sample Communities . . . . .	101
Table 4-5. Change in High-Density Residential Acreage, by Sample Community . . . . .	103





# *Executive* **SUMMARY**

In 1976, the Minnesota legislature enacted the Land Use Planning Act (LUPA). The statute requires communities in the Twin Cities metropolitan area to develop a comprehensive plan that includes a housing element and implementation plan “to meet the local unit’s share of the metropolitan area need for low- and moderate-income housing” (Minn. Statute § 473.859, Subdivision 4). In this study, we examine the implementation of LUPA during the last 25 years, focusing on how the Metropolitan Council has interpreted and administered the Act and how 25 high-growth suburban communities have implemented it.

## **METHODS**

We conducted interviews with current and former Metropolitan Council staff members to determine how the agency implemented LUPA. We selected 25 of the 144 municipal governments in the seven-county Twin Cities region, and reviewed both the first and the most recent comprehensive plans for each community. Interviews were conducted with housing and community development officials and planning officials in the 25 communities and with several housing developers to get their perspectives on developing affordable housing. The 25 communities chosen were the fastest growing suburbs in the region between 1970 and 1990 and were among the communities projected for the greatest growth between 2000 and 2020. We examined the degree to which land that was set aside for high-density housing 20 or more years ago actually resulted in the creation of affordable housing by investigating the current use for a sample of parcels set aside for high-density housing in the first wave of comprehensive plans.

## **METROPOLITAN COUNCIL ADMINISTRATION**

At the time LUPA was enacted, the Met Council was active in calculating the regional housing shares of low- and moderate-income housing to be built in communities across the Twin Cities metro area. The council provided each community with an allocation figure that was then routinely incorporated into their comprehensive plan. The council has changed its orientation to the law significantly during the 25-year period in which LUPA has been operational. Since the early 1980s, the council has stopped calculating need in its review of comprehensive plans. It also discontinued until very recently the practice of reviewing local housing performance, and

has backed off from its practice of providing development guidelines to local communities. The Met Council has not established any type of monitoring system to determine whether the objectives contained in comprehensive plans were ever met, whether land set aside for high-density development was ever used for that purpose, or whether the rate of low- and moderate-income housing development approached the needs as stated in the plans. In recent years, the Met Council has encouraged communities to use their Livable Communities Act (LCA) housing goals to fulfill the LUPA requirement that they calculate their low- and moderate-income housing need. However, LCA goals are negotiated figures that are not based on need, making such a procedure clearly inadequate in the face of LUPA requirements.

## QUALITY OF THE COMPREHENSIVE PLANS

We distinguish between three waves of plans: the first between 1979 and 1982, the second lasting from 1983 to 1995, and the third beginning in 1995 and continuing to the present. First-wave plans typically include concrete statements of low- and moderate-income housing needs taken from the Met Council's allocation formula. Statements in many of the first-wave plans indicated wide acceptance of the fair-share methodology. When the Met Council ended the fair-share allocation process, references to regional needs in the comprehensive plans of suburban communities also ended. In the few second-wave plans we reviewed, all references to low- and moderate-income housing were gone. There were no calculations of need, of regional need, or of local shares of regional need. In the third wave of plans, most communities substituted LCA goals for a discussion of low- and moderate-income housing need. In addition, third-wave plans substituted the LCA phrase *affordable housing* for the LUPA phrase *low- and moderate-income housing*. The inflated affordability guidelines of LCA mean that when communities use LCA figures they are, in effect, planning for higher income housing than was the target under the LUPA fair-share allocation process.

It is clear that the quality of the plans has also diminished over time when one examines the implementation programs. First-wave plans typically listed possible subsidized housing programs from the local, state, and federal government. During the third wave of plans, most communities failed to mention programs from more than a single level of government. There has been an even greater decline in the quality of plans with respect to the local nonsubsidy initiatives offered by communities to promote low- and moderate-income housing. Specific regulatory actions to promote low- and moderate-income housing were twice as likely to appear in first-wave plans than in third-wave plans. In addition, the third-wave plans rarely included

strategies to address obstacles to low- and moderate-income housing identified by local housing and planning officials we interviewed.

Because of the lack of documentation of regional need and of the local share of that need in all plans since the first wave, and because of the lack of specific implementation steps to promote low- and moderate-income housing in most plans, we conclude that there is not a single second-wave or third-wave plan submitted by the 25 communities we reviewed that meets the housing standards implied by LUPA.

## PLAN IMPLEMENTATION

Our analysis of the implementation of comprehensive plans is necessarily limited. It was impossible to reconstruct or provide a full accounting of all of the steps taken or not taken during the last 25 years by the 25 communities we sampled. Instead, we focused on several specific efforts made by these communities.

More than two-thirds of the communities in our sample do not have an inventory or database to track the amount of low- and moderate-income housing they have. Of those that did keep track, only one indicated that their list went back as far as the mid-1970s when LUPA was created. The most common form of regulatory mechanism in place in the sample communities was some form of a planned unit development (PUD) ordinance allowing smaller lots and higher densities to be negotiated between developers and city staff. The only other concession allowed by even half of the communities was an allowance for accessory apartments.

We found there were often discrepancies between what the current comprehensive plans say about regulatory initiatives that are in place to promote lower cost housing and what our interview informants told us was actually being done in the sample communities. We also found numerous examples of statements that appeared in comprehensive plans but that were never carried out by the communities in subsequent years.

City officials and developers were in agreement about the nature of land-use regulations that constitute barriers to low- and moderate-income housing production. Both groups of informants indicated that restrictions on high-density development and the availability of developable high-density land were the most important obstacles. Developers also frequently mentioned as an important barrier the resistance of neighbors to affordable housing.

Many of our city official informants indicated that LUPA has been replaced by LCA as the framework for lower cost housing development in the region. Most officials regard the LCA goals as relevant for LUPA

requirements, and some regard LUPA as outdated for the purposes of developing housing goals.

## **IMPACT OF PLANNING**

We found that the reclassification of land was common during the 25-year study period. Of the estimated 7,463 parcels of land set aside for high-density residential development in first-wave plans, only 19% were zoned for high-density development 20 years later. Other land that was not originally designated for high-density was moved into that category, but overall there was a 31% reduction in acreage devoted to high-density residential development during the study period.

We found that PUDs rarely resulted in high-density, low- and moderate-income housing production. Only 12% of the acreage in PUD zones was high density and only 19% of those acres held affordable low- and moderate-income housing.

A sample of parcels zoned high-density revealed that 92% of the land zoned high density actually held housing. Just over 58% of that housing was high density, however. Most of that housing (62%) had already been built at the time of the first-wave plans. Finally, only 35% of the high-density parcels contained housing affordable to low- and moderate-income families. During the 20-year study period, only 6% of the acres set aside for high-density residential use produced new high-density, low- and moderate-income housing. This suggests that the Met Council's practice of looking at high-density set-asides is an insufficient means of evaluating the commitment of local communities to promoting low- and moderate-income housing.

# Part One

## A Focus on Twenty-Five Communities and the Metropolitan Council

### INTRODUCTION

The Minnesota Land Use Planning Act (LUPA) of 1976 provides the basis for mandatory land-use planning policy in the seven-county Minneapolis–St. Paul metropolitan region. The statute requires that the comprehensive plans adopted by communities

---

include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing. (Minn. Statute § 473.859, Subdivision 2)

---

Subdivision 4 of the same statute, which addresses the implementation of the comprehensive plans, requires a housing program (including official controls) that “ will provide sufficient existing and new housing to *meet the local unit’s share of the metro area need for low and moderate income housing*” (emphasis added).

This statutory language establishes LUPA as the basis for a “fair-share” housing program in which local communities are obligated to meet the demand for low-cost housing derived from a regional analysis of needs. Fair-share programs, according to Listokin (1976), are designed to “improve the status quo by allocating units in a rational and equitable fashion. . . [A] primary impetus for and emphasis of fair share is expanding housing opportunity usually, but not exclusively, for low- and moderate-income families” (1). The term “fair share” does not imply equal share; indeed, there are a number of different criteria that might be used to devise a fair-share formula, including the need for affordable housing in various communities, the suitability of the land or local environment for housing development, and concerns about racial or income integration (Listokin 1976). “Fair share” refers to the general objective of increasing affordable housing opportunities throughout a metropolitan region.

Because they require the cooperation of municipalities throughout a metropolitan area, fair-share programs typically are operated by regional

governments. The Land Use Planning Act designates the Metropolitan Council of the Twin Cities as the agency responsible for reviewing comprehensive plans for their conformance with LUPA requirements.

There has never been a comprehensive assessment of the effectiveness of the affordable housing provisions of LUPA, nor has there been an evaluation of the implementation of these provisions. The growing regional affordable housing crisis in the Twin Cities suggests some inadequacies in the housing sections of the statute or the way in which those sections are being implemented. The examination of the affordable housing legacy of LUPA presented in this report was produced by our research team of faculty and students from the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs, with the assistance of several students from Macalester College.

The first part of this report sets out our research questions and the methods we used to answer them. In addition, there is an explanation of our method of sampling for study 25 communities from the 144 in the region. An analysis of the characteristics of our sample communities, especially as they compare to all communities in the region, is also a part of this section. Finally, part one includes a summary of LUPA and how it has been implemented by the Met Council since 1976.

## **RESEARCH QUESTIONS**

The current lack of affordable housing in the Twin Cities region suggests that LUPA has not had the intended impact of meeting regional low- and moderate-income housing needs. Three possibilities (not necessarily mutually exclusive) exist that could explain why, despite the provisions of LUPA, there is a widening affordability gap in the region. The first possibility is that the Metropolitan Council has been derelict in its duty to review plans for compliance with the statute. The second possibility is that individual communities have violated the intent of the law or have adopted policies, plans, and practices that are inconsistent with their comprehensive plans. The third possibility is that the law as currently written is insufficient to address affordable housing needs in the region—that is, there are external constraints beyond the control of cities that are not addressed in the statute and that have impeded their ability to produce affordable housing. In the third scenario, both the Met Council and the individual communities have put forth good faith efforts but have been thwarted by other factors.

Our research investigated these three scenarios by posing the following series of research questions:

- 1: Has the Met Council adequately reviewed and monitored the housing elements of comprehensive plans for their consistency with the provisions of Minn. Statute § 473.859?

- 1.1: Does the Met Council’s current process require, and have the Council’s previous processes for reviewing local governments’ housing elements required, cities to produce plans that will provide for sufficient housing opportunities to meet their share of regional needs?
  - 1.1a: Does the Met Council currently determine, and has the Council in the past determined, the number of housing opportunities a city must plan for based on projected local and regional housing needs?
  - 1.1b: Does the Council currently require, and has the Council in the past required, sufficient “standards, plans, and programs” from each city to ensure the city will provide sufficient housing opportunities?
- 1.2: Is the current and past Metropolitan Council process of requiring a city to “guide” a designated number of acres likely to lead to the actual availability of that land for low- and moderate-income housing opportunities?
- 1.3: What was the nature and extent of the Metropolitan Council’s monitoring to determine if land designated for affordable housing was actually made available for that purpose?
  
- 2: Have local governments adopted and implemented the “standards, plans, and programs” that appear in the housing elements of their comprehensive plans?
  - 2.1: Have communities maintained land at high densities to accommodate low- and moderate-income housing development?
  - 2.2: Have communities adopted other development policies and processes that serve as barriers to meeting their share of the metropolitan area’s need for low- and moderate-income housing?
  
- 3: What has been the impact on affordable housing development of the housing element provisions of LUPA?
  - 3.1: What development, if any, has occurred on parcels set aside for low- and moderate-income housing in the comprehensive plans of local governments?

## **METHODS**

We conducted interviews with several current and former Metropolitan Council staff members to determine how the agency implemented LUPA. We focused our analysis on a sample of communities in the region. As explained later in this report, we selected for study 25 of the 144 municipal

governments in the seven-county Twin Cities region. Each community was the subject of a case study to examine the correlation between comprehensive plans, zoning practices, development approval practices, and other processes and standards with implications for affordable housing development. The first and the most recent comprehensive plans were reviewed for each community in the sample. The oldest comprehensive plan that we examined was approved by the Met Council in 1979. Teams of researchers were assigned to communities and given the responsibility to evaluate the plans. The researchers used a standardized protocol for their reviews (see appendix to this report for the full protocol). The protocol focused on four issues. First, did communities calculate the existing and projected need for low- and moderate-income housing and their share of the regional need for such housing? Second, how does the plan define income levels and land allocated to different housing densities, and does the plan explicitly or implicitly link high-density housing to the objectives related to low- and moderate-income housing? Third, does the plan lay out a series of steps to be taken by the community to achieve the low- and moderate-income housing goals established? Finally, does the plan explicitly state how many acres of high-density, developable land have been set aside, and can this amount accommodate enough low- and moderate-income housing to meet the stated goals? The results of these reviews are provided in part two of this report.

In addition to evaluating what their plans say, we also examined the practices of each of the sample communities. Interviews were conducted with housing and community development officials and planning officials in the 25 communities. The interviews were used to determine what efforts the communities have made to promote low- and moderate-income housing, and to provide a means of checking on the implementation of standards, plans, and programs identified in earlier comprehensive plans. In addition, we conducted interviews with several housing developers to get their perspectives on developing affordable housing in the sample communities. The results of the city official and developer interviews are summarized in part three.

In order to examine the relationship, if any, between the planning done pursuant to LUPA and the development of low- and moderate-income housing in the region, two analyses were done on the correspondence between the plans and the existence and location of low- and moderate-income housing. The first analysis isolates in the plans of the 25 communities the land parcels most likely to have accommodated low- and moderate-income housing and determines what became of them. Using the first wave of plans, a database was created of all land parcels set aside for high-density housing. Current zoning and land-use maps were then examined to



determine how those parcels are zoned at the current time. The database contains more than 7,400 individual parcels of land that initially had been set aside as high-density residential. A sample of those parcels was then investigated further. Members of the research team drove to each parcel to identify the current land use. When the land was vacant or being used in a nonresidential manner, this was noted in the database. For land that was residential, further data on the density, type, and affordability of the housing was collected. In this way, we can examine the degree to which land that was set aside for high-density housing 20 or more years ago actually resulted in the creation of affordable housing.

The second analysis of the correspondence between land-use allocation and low- and moderate-income housing development works in the other direction. That is, we begin with a comprehensive list of low- and moderate-income housing that currently exists and look backwards to see what that land had been designated for in the original plans of the sample communities. The results of both of these analyses are presented in part four.

## **SAMPLE**

As the purpose of this study was to examine the impact of the 1976 Land Use Planning Act (LUPA) on the development of affordable housing in the Twin Cities region since its initiation, we focused on suburban communities that experienced the greatest rates of growth during the past three decades and, among those, the communities poised for the greatest rate of growth during the next 20 years. The communities included in the study are listed in Table 1-1 by county.

Our sample includes at least one community from each of the seven counties in the metropolitan area. We selected the 15 communities that added the most population between 1970 and 1990. The final 10 communities were chosen based on both past growth and projected future growth (these communities are shaded in Table 1-1). We selected communities that were in the top 30 in both historic and projected growth.

Table 1-2 provides income information about the 25 communities in our sample and comparisons to the region as a whole. The communities we chose have become more affluent compared to the region as a whole. In 1980, 10 of our sample communities had median household incomes less than the regional median. Ten years later, only 1 of the 25 had a lower median household income than the region as a whole.

Table 1-3 presents information on the low-income populations of these communities and the number of affordable housing units located in each community.

TABLE 1-1. Sample Communities, by County

Hennepin	Ramsey	Anoka	Carver	Dakota	Scott	Washington
Brooklyn Park	Shoreview	Andover	Chanhausen	Apple Valley	Prior Lake	Cottage Grove
Champlin		Blaine	Chaska	Burnsville	Savage	Oakdale
Eden Prairie		Coon Rapids		Eagan		Woodbury
Maple Grove		Lino Lakes		Inver Grove Heights		
Minnetonka		Ramsey		Lakeville		
Plymouth				Rosemount		

Note: Shaded communities were added to the sample on the basis of projected growth.

TABLE 1-2. Income Profile of Sample Communities

Municipality	Median household income, 1980	Median household income, 1990
Andover	\$26,507	\$46,515
Apple Valley	\$27,626	\$49,981
Blaine	\$23,992	\$40,404
Brooklyn Park	\$22,160	\$40,018
Burnsville	\$26,705	\$43,620
Champlin	\$26,705	\$43,218
Chanhausen	\$26,434	\$52,011
Chaska	\$20,382	\$34,235
Coon Rapids	\$25,033	\$42,069
Cottage Grove	\$26,613	\$46,027
Eagan	\$24,106	\$46,612
Eden Prairie	\$29,958	\$52,956
Inver Grove Heights	\$22,036	\$39,378
Lakeville	\$24,234	\$44,920
Lino Lakes	\$23,615	\$45,578
Maple Grove	\$27,755	\$50,611
Minnetonka	\$30,214	\$50,659
Oakdale	\$22,597	\$41,049
Plymouth	\$27,840	\$51,315
Prior Lake	\$26,707	\$45,489
Ramsey	\$25,636	\$46,101
Rosemount	\$22,006	\$41,992
Savage	\$26,250	\$45,579
Shoreview	\$26,477	\$48,828
Woodbury	\$27,811	\$51,014
<b>Region</b>	<b>\$25,503</b>	<b>\$36,565</b>

Note: Shaded areas indicate income below the regional median.

TABLE 1-3. Low-Income Population and Affordable Housing Units in Sample Communities, 1990

Municipality	Number of households with incomes under \$20,000	Pct. of households with incomes under \$20,000	Number of affordable* units	Pct. of units that are affordable
Andover	221	5%	144	25%
Apple Valley	1,130	10%	1,442	8%
Blaine	1,785	14%	3,416	25%
Brooklyn Park	4,027	20%	5,118	27%
Burnsville	2,633	14%	2,932	15%
Champlin	456	8%	486	37%
Chanhassen	367	9%	296	8%
Chaska	934	22%	1,503	4%
Coon Rapids	2,445	14%	2,604	15%
Cottage Grove	526	8%	277	9%
Eagan	1,731	10%	1,788	10%
Eden Prairie	1,267	9%	881	7%
Inver Grove Heights	1,340	17%	1,851	13%
Lakeville	845	11%	1,348	4%
Lino Lakes	221	8%	197	24%
Maple Grove	831	7%	567	12%
Minnetonka	1,987	11%	1,139	6%
Oakdale	1,017	15%	1,697	9%
Plymouth	2,047	11%	1,384	20%
Prior Lake	4,766	12%	430	6%
Ramsey	254	7%	162	5%
Rosemount	404	15%	506	8%
Savage	324	10%	236	18%
Shoreview	881	10%	1,134	12%
Woodbury	599	9%	485	5%
<b>Regional total</b>	<b>207,407</b>	<b>24%</b>	<b>225,040</b>	<b>27%</b>

\* Affordable housing is defined as housing that a household with an income of \$20,000 annually could afford in 1990.

Figure 1-1 highlights the sample communities and their relationship to the Metropolitan Urban Service Area (MUSA) as of 1998. The map shows a relatively even distribution around the metropolitan area, fairly even representation across the counties, and includes many communities that straddle the MUSA line. In general, first-ring suburbs and the more outlying areas of the region are excluded from the sample.

Figure 1-2 lists the 25 communities categorized by their income profile and by the amount of developable land available in 1990. The upper-left quadrant shows communities that were below the area median income for households and had relatively little land available to develop. It would not be expected that these communities would need to establish an aggressive affordable housing strategy in their comprehensive planning documents. In the lower-right quadrant are relatively high income communities that also had a large amount of developable land. These are communities that might have been expected to make a significant contribution to low-cost housing development during the time period of our study.

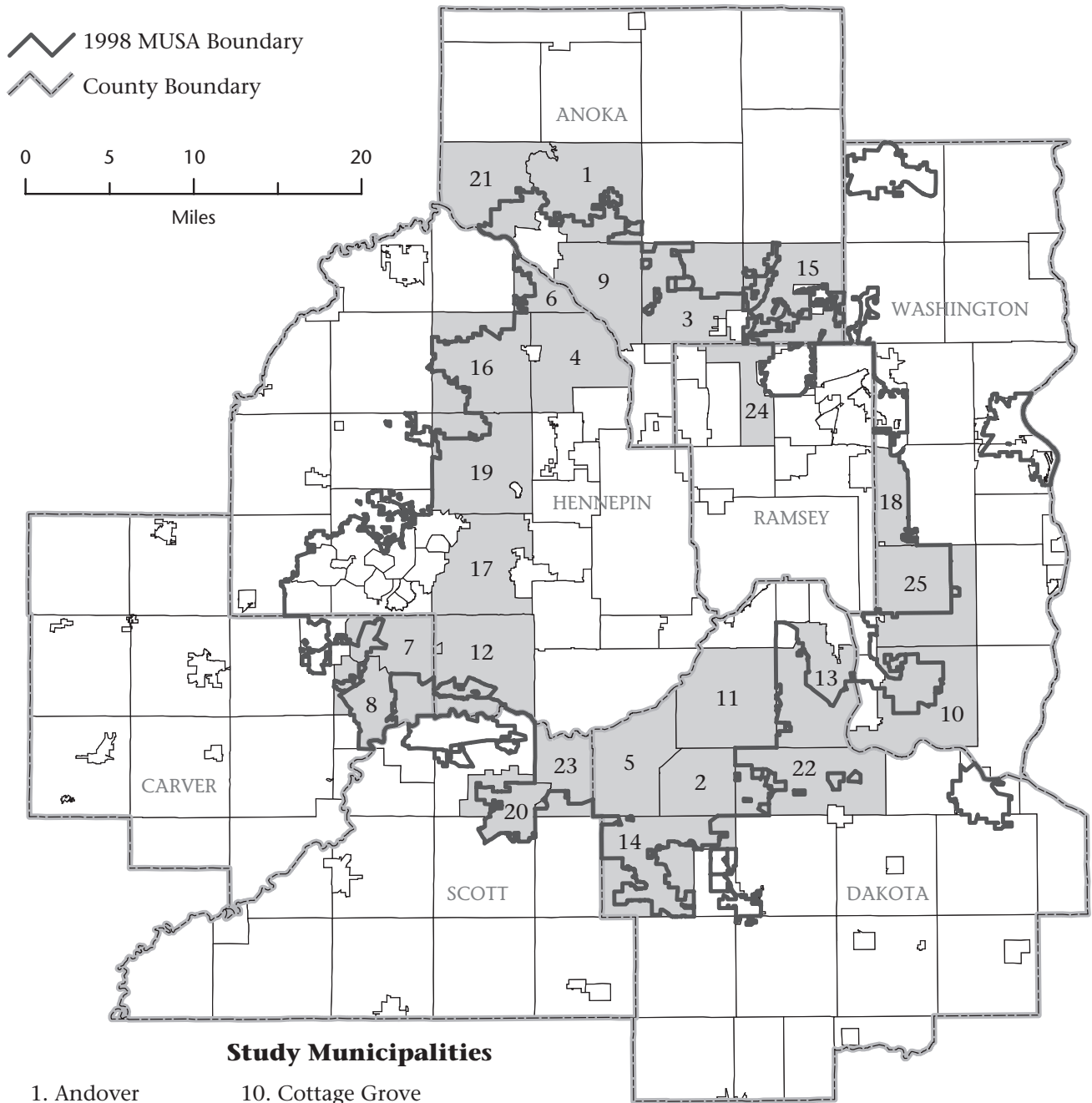
The communities listed in the upper-right and lower-left quadrants occupy the middle ground in terms of expectations for contributing to low-cost housing development. Those in the upper-right quadrant are constrained by the lack of developable land, while those in the lower-left quadrant are constrained by their relatively lower income profile. In the analysis that follows in this report, we will examine the differences in LUPA implementation that occurred across these four groups.

## **IMPLEMENTATION OF LUPA**

When LUPA was created, the Metropolitan Council was given the task of overseeing implementation. It was understood by most actors at the time that because this was the first round of comprehensive planning for many of the communities in the metro area, it would take several years for all of the plans to be completed. The council did not give communities a deadline. Among the 25 communities we sampled, the first round of planning produced council-approved plans as early as 1979 and as late as 1982. Other communities that were originally outside of the MUSA growth boundary were responsible for submitting a plan only when the boundaries were expanded to include them. Of the 25 cities we sampled, for example, Andover was initially exempt from the planning requirement, but submitted its first comprehensive plan in 1990 after the MUSA line was moved outward.

The initial guidelines for compliance with the statute created by the Met Council also did not indicate how frequently the plans had to be updated. The Minnesota legislature addressed that issue in 1996 when it required

**FIGURE 1-1.** Minnesota Land Use Planning Act (LUPA) of 1976 Compliance Study Area, Twin Cities Seven-County Metropolitan Area



**Study Municipalities**

- |                  |                         |                |
|------------------|-------------------------|----------------|
| 1. Andover       | 10. Cottage Grove       |                |
| 2. Apple Valley  | 11. Eagan               |                |
| 3. Blaine        | 12. Eden Prairie        | 19. Plymouth   |
| 4. Brooklyn Park | 13. Inver Grove Heights | 20. Prior Lake |
| 5. Burnsville    | 14. Lakeville           | 21. Ramsey     |
| 6. Champlin      | 15. Lino Lakes          | 22. Rosemount  |
| 7. Chanhassen    | 16. Maple Grove         | 23. Savage     |
| 8. Chaska        | 17. Minnetonka          | 24. Shoreview  |
| 9. Coon Rapids   | 18. Oakdale             | 25. Woodbury   |

**FIGURE 1-2.** Income\* and Development† Potential of Sample Communities

	Lower income	Higher income
<b>Lower developable land</b>	Inver Grove Heights Lino Lakes Oakdale Rosemount	Andover Champlin Cottage Grove Maple Grove Minnetonka Prior Lake Ramsey Shoreview
<b>Higher developable land</b>	Blaine Brooklyn Park Chaska Coon Rapids Eagan Lakeville	Apple Valley Burnsville Chanhassen Eden Prairie Plymouth Savage Woodbury

\* Income categorization determined by 1980 median household income compared to median for the region as a whole.

† Developable land categorization determined by amount of agricultural or vacant land within the MUSA in 1990.

another round of comprehensive plans to be completed by the end of 1998. The legislature also required that plans be updated every 10 years thereafter. As a matter of practice, communities that are growing rapidly have been submitting amendments to their comprehensive plans more frequently than every 10 years. The Met Council receives up to one hundred plan amendment requests each year. In addition, the Council can trigger a round of amendments by communities if it makes changes in any of the four regional systems (aviation, sewers, transportation, and parks and open space). If the Met Council changes its policy relative to any of the systems, communities are obligated to alter their comprehensive plans to bring them into conformance with the regional policy.

Many communities did not meet the legislature’s 1998 deadline. Met Council staff members indicated that there was not much they could do to force compliance with the deadline. They do encourage timely submissions, and most communities, they say, are interested in meeting the deadlines. The Met Council periodically communicates to cities that a plan is due and asks if it can provide assistance. It even builds incentives into its decision making—such as indicating that eligibility for certain funds hinges on a timely comprehensive plan submission—to help motivate communities. Nevertheless, by the end of 1998, the Met Council had received and assessed plans for only 6 of the 25 communities we sampled; plans for 8

communities were assessed in 1999 and 2000. Another 11 communities still have plan assessments pending or have not yet submitted plans.

Once the plans are received and reviewed, Met Council staff members return the plans to communities with any requests for changes. According to our sources, another reason that plans are returned is to encourage dialogue and work through possible disagreements. If a community appears unlikely to be able to meet its housing goals, for example, council staff members write a report implying that the community should modify its plan. Some communities' plans are far enough off the mark that council staff members go to the Met Council directly to ask for an action indicating that the council will not put the plan into effect. According to one Met Council staff member, once this step is taken, communities usually "get very serious about talking with us about what they need to do to fix their plans." Such a reaction occurred in three of the sample communities we investigated: Inver Grove Heights, Woodbury, and Ramsey. In each case, the difficulties with the comprehensive plan were ultimately worked out.

After Met Council staff send back recommendations for changes, a given city will then typically work with council staff on how to best address the recommendations. However, some communities have rejected the recommendations by city council vote. Perhaps the highest profile example of this is the opposition of the City of Eagan to the affordable housing requirement. Eagan's draft comprehensive plan allocated a total of seven acres of vacant and underutilized land for high-density residential development. In December 2000, the Met Council announced that the plan was unacceptable. Eagan, however, has refused to amend its plan to achieve Met Council approval.

In November 2000, the Met Council announced that it would begin to take into account a community's performance on affordable housing when the council made decisions about various funds (such as transportation grants) that it disperses. Although this announcement was greeted with some fanfare, it is merely the reactivation of a policy that the council routinely followed during the 1970s, but had abandoned during the 1980s and 1990s.

## **LUPA AND MET COUNCIL HOUSING POLICY**

The Metropolitan Council first initiated the practice of reviewing the housing performance of individual communities in 1971 while reviewing federal grant proposals. In 1973, the Council created a Housing Allocation Plan that provided numerical goals for low- and moderate-income housing. These goals were not broken down for individual communities, however; they were aggregated for separate sectors of the metropolitan area. In 1976, LUPA was

adopted by the state legislature, and it included language that required communities to have a plan to “provide sufficient existing and new housing to meet the local unit’s share of the metropolitan area need for low- and moderate-income housing” (Minn. Statute § 473.859, Subdivision 4). The Met Council then created an allocation plan that provided specific numerical goals for all communities within the MUSA to facilitate compliance with the LUPA requirement. The allocation plan was based on the number and projected growth of households and jobs, and the number of nonsubsidized low- and moderate-income housing units for each community. This system of individual community allocations was in place through the early 1980s.

The first-wave plans produced by communities in the region from 1978 through about 1983 typically make direct reference to the fair-share allocations for “low- and moderate-income housing” made by the Met Council. The council provided the allocation figures to each community and these were in turn incorporated into local planning documents. The Met Council judged the adequacy of local housing plans based on the amount of land set aside for high-density residential development. The working assumption used by the council was that high-density development was the most likely to produce affordable units. Development at high densities reduces the per-unit land cost and is the most likely setting for rental housing, which is the standard form of most subsidized low- and moderate-income housing.

Because housing is not considered a regional system, the Met Council has no authority to require communities to plan for a specific amount of low- and moderate-income housing. As one staff member told us, “we can’t say. . .you have to provide affordable housing. All we can say is that you have to provide the opportunity to not discriminate against affordable housing.” Thus, the council uses higher density residential land as a measure of a community’s commitment to low- and moderate-income housing.

By the end of the 1970s, the Met Council had several tools available to coordinate a fair-share approach to affordable housing. First, LUPA required that communities make plans for meeting their share of regional housing needs. Second, the allocation plan provided a means of establishing regional needs and local shares. Third, the Met Council adopted a set of zoning and land-use guidelines aimed at producing more affordable housing opportunities. The guidelines included suggestions related to lot size, garages, square footage of living area, and other items that have a direct impact on housing prices. Fourth, the Met Council’s power of review gave it input into the grant-making decisions of the federal government. Finally, the council’s consideration of the affordable housing performance of communities in its review of grant applications gave the council leverage over local housing efforts.



When this system was in place and functioning, the region's affordable housing profile changed significantly. From 1975 to 1983, the central cities' share of the region's total of subsidized units fell from 82 to 59%. This impact made it one of the highest performing regional programs in the entire nation. Less than one decade later, however, the system lay partially dismantled, and the part not dismantled was ignored.

The federal government reduced its housing subsidies dramatically in the early 1980s. This reduced the ability of local governments to promote development of low- and moderate-income housing. The volume of federal infrastructure grants also declined, reducing the number of opportunities the Met Council had to exercise leverage over local housing performance through the review process. In the face of these changes, the Met Council pulled back on making local governments accountable for the amount of low-cost housing they produced. Although there was no official policy statement to this effect, the council effectively ended the practice.

In addition, the council stopped calculating fair-share allocations. By the early 1980s, communities were no longer provided with information about their share of regional needs. Second-wave comprehensive plans, completed from the mid-1980s to the mid-1990s, typically make no reference whatsoever to low- and moderate-income housing needs (see part two of this report).

The Met Council also no longer offers development guidelines. The guidelines were never binding on communities, and no sanctions ever existed for deviating from the guidelines. However, they did provide a standard against which local actions could be judged. The council backed away from the guidelines because, according to one interviewee, the "way development is done [has] evolved away from the necessity to be prescriptive." Because development today is often done through planned unit developments (PUDs), "it's really about the negotiations between the cities and the developers, and the developers know the specifics to build to, and how to deliver the product they're after—the marketplace knows what it needs."

The LUPA planning requirements, however, remain unchanged. Communities are still required to have a plan that establishes the local share of regional needs for low- and moderate-income housing, and an implementation strategy to meet that share. Almost without exception, however, third-wave comprehensive plans (completed from 1995 to the present) for the 25 communities we studied make no reference to regional needs and make no attempt to document the local share. Plans submitted since 1995 typically refer to "affordable housing" in the context of the Livable Communities Act. Created by the legislature in 1995, the LCA involves affordable housing goals that are negotiated by the Met Council and individual communities.

The housing benchmarks for LCA are not based on need, but rather on the existing level of affordability in subsectors of the region. Even these benchmarks, however, are routinely ignored by communities and by the Met Council in cases where they call for an increase in affordable housing (Goetz 2000).

Many third-wave plans we reviewed use the community's LCA housing strategy as its housing element. The Met Council has accepted this approach if the plan sets aside sufficient land to meet the LCA housing goals. In fact, the council's (1997) *Local Planning Handbook* states that "a community's Housing Action Plan developed under Livable Communities Act criteria may meet the requirements for the housing implementation program required by statute, if it includes adequate programs, fiscal devices and other official controls to meet the community's goals, as required by the Land Planning Act" (3.9). In the section on housing demand, the same handbook states that "communities participating in the Metropolitan Livable Communities Act's Local Housing Incentives Account have negotiated housing goals through the year 2010. Those negotiated goals may be included in this part of the plan unless the community wishes to renegotiate its LCA housing goals" (3.11). Because LCA goals are not based on need or on local share of the regional need, however, they are not responsive to LUPA requirements, and the amount of land set aside for high-density housing (based on those goals) bears no necessary relationship to low- and moderate-income housing needs.

In 1995, the legislature required that local zoning ordinances comply with comprehensive plans. The Met Council, however, was not given any authority to enforce compliance with this requirement. Lacking that authority, the council never established a system for monitoring whether local zoning conforms to comprehensive plans. As a result, according to one council staffer we interviewed, they "really [have] no systematic way of knowing that a plan [is] being followed or how it [is] being followed." In fact, for most of the years following enactment of LUPA, the Met Council has not monitored cities to determine whether (a) local zoning conforms to the approved plan, (b) the land set aside for high-density development in the plan was, in actuality, set aside as high density, (c) the housing built on land set aside as high density was actually affordable to families of low or moderate income, (d) communities have in place other practices that impede the achievement of low- and moderate-income housing goals, or (e) the amount of low- and moderate-income housing built met the goals set out in the fair-share allocation for those years when the council was providing allocation numbers. There is, in essence, no centralized information on whether or how communities have followed up on the plans created as a result of LUPA.

The Metropolitan Council did create an LCA report card that describes the development of affordable housing pursuant to that law. But charting progress toward LCA goals falls considerably short of monitoring compliance with LUPA. The council has more recently created “housing performance scores” to use in reviewing transportation funding requests. These scores take into account the amount of affordable housing a community has, the amount it has added since LCA, and the number and variety of local initiatives being used to reduce costs or add subsidized housing.

## **COMPLIANCE WITH LUPA**

In subsequent sections of this report, we examine LUPA compliance in each of the 25 suburban communities in our sample. Given the limits of resources and time, we have chosen only a few methods for examining the impact of LUPA. First, we consider the housing elements that make up part of the comprehensive plans for all 25 communities in our sample. We examine how well these plans provide information called for in the legislation that created LUPA. These findings are reported in part two.

The content of the comprehensive plans is only the first step, however, in establishing the impact of LUPA. We also examine, to the extent possible, the degree to which individual communities carried out the plans they submitted pursuant to LUPA. We interviewed community officials and residential builders to solicit information about affordable housing activities in our sample communities. When possible, we asked about individual promises made in the comprehensive plans of our 25 communities. The passage of time and staff turnover have made this a less fruitful avenue of information than initially hoped. Clearly an ongoing system of monitoring established at the outset could have provided a wealth of information. Our attempt to duplicate what, in essence, would have been a 25-year effort is unavoidably incomplete. Nevertheless, we are able to present information on how communities have changed their housing practices and how receptive they are currently to low- and moderate-income housing development. These findings are presented in part three.

Finally, as a means of estimating the net impact of LUPA, we followed the fate of more than 7,400 parcels of land set aside for high-density residential development in the first wave of plans (1979–1982).<sup>1</sup> This analysis determines the extent to which these parcels remained high-density residential during a 20-year period, housing was built on these parcels, and the

---

<sup>1</sup> In cases where the maps associated with the first-wave plans were unavailable or unreadable, we used land-use maps from later plans. This was done for Cottage Grove, Oakdale, Minnetonka, Ramsey, and Rosemount. This method results in a conservative estimate of the change in land use during the 20-year period of the study.

housing was affordable. In addition, we created a database of low- and moderate-income housing in the 25 communities in our sample. For these developments, we look back to see what those parcels were set aside for during the first wave of plans. The analysis of the high-density parcels and the low- and moderate-income housing will help determine the extent to which the plans submitted by the communities during the first wave were predictive of future development practices. The findings from this analysis are presented in part four.

## *Part Two* **Review of Comprehensive Plans**

After passage of the 1976 Land Use Planning Act, all communities within the growth boundaries of the Twin Cities metropolitan area were required to submit comprehensive plans that included housing elements. In this section, we summarize our findings from the review of all the comprehensive plans for the 25 suburban communities in our sample. The section begins with a summary of the findings. This is followed by a detailed summary of each plan for each of the 25 communities.

We selected for review both the first comprehensive plan adopted by each community after passage of LUPA in 1976 and the most recently approved comprehensive plan. No city in our sample had a plan approved earlier than 1979. Teams of researchers were assigned to communities and given the responsibility to summarize the comprehensive plans. In cases where we could identify a third plan, we examined it as well. For plans submitted recently, we examined and included them in our analysis only if the Metropolitan Council had reviewed and accepted them. Table 2-1 shows the dates of the plans we reviewed for each of the 25 communities.

The researchers used a standardized protocol for the comprehensive plan reviews (see appendix for the full protocol). The protocol focuses on four issues. First, did communities calculate or document the existing and projected need for low- and moderate-income housing and their share of the regional need for such housing? If so, did the plan establish quantifiable goals based on needs? Second, how does the plan define income levels and housing densities, and does the plan explicitly or implicitly link high-density housing to the objectives related to low- and moderate-income housing? Third, does the plan lay out a series of steps to be taken by the community to achieve the low- and moderate-income housing goals established? Finally, does the plan explicitly state how many acres of high-density, developable land have been set aside, and can this amount accommodate enough low- and moderate-income housing to meet the stated goals?

In our analysis, we refer to three different waves of planning during the past 25 years. The first wave began when LUPA was created in 1976 and lasted until 1982. The first wave captures, for most communities, the first plan submitted pursuant to LUPA. All but one of the communities we examined has an approved plan from the first wave (Andover was categorized as a rural community in the late 1970s and thus was not required to submit a plan). The second wave covers the years from the mid-1980s to the mid-1990s. There are very few plans from this wave. Most communities

**TABLE 2-1.** Dates of Comprehensive Plans of Sample Communities

Community	Date of review and approval by Met Council
Andover	1991
Apple Valley	1979, 1999
Blaine	1980
Brooklyn Park	1981
Burnsville	1981, 1990, 1999
Champlin	1981, 1986
Chanhausen	1981, 1991, 1999
Chaska	1981, 1991
Coon Rapids	1982
Cottage Grove	1981, 1999
Eagan	1981
Eden Prairie	1980
Inver Grove Heights	1981, 1998
Lakeville	1981, 1988, 1998
Lino Lakes	1981, 1998
Maple Grove	1980, 1998
Minnetonka	1980, 1998
Oakdale	1983, 2000
Plymouth	1980, 2000
Prior Lake	1981, 2000
Ramsey	1982
Rosemount	1981, 2000
Savage	1981, 2000
Shoreview	1982, 2000
Woodbury	1979, 2000

simply continued to operate under the plans approved during the first wave. The third and final wave encompasses the period 1995 to the present. In 1995, the Minnesota legislature created the Livable Communities Act, which was used by the Met Council as a somewhat different framework for evaluating LUPA housing plans. The legislature also revised LUPA at this time to require another round of comprehensive planning, and stipulated that henceforth, communities were responsible for renewing their plans every 10 years. By the time our review of plans was completed in December 2000, only 16 of our 25 sample communities had a comprehensive plan completed and approved by the Met Council.

## THE HOUSING ELEMENT OF COMPREHENSIVE PLANS

During the 1970s, the Metropolitan Council calculated fair-share allocations for low- and moderate-income housing for communities within the seven-county metro area. In fact, the council calculated two different allocations for communities. The first is their regional share of low- and moderate-income housing needs. These allocations were made only for communities within the MUSA and for free-standing growth centers outside of the MUSA. In addition to the low- and moderate-income calculation, the Met Council also determined a community's need for "modest-cost" market-rate housing. Most of the early plans reference these two calculations when addressing local needs.

Of the two allocation numbers, the Met Council put more emphasis on the first. Indeed, the language in LUPA explicitly states that the implementation sections of the plans should address low- and moderate-income housing needs. The Met Council's (1985) Policy 39 says that strategies for promoting modest-cost housing should also be a part of a comprehensive housing plan. Nevertheless, the same policy indicates that the Met Council regards the modest-cost provisions as a voluntary element of the comprehensive plan process. The policy states that the Council will not make a negative review of a housing plan that does not provide opportunity for modest-cost housing.

The language of LUPA suggests that in order to identify a community's share of the metro region's need for low- and moderate-income housing, the comprehensive plan must make reference to regional needs or, if not explicitly to regional needs, then to the local share of regional needs. Thus, in our review we looked for whether existing need was established, whether projected needs were examined, and whether the local share was determined in some manner. First-wave plans generally meet this requirement by referencing the fair-share allocation established by the Met Council. Almost without exception, the plans we reviewed from this era identified the city share of regional low- and moderate-income housing needs. Third-wave plans, however, generally do not meet this requirement. There is not a single plan submitted later than 1990 that we reviewed that identified local share of regional low- and moderate-income housing needs. Instead, these plans rely on LCA-related goals negotiated with the Met Council that are neither low- and moderate-income in nature nor based on need. With the exception of only two communities, none of the third-wave plans we reviewed identify existing or projected low- and moderate-income housing needs at all.

The Land Use Planning Act also calls for an implementation section that outlines the programs and practices to be used to promote low- and

moderate-income housing. We looked for two types of statements here. First, are local and nonlocal sources of subsidies identified and planned for? Second, have the plans identified other measures that might be taken to promote low- and moderate-income housing? Subsidies, of course, bridge the gap between the cost of producing housing and the purchase or rental price that can be paid by low- and moderate-income families. But other measures can be taken to reduce production costs, and we also examined the willingness of localities to pursue these measures.

## VARIATION ACROSS WAVES

The typical first-wave plan makes direct reference to the fair-share allocations made by the Met Council, both for low- and moderate-income housing and for modest-cost housing. It was standard practice for communities to adopt the low end of the range provided to them by the council. Nevertheless, the plans indicated an acceptance of the fair-share methodology. Some plans even indicated that the regional allocation system was the best way to determine local needs. The Apple Valley, Inver Grove Heights, and Eagan plans each contain language stating that community housing needs are best established on a regional basis.

Although we reviewed only five plans from the second wave (Andover, Burnsville, Champlin, Chanhassen, and Chaska), it is notable that all references to fair share and to regional needs for low- and moderate-income housing are gone. In the early 1980s, the Met Council abandoned its practice of calculating fair-share allocations, and communities moved away from the practice of viewing their needs in the context of regional patterns. In fact, there are virtually no references to low- and moderate-income housing at all in these second-wave plans. There are no calculations of need, of regional needs, or of local shares of regional need.

Third-wave plans place their discussions of low- and moderate-income housing in the context of the Livable Communities Act. Most communities simply identify their negotiated goals from LCA as their low- and moderate-income goals. Most communities, in fact, adopt goals that are either at the low end of or below the recommended range provided by the Met Council (called *benchmarks* in the LCA program). The goals for many communities, in fact, represent a reduction in the percentage of affordable units.

Although the Livable Communities Act does not supercede LUPA, the Met Council (and therefore the communities themselves) has substituted LCA standards for those set out in LUPA. For example, almost none of the third-wave plans estimate local need for low- and moderate-income housing. In fact, the phrase *low- and moderate-income housing* is rarely, if ever, used. In its place is the LCA phrase *affordable housing*. By extension, LCA



definitions for affordable are adopted by communities in the most recent wave of comprehensive plans. These definitions (which include income standards of 80% of area median income for a family of four for homeownership, and 50% of area median income for a family of four for rental housing) constitute a loosening of low- and moderate-income definitions, which were tied to household (and therefore unit) size. In addition, because LCA goals are not based on needs, the housing elements of comprehensive plans that use LCA goals also are not based on needs. Local needs, in fact, play no role in most of the third-wave plans.

With the exception of two communities (Eden Prairie and Plymouth), there is no effort in the third wave of planning to estimate a community's share of regional needs. During the first wave of comprehensive planning, regional needs and local shares were provided to communities by the Met Council. When the Met Council ended the fair-share allocation process, references to regional needs in the comprehensive plans of suburban communities also ended.

Interviews with planners from our sample communities indicate that about half regard the LCA goals as the working statement of low- and moderate-income housing needs in their cities. This is, of course, an incorrect approach because the negotiated LCA housing goals are not based on need at all. In addition, LCA goals were not designed to reflect a local community's share of regional needs. Five of the interviewees indicated that they did not attempt to calculate need. In one community, the planner said they do not calculate need because it "is a factor of the marketplace and changes periodically and regularly with the market." In two communities, the planners indicated that they do not calculate need because they have determined that it is zero. According to one, "our records show only three percent of our population was low-income in 1997, and nine percent of our housing stock was low-income in 1995."

In a couple of communities, there is awareness of the difficulty of determining a single community's need in the context of a regional housing market. One respondent said, "to get at the need for affordable housing the City conducted a survey of residents. It found that people who live here generally do not work here, and the people who work here generally do not live here." Thus, it was unclear to planners in that community how local need could be determined. Another respondent indicated that in her city, the quantification of need "is not done by surveying the economic make-up of the community, because when it comes to affordable housing, municipal boundaries don't mean much."

Our interviews also indicated that most planners in the 25 communities we sampled have shifted their vocabulary about low-cost housing from

low- and moderate-income housing, which is typically used in reference to subsidized housing, to affordable housing, which is the phrase used in the LCA. A few communities, about one in four, said that they used U.S. Department of Housing and Urban Development (HUD) or Human Resources Administration (HRA) guidelines. These are income limits that are tied to actual subsidy programs. When asked what their working definition of *low- and moderate-income housing* was, more than two-thirds referred to the LCA guidelines for *affordable housing*. The LCA guidelines, in fact, result in much higher rents for most households because they are based on families of four and no adjustment is made for family or unit size. There is some awareness that these guidelines are a bit high. One respondent indicated that his community used the LCA guidelines, “though it’s a joke” because they are so high. Many of our respondents did not use the phrase *low- and moderate-income housing* and used *affordable housing* instead. In fact, one respondent indicated that they consciously use *affordable* in place of *low- and moderate-income* in order to emphasize the Met Council’s definition of affordability (which, he acknowledged, was “quite high”).

Consequently, most of the third-wave plans address housing needs other than those for low- and moderate-income people as required by LUPA. For example, the Inver Grove Heights plan does not consider the city’s housing goals (negotiated as a part of LCA) to be relevant to low- and moderate-income households. The plan states that the goals are there to “assist the City in maintaining the broadest base of housing affordable to *middle income households*” (“Housing Element,” 8; emphasis added).<sup>2</sup>

An additional consequence of the current reliance on LCA is the belief of many communities that they have already met their regional obligations regarding affordable housing. This is because of the high benchmarks provided to them by the Met Council and the inflated affordability guidelines used by the Met Council in the LCA program. The result is that some communities believe they no longer need to make a special effort to promote low- and moderate-income housing. For example, the third-wave Burnsville plan includes as one of its housing goals the following: “Considering all rezoning requests for residential development in light of the City’s Housing Goals Agreement under the LCA, and *therefore not considering rezoning requests which would facilitate new rental, multi-family, or affordable rental units*” (5-24; emphasis added).

In general, it is clear that third-wave comprehensive plans violate LUPA because there is typically no calculation of local needs, there is no calculation of regional needs, and there is no attempt to identify the local units’ share of regional needs for low- and moderate-income housing.

With regard to the degree to which the plans meet the letter of the LUPA requirements (i.e., they provide a program that “will provide

<sup>2</sup> Note: The comprehensive plans cited in this report are cited in the text only and are not listed in the Works Cited at the end of this report.

sufficient existing and new housing to meet the local unit’s share of the metro area need for low and moderate income housing” as stated in the statute), there is considerable variation between the first-wave plans adopted between 1979 and 1982 and recent third-wave plans.

Plans from the first wave typically list possible subsidized housing programs from all three levels of government, local, state, and federal. Although in many ways this represents the easiest statement to make in the implementation section (it merely obligates the locality to investigate the use of existing subsidy programs), during the third wave of plans, most communities fail to mention programs from even two of the three levels of government. One city official attributes this to a changed political environment, saying, “more programs were available in 1981 when people wanted to change the world. . . . Today there is the idea that government shouldn’t be involved in private developments with public monies, so there is less public support.”

There is an even greater disparity between first-wave and third-wave plans when one looks at the various local initiatives listed. Table 2-2 lists the number of times each of 11 different local regulatory steps was mentioned in first- and third-wave plans. For example, rezoning as a means of facilitating low- and moderate-income housing was mentioned by four (16%) of the community plans we reviewed from the first wave and three (18%) of the plans from the third wave. Although there is essentially no difference on that item, there are large differences in many of the others. More than half (58%) of the first-wave plans mentioned increasing densities and reducing

**TABLE 2-2.** Potential Regulatory Relief Mentioned in Comprehensive Plans of Sample Communities

Local regulatory actions to facilitate low- and moderate-income housing listed in comprehensive plans	First wave*	Pct.	Third wave†	Pct.
Rezoning	4	16	3	18
Increased densities	14	58	3	19
Planned unit development (PUD)	18	75	9	56
Decreased square footage requirements	14	58	2	12
Streamlined permit approval	2	8	0	0
Reduction in fees	4	16	1	6
Reduced setbacks	6	25	1	6
Manufactured housing	7	29	1	6
Nondiscrimination	4	16	1	6
Tax increment financing (TIF)	2	8	4	25
Other	10	42	3	18
<b>Average</b>	<b>3.54</b>		<b>1.75</b>	

\* First-wave plans were reviewed for 24 communities.

† Third-wave plans were reviewed for 16 communities.

square footage requirements, compared to just 19% and 12% of third-wave plans. All of the items except two show up in first-wave plans more frequently than in third-wave plans. As a group, these techniques were twice as likely to appear in first-wave plans than in third-wave plans.

The City of Burnsville, for example, listed seven of these techniques in their 1978 plan, but only one of them in the 1998 plan. Apple Valley listed four in 1979 and one in 1999. Lino Lakes listed five in 1981 but none in 1998. Shoreview went from five to one and Rosemount from six to one. Lakeville, Savage, and Prior Lake actually increased the number of specific local regulatory actions listed in their plans.

As a rule, the second- and third-wave plans are generally bereft of specific regulatory statements outlining steps to increase low- and moderate-income housing. In Inver Grove Heights, for example, the most recent plan does little more than promise that the City will not make things worse than it has to: “To the degree possible, the City will work to ensure that local actions do not unduly increase the cost of raw land” (“Implementation Section,” 7). This is a far cry from a detailed program of steps to promote low- and moderate-income housing as called for in LUPA.

Plans also vary in how they describe the amount of developed and undeveloped acreage designated for multifamily or high-density housing (Table 2-3). In this instance, however, there is improvement in the plans from the first wave to the third wave. In the first wave of plans, only five communities specifically listed their developed and undeveloped acreage for multifamily or high-density use. Ten communities gave only their total multifamily or high-density acreage, and six of the cities actually provided no information whatsoever. However, there was substantial improvement by the third wave of plans, when eleven cities were able to describe the vacant and built-up land designated.

**TABLE 2-3.** Description of Multifamily or High-Density Acreage in Comprehensive Plans of Sample Communities

Type of acreage information	First-wave plans	Third-wave plans
No information provided	6 (24%)	3 (18%)
Multifamily/high-density acreage provided	19 (76%)	14 (82%)
Developed acreage only	2 (8%)	0
Undeveloped acreage only	2 (8%)	0
Total acreage only	10 (40%)	3 (18%)
Developed and undeveloped acreage	5 (20%)	11 (65%)
<b>Total</b>	<b>25 (100%)</b>	<b>17 (100%)</b>

## ADDRESSING IMPEDIMENTS TO LOW- AND MODERATE-INCOME HOUSING

We have just examined how the quality of housing plans in the 25 sample communities has declined over time. This was done by looking at specific implementation steps listed in these plans to see how they address low- and moderate-income housing issues. In this section, we supplement that analysis by combining information from the plans with responses of city planning officials in the 25 sample communities. We completed interviews with planning officials in all 25 communities. In those interviews, respondents were asked about eight specific regulatory items that could have an impact on prices and could therefore be potential regulatory obstacles to the development of low- and moderate-income housing. The items were (1) lot size requirements, (2) restricted amount of land zoned for multifamily housing, (3) building material requirements, (4) subdivision regulations, (5) the permitting process, (6) limits on use of manufactured housing, (7) building codes requiring code enforcement with rehabilitation, and (8) prohibitions on accessory apartment units. A summary of their responses is included in part three of this report.

It is possible to use the information from the responses of our interviewees as a means of examining the comprehensiveness of the housing plans in the sample communities. For example, if our interview respondent in City A felt that lot size requirements limited low- and moderate-income housing significantly, we checked to see if the comprehensive plan for City A mentions the reduction in lot sizes as an implementation strategy. We limited our analysis to the communities that had approved plans since 1990. Some of the respondents from these communities, however, did not indicate that any of the listed regulations were obstacles in low- and moderate-income housing development. Thus, our analysis is restricted to the 15 communities that indicated the regulations were obstacles.

Of 34 specific obstacles acknowledged by the officials in these communities, we were able to locate specific implementation strategies for only 6 (11.5%). In Prior Lake, where our informant indicated that subdivisions requirements and a restricted amount of land zoned for high-density were impediments to low- and moderate-income housing, there were statements in the current comprehensive plan that addressed both. In Chanhassen, the plan called for relaxation of lot size requirements and for greater density allowances in some circumstances. Both of these steps addressed a specific obstacle identified by our interviewee from that community. In most other cases (88%), the obstacles identified by our informants were not addressed by their communities' comprehensive plans.

The lack of fit between the responses of our informants and the comprehensive plans indicates, at the very least, that third-wave plans are deficient even by the standards of suburban planning officials themselves. Although these obstacles do not make up the full inventory of potential impediments to low- and moderate-income housing, they are common enough. Yet, counting only those impediments that officials agreed exist in their communities, the number of times that current plans address these impediments is extremely low.

## **VARIATION ACROSS COMMUNITIES**

As might be expected, there is also significant variation in plans across communities. We considered the most responsive plans to be those that adequately stated fair-share needs, provided a complete analysis of existing land-use capacity for residential development, and provided specific actions to be taken to promote the development of low- and moderate-income housing.

Most of the first-wave plans seem to comply with the intent of LUPA. These plans identify a fair-share need for low- and moderate-income housing, many provide an accounting of the land set aside for residential purposes at various density levels, and most provide a set of programs or practices designed to promote the development of low- and moderate-income housing. There are three notable exceptions to this rule among the 25 communities we reviewed. The 1980 Blaine plan, the 1981 Lakeville plan, and the 1982 Ramsey plan all fall below the standards set by LUPA and by the practices of other communities at the time. The Blaine plan, for example, takes issue with the fair-share allocation made by the Met Council and states a concern that an “over-balance” in lower cost housing may drive up mill rates and property taxes in the community. Nevertheless, the plan does contain a series of steps that “should” be taken to promote housing diversity in the community. The Ramsey plan of 1982 contains no fair-share allocation because Ramsey was outside of the MUSA at that time and was not provided an allocation by the Met Council. The plan, however, contains no discussion of low- and moderate-income housing needs, nor is there much in the way of specific steps to be taken to promote lower cost housing. The 1981 Lakeville plan provides no specific steps to be taken to promote low- and moderate-income housing.

Most of the third-wave plans we reviewed do not meet the minimum requirements set out by LUPA. Virtually none of the third-wave plans, for example, identify potential local actions to reduce regulatory barriers to low-cost housing. None of the plans we reviewed examines low- and moderate-income need within a regional context. Most of the plans merely adopt LCA goals, and many adopt goals that do not even match the benchmarks

provided by the Met Council. Only the Eden Prairie and Plymouth plans attempt to identify local needs through the use of data other than that which came from LCA. The Minnetonka plan also stands out for the number and variety of programs listed for providing subsidized housing. At the same time, however, there is little in this plan in terms of regulatory relief that could promote a greater variety of housing. Similarly, the Oakdale and Woodbury plans list a variety of government programs for subsidized housing, but add nothing in the way of zoning, permit, or building regulations that might be adjusted by the cities to promote low-cost housing.

Although third-wave plans are uniformly sub-par with respect to LUPA requirements, some are weaker than others. The 1998 Burnsville plan is particularly vague when discussing programs and practices to promote low-cost housing. Rosemount, Andover, and Apple Valley also provide virtually nothing in their implementation sections to describe how they will promote low- and moderate-income housing.

In the 1998 Lino Lakes plan, the land use section of the plan contains an extended discussion of multifamily housing that is entirely about mitigating its “problematic aspects,” including “land use compatibility, housing value, and traffic resulting from high-density developments” (87). This same plan lists 3 residential goals, 16 residential policies, and 3 residential strategies. Only 1 of these 22 statements mentions affordable housing, and not one makes reference to low- and moderate-income housing.

## DENSITY AND AFFORDABILITY

The Met Council looks at whether communities set aside enough land at high densities to allow low- and moderate-income housing to occur. The council, in essence, uses the amount of high-density land as a measure of a community’s readiness to receive low- and moderate-income housing. Our interviews, however, suggest that most planners do not share the Met Council’s assumption that high-density land is related to low- and moderate-income housing. Nine respondents indicated that they do not relate the two in their planning documents. When asked “how is low- and moderate-income housing related to density in your plans and policies?” one respondent indicated, “it isn’t, nor should it be.” In six other communities, planners acknowledge that high-density development can reduce costs, but is not necessarily related to low- and moderate-income housing. As one said,

---

[T]here is no direct correlation. While higher densities may result in lower values or lower-cost housing, it doesn’t necessarily guarantee that. Plans and policies do not necessarily correlate density

and value. There is some discussion about density, and that tends to be separate from the discussion about affordability and values.

---

In only six communities did our interviewees indicate that their plans connect high-density development with low- and moderate-income housing.

## **SUMMARY**

Although one must expect variation across communities in how thoroughly they address the housing requirements of LUPA, we found that the variation across waves was much more significant. Planning during the first five years after LUPA was passed was more attuned to regional and local need for low- and moderate-income housing than is the current third wave of planning. First-wave plans adopted a regional framework and generally included more detail related to implementation strategies than do the third-wave plans. First-wave plans, in fact, used the terminology outlined by LUPA and focused on “low- and moderate-income” housing and on need. Current third-wave planning does neither. Instead of “low- and moderate-income” housing, communities now refer to “affordable” housing, referencing LCA guidelines on affordability that are typically higher than low- and moderate-income levels. The current third-wave planning also ignores the concept of need, and instead incorporates LCA housing goals as a substitute. Only 2 communities of the 25 we studied even made an effort to document local need. None referred to regional need or their own local share of that need. The implementation strategies for the current round of plans also compare unfavorably to those of the first wave. Many communities include very few or no specific steps that will be taken to facilitate low- and moderate-income housing. Almost without exception, the plans do not even address the impediments to low- and moderate-income housing identified by the planning officials we interviewed in those same communities.

On the basis of these findings, we must conclude that there is not a single plan submitted during the past 20 years by the 25 communities we reviewed that meets the housing standards implied by LUPA.



## REVIEW OF COMPREHENSIVE PLANS

In this section, we provide brief summaries of the first and most recent comprehensive plans for each community in our sample. At the end of this section, we summarize our findings thematically.

### ANDOVER

#### Population

1970: 3,904

1980: 9,387

1990: 15,216

2000: 26,588

There was only one approved comprehensive plan for the city of Andover for the period 1976 to 2000. The Andover plan was adopted in 1991. As a rural community, Andover was not responsible for submitting a comprehensive plan until the MUSA was expanded outward and brought the city within the region's growth area.

### Defining Low- and Moderate-Income Housing Needs

This comprehensive plan does not identify or calculate existing or projected needs for low- and moderate-income housing, or Andover's share of the regional need for such housing. In place of specific calculations or even more general estimates of low- and moderate-income housing needs, the plan states:

---

The affordability of housing is a subjective issue made more difficult to address at this time due to a lack of availability of employment and income information from the 1990 Census. However, one test of affordability is the vacancy rate of a community's housing stock. The vacancy rate for homeowner houses is 1.4% and 4.6% for rental units. This suggests that housing is affordable to the current population. (V-13)

---

In addition to being specious, this argument makes no effort to quantify existing or projected housing needs as called for in LUPA. There are no attempts to differentiate low- from moderate-income demand, to establish existing or projected needs, or to establish Andover's share of the regional needs of such housing.

As for defining "adequate housing opportunities," the plan does not do so either explicitly or implicitly. On page V-2, the plan simply states that it

is an objective of the city to “provide an opportunity for the development of housing consistent with prevailing demands.”

### **Density and Development Potential**

The City of Andover does not have a high-density category for residential land. It has a medium-density category defined as six units per acre or less, and this is said to be appropriate for multifamily housing. There is no evidence that multifamily residential is connected to low- and moderate-income housing either explicitly or implicitly. The plan identifies three undeveloped sites designated for multiple-family development. One site is 30 acres, one is 40 acres, and the other is 20 acres. In the plan, the City suggests that this land (at a maximum of six units per acre) could accommodate 540 units and 1,240 people based on the county average of 2.3 people per rental unit.

### **Implementation**

The plan makes no mention of using any land-use regulations either for low- or moderate-income housing, or to facilitate the development of high- or medium-density housing. In fact, there is no mention at all of any land-use regulations as related to housing development in the implementation portion of the plan. In other parts of the plan, the City offers vague statements on implementation such as, “Disparities between supply and demand for housing, including low and moderate income housing, shall be recognized and dealt with in an appropriate manner” (V-20). There is no definition of what an “appropriate” manner would be, nor of what tools would be used by the city in such an effort. Later, the plan states that “In the event that demand can be demonstrated for low-income, subsidized housing, the City will encourage the development of such housing” (V-22). There is no indication of what evidence would be necessary to demonstrate demand, or what specifically the City would do to encourage the development of low- and moderate-income housing.

### **APPLE VALLEY**

#### **Population**

1970: 8,502

1980: 21,818

1990: 34,598

2000: 45,527

The first Apple Valley comprehensive plan was written in 1979 and adopted in 1980. The most recent plan was written in 1997, but approval and final adoption was still pending as of January 2001.

## Defining Low- and Moderate-Income Housing Needs

In the 1979 plan, the City of Apple Valley uses the Met Council's fair-share allocations. Thus, the plan lists a specific goal for "1,587 new, modest-cost market rate dwelling units. . .for the years 1980 to 1990." The plan also quotes the fair-share allocation for low- and moderate-income housing of between 1,000 and 2,500 units for same decade. The plan suggests, however, that past patterns indicate the City may be able to add at least 50 such units each year, leaving them short of the Met Council's goals. In addition to actually citing the goals given to them through the allocation process, the plan also includes a justification for such an approach.

---

The need for low and moderate income housing within Apple Valley must be identified on a regional basis because Apple Valley is a suburb within the Minneapolis/St. Paul Metropolitan Area and there is nothing of particular significance within the community that would cause it to stand apart from regional considerations. As such, the statistics and "fair share goals" developed by the Met Council are the best and probably only source of determining the future needs for low and moderate income housing. (VIII-11)

---

The 1999 Apple Valley plan represents significant movement by the city during a 20-year period. The plan mentions LCA goals in its housing element. There is no mention or any documentation to support the calculation of low- or moderate-income housing in the plan, and no indication what the City of Apple Valley's share of the regional need might be. Apple Valley is one of a number of cities participating in the Dakota County Cluster Plan, a unified plan for the county to meet LCA goals. The 1999 plan does not list any individual LCA goals for the city.

The following statement, contrasted to the one excerpted above, suggests the degree of change during the intervening 20 years:

---

The City is in the best position to determine the most responsible option for meeting the future needs of Apple Valley rather than the Metropolitan Council, especially as it relates to residential densities. (60)

---

## Density and Development Potential

The 1979 plan explicitly links multifamily housing with affordability: “Apple Valley recognizes that multiple family housing provides the only economic means available today to develop dwelling units within the identified ‘modest cost’ housing value ranges” (VIII-20). The plan also notes that nearby communities have provided for a greater number of apartment buildings that have drawn many people working in lower paying jobs in Apple Valley.

The plan provides the current distribution of acres by residential density category, including 404 net acres for R-3 (6 to 12 units per acre) and 187 net acres for R-4 (more than 12 units per acre). No distinction is made between developed and vacant land. No data are given for future land-use allocation.

The 1999 plan revises density categories somewhat, collapsing what had been R-1 and R-2 into a low-density category. Medium density is 6 to 12 units per acre and high density is defined as more than 12 units per acre. This plan provides detailed data on recent residential development activity by type (single-family versus duplex, etc.) for 1990 through 1997. The plan also allocates residential acreage by density category for 2000 to 2020 in five-year increments. The data also provide detailed information on housing type by units in structure, and existing land use by housing type. None of this information, however, is used to establish low- and moderate-income housing needs, nor is there an explicit link between density and affordability.

## Implementation

The City of Apple Valley’s plan identifies a number of potential actions that might be taken to facilitate the development of modest cost and low- and moderate-income housing. The following are explicitly mentioned in the plan:

- consider reducing rigid density and setback requirements, accomplished primarily through Planned Development process
- lot widths may be reduced to 75 feet, lot depths to 100 feet, and lot areas to 9,000 square feet where a proper plan can be achieved
- minimum floor area requirement may be lowered
- deviation from density controls where “a proper environment is being created and where the greater density makes the development of low and modest cost housing more feasible”
- where deviations from zoning regulations are granted, “the City will attempt to draft specific agreements with developers to insure that savings are passed on to potential renters or home buyers”

In addition, the plan identifies the Dakota County HRA and state and federal agencies as sources of subsidized housing programs that could be utilized.

The 1999 plan discusses encouraging higher densities under some circumstances, but this is not related to affordability. No specific references are made to tools that might be used to create or facilitate the development of low- and moderate-income housing. When specifics are mentioned, they may just as plausibly be related to driving up the cost of housing as to making it more affordable. For example, the City “will adopt a policy to require the installation of sidewalks along appropriate roadways in all new residential projects” (52); higher density will be allowed where adequate open-space is planned and when it is in keeping with the scale of adjacent developments; and infill development is allowed when compatible in use, size, and scale with adjacent properties.

### Notes

The 1979 Apple Valley plan includes a review letter from the Dakota County Board in which it reiterates its recently adopted policy stating “that the public ownership of subsidized housing units will not be supported in the future by the County.” The county essentially refused support for the use of any funds channeled through the county toward purchase of housing units by the HRA.

### BLAINE

#### Population

1970:	20,568
1980:	28,558
1990:	38,975
2000:	44,942

There is only one approved plan, adopted in 1980, for the City of Blaine during the time period studied.

### Defining Low- and Moderate-Income Housing Needs

The City of Blaine uses figures from the Met Council allocation formula in its 1980 plan: “According to the Metropolitan Council, Blaine should strive for a fair share total of 750–1750 low-moderate income units between 1980–1990” (43). While accepting these figures, the plan goes on to state,

---

Apparently the existing 388 Section 235 units located in Blaine were not counted in developing the additional allocations.

Because of the fact that Blaine already has a high percentage of subsidized housing units (5.2%) and also contains a high percentage of mobile home units which can be considered as moderate income housing units, it may want to take issue with the Metropolitan Council's allocations. (44)

---

The plan also identifies a goal of 1,070 modest-cost units during the 1980 to 1990 period. The plan seems to accept the fair-share allocations of the Met Council but also contains language that indicates the City is concerned about the prospect of what they call an "overbalance" in, for example, mobile home units that "may result in increased mill rates and property taxes if the same level of services are to be provided" (75).

### **Density and Development Potential**

The plan equates multifamily housing and mobile home housing with more affordable, "smaller and more modest" units. The plan reports that in February 1979, the City of Blaine had 15 acres (or 0.38% of developed land) set aside for multifamily housing. There is no breakdown of planned development by acre. The plan indicates that the total forecast for residential development for 1980 to 1990 is between 1,430 and 1,740 acres. Those numbers are not broken down by density.

### **Implementation**

The plan states:

---

In order to provide more variety in housing choice, the following land use regulations should be modified or adopted:

- Reduction of 10,000 s.f. minimum lot size to range of 6,000 to 8000 for single family
  - Increase density of single family from 4 units/acre to 5-7 units/acre
  - Eliminate the garage requirement
  - Ensure a "substantial portion of residential zoned land be available for multi-family construction
  - Eliminate the minimum floor area requirements
  - Develop a PUD ordinance. (98)
- 

Later the plan suggests the City would encourage developers to build smaller, more energy-efficient homes, and would promote clustered development that could also reduce housing costs. The plan also indicates

that the City would encourage the continuation of rental assistance programs for low- and moderate-income populations and continued participation in state and federal housing subsidy programs. The plan lists a series of specific subsidized housing programs that could be used to provide low- and moderate-income housing in the city.

## **BROOKLYN PARK**

### **Population**

1970: 35,173

1980: 43,332

1990: 56,381

2000: 67,388

The only plan that had been fully reviewed and adopted during the study period is the 1981 plan. The updated plan is currently (January 2001) in draft form.

### **Defining Low- and Moderate-Income Housing Needs**

The City of Brooklyn Park uses the Metropolitan Council's allocation as the statement of low- and moderate-income housing needs in its 1981 plan. The "modest-cost" target for 1980 to 1990 is 1,730 units. As for low- and moderate-income housing, there is only the three-year subsidized housing allocation plan, equal to 143 units for the city. This subsidized housing allocation plan breaks down needs into the categories "family," "large family," "elderly," and "renters." There is no explicit definition of low- and moderate-income levels, although there is an implicit reference to HUD definitions in the Section 8 program.

### **Density and Development Potential**

The comprehensive plan has a detailed description of existing land uses and future uses. As of 1981, the city had 117 acres in "medium density" (4 to 13.9 units per acre) and 290 acres in the high-density category (14 to 18 units per acre). The composite future land use is projected to be 1,877 acres in the medium-density category and 775 acres of high-density residential development.

### **Implementation**

The comprehensive plan mentions the need for a mobile home ordinance to promote affordable housing developments. The plan also mentions the use of revenue bonds to promote low-cost housing. The plan notes that "Brooklyn Park has an established track record of being able to deliver large

numbers of housing units at a lower cost than in most of the Suburban Metropolitan Area. This is a result of coordinated action of citizen receptiveness, trimming administrative policies and procedures, lowering overall lot sizes and the like” (1-14). The plan mentions the need to adopt a PUD ordinance, and mentions other federal and state programs that could be used to build affordable housing.

Overall, the comprehensive plan makes no explicit reference to concrete regulatory steps that might be taken to create low- and moderate-income housing. A Met Council comment on the plan reads: “The policy doesn’t definitively mention low- and moderate-income housing but does discuss cost and type” (9). Nevertheless, the Met Council found the plan adequate.

## **BURNSVILLE**

### **Population**

1970: 19,940

1980: 35,674

1990: 51,288

2000: 60,220

We reviewed three comprehensive plans for the City of Burnsville from 1981, 1990, and 1999.

### **Defining Low- and Moderate-Income Housing Needs**

The 1981 Burnsville plan uses the Met Council fair-share allocation number. The Met Council’s fair-share allocation for the city was between 1,240 and 3,100 units. The plan states that the city’s “supply of low cost private housing is considerably smaller than similarly urbanizing suburban communities,” (98) and that “due to rapidly escalating land costs and a steady demand for large lots, high quality single family housing, subsidized housing is virtually the only way in which the City of Burnsville can increase its supply of low and moderate income housing” (98). The plan does state, however, that it is “quite unlikely” that the federal government will fund the region’s entire need, and that therefore it is “also unlikely that Burnsville will have the opportunity to accommodate its full share, or 3,100 units” (99).

The 1990 update indicates that as of December 1990, there were a total of 607 subsidized units in the city, 49% of the minimum goal of 1,240 and just 20% of the maximum goal from the previous plan (5.22). The 1990 plan does not calculate existing or projected needs for low- and moderate-income housing. There are a number of references to the 1981 plan, suggesting that the 1990 update was an update on progress, not an updated plan.



The 1998 plan relies on LCA definitions of affordability (50% of area median income for rental housing and 80% of area median income for ownership housing). The LCA benchmarks for Burnsville are 64%, while Met Council data indicate that 69% of ownership housing in the city is affordable. Thus, under LCA, Burnsville's officially adopted goal will be to reduce its percentage of affordable units to the 64% benchmark. Nothing is said in the plan about low- and moderate-income housing needs or Burnsville's share of the regional need.

## Density and Development Potential

The 1981 plan does not explicitly link residential densities to affordability. Although it lists the proportion of residential land zoned in different categories (R-1 through R-3), it does not provide a definition of these categories. Assuming R-3 is high density, the plan indicates that 36% of residential land is zoned for high density.

The 1990 plan provides detailed information on housing stock by density, although there is no necessary link between density and affordability. In fact, the plan states that "newer rental buildings will continue to attract the affluent middle-age single, empty nesters and seniors in the 1990s" (5-10). The plan also notes that in February 1989, the Burnsville City Council established a moratorium on development of multiple residential projects in excess of 10 units per acre because of the rapid growth in these projects.

The 1998 plan indicates that 25.5 acres are set aside as high-density residential (14 units per acre), and another 48.5 acres are set aside as RCR (22 units per acre). The number of vacant or developable acres in these categories is not indicated. The 1998 plan states that Burnsville will be built out by 2000, after which housing activities will focus on redevelopment, infill development, and rehabilitation.

## Implementation

The 1981 Burnsville plan suggests the following devices to promote low- and moderate-income housing:

- use PUD to reduce lot size requirements, to "consider allowing only single garages," and to "consider density increases up to 25%" (109)
- reduce site performance standards that prevent affordability
- reduce lot-widths to 70 feet on interior and 80 feet on corner lots

There is a heavy reliance on the PUD as a way of being flexible with zoning regulations without having to formally modify those policies. The plan also states that the city will use regional, state, and federal subsidized housing programs.

The 1990 plan notes that single-family attached units are an alternative to the high market costs of single-family detached units, but “nearly all land zoned for single-family attached housing has been developed.” No mention is made of the possibility of rezoning land to accommodate more. The plan does note that the City could take advantage of the large number of multifamily housing units that could be developed under current zoning (although the moratorium certainly would impede that effort). For more modest-cost housing, the plan suggests reducing lot sizes and setbacks and other zoning and design considerations. The plan also notes the use of PUD and indicates the City will allow reductions in lot width and/or lot area standards as means of promoting affordable housing.

In essence, the 1998 plan says almost nothing about implementation strategies to make new low- and moderate-income housing happen in the city. What it does say is both unspecific and not directly connected to low- and moderate-income housing. The plan says the City of Burnsville will

- “develop vacant land through zoning” without specifying what that means;
- remove barriers that inhibit parcel development without specifying what those barriers are or whether that will result in more affordable housing;
- participate in LCA;
- “consider” amending zoning ordinances to provide for special design guidelines for seniors, disabled, and other special populations; and
- work with Dakota County HRA to use community-development block grant (CDBG) funds and convert rental units to owner-occupied units without specifying how that will result in more affordable housing.

In fact, the City’s stance in its 1998 plan is that it no longer has an obligation to continue to promote affordable, multifamily housing. The plan includes as one of its implementation steps, “considering all rezoning requests for residential development in light of the City’s Housing Goals Agreement under the LCA, and therefore not considering rezoning requests which would facilitate new rental, multi-family, or affordable rental units” (5-24).

## CHAMPLIN

### Population

1970: 4,704

1980: 9,006

1990: 16,849

2000: 22,193

We reviewed two plans for the City of Champlin, one from 1981 and one from 1986. The two plans are identical.

### **Defining Low- and Moderate-Income Housing Needs**

The 1981 plan refers to the Met Council fair-share allocation and states that the City of Champlin aims to construct between 220 and 550 units of low- and moderate-income housing. The plan specifically states that low- and moderate-income housing should cost no more than 2.5 times the purchaser's annual income and the purchaser's income cannot exceed \$19,400 (in 1980 dollars).

### **Density and Development Potential**

The 1981 plan describes high density as 13 to 18 units per gross acre. There is an assumption that high-density housing is usually lower income, but the two are not used interchangeably. The plan states that the city has 35 acres (or 0.97% of all land) set aside for high-density residential development. The amount of developable land in that category is not provided.

### **Implementation**

The 1981 plan suggests the encouragement of PUD or site plan reviews of all projects to encourage high-density development. It does not specifically address the use of any controls in order to encourage low- or moderate-income housing. The plan does list several subsidized housing programs that will be utilized to meet low- and moderate-income housing needs, including Section 8, CDBG, and Minnesota Housing Finance Agency (MHFA) programs.

## **CHANHASSEN**

### **Population**

1970: 4,839  
1980: 6,359  
1990: 11,732  
2000: 20,321

We reviewed three plans for the City of Chanhassen from 1981, 1991, and 1998.

### **Defining Low- and Moderate-Income Housing Needs**

The 1981 plan does not define "adequate housing opportunities" and identifies the lower end of the Met Council fair-share allocation as the goal: 280 low- and moderate-income units and 385 modest-cost units. (The range for

low- and moderate-income units was up to a maximum of 700.) The goals are discussed in terms of both new construction and making more units affordable through Section 8 certificates.

The 1991 plan backs off from the attempt to specify and meet goals for low- and moderate-income housing. The plan states:

---

The numerical goals identified in 1980 became impossible to attain due to severe reductions in both state and federal housing programs. In lieu of numerical goals, the 1985 plan is emphasizing a commitment to provide housing for the various life-cycle states that were identified as being deficient in the housing analysis of this plan. (“Housing Section,” 22)

---

Although low- and moderate-income households are included in the life-cycle groups named by the City of Chanhassen, there is no attempt to document the level of need in the region or locally.

The 1998 plan similarly does not define affordable housing, nor is regional share determined or calculated in any way in the plan. The terms *life-cycle housing* and *life-cycle affordable housing* are used interchangeably. The specific housing goals are the city’s LCA goals. The Met Council figures indicate that 37% of the city’s ownership housing is affordable. Despite the fact that this is well below the benchmark of 60–69%, the city’s LCA goal (and the goal listed in this comprehensive plan) is only 30%. The figures for rental housing indicate that 44% of the stock is affordable, that the benchmarks are 35–37%, and that the City of Chanhassen’s goal is 35%. Thus, for both ownership and rental housing, the City’s adopted goal represents a reduction in overall availability of affordable housing.

### **Density and Development Potential**

The 1981 plan identifies high density as more than 7 units per acre, and indicates a goal of 6% of residential land in that category. There are some statements that suggest the plan equates high density with lower cost housing, although no explicit link is made. The 1998 plan repeats the same information.

The 1998 plan reports approximately 96 net acres of vacant high-density land and 202 gross acres of high-density land. Note that the LCA guidelines for density also have apparently allowed the City of Chanhassen to negotiate a slight reduction in densities for multifamily housing. The city is currently at 11 units per acre and the benchmark is between 10 and 14 units per acre. The LCA goal for the city is 9–10 units per acre. There is language in the

1998 plan that suggests affordability will happen in higher density developments.

## Implementation

The 1981 plan discusses general implementation policies, including zoning tools and PUD. There is a passage about working to reduce time and money spent in the review process. The plan also addresses design features that could reduce costs, but overall gives little indication that it promotes anything but PUD and single-family detached housing. The plan mentions the use of Section 8 and Section 235 HUD programs as ways of producing low- and moderate-income housing. The plan also mentions the possibility of reducing minimum lot sizes below the 15,000 square foot limit. The plan also states the desire of the City of Chanhassen to zone out mobile homes. On balance, there is very little here that indicates a strong commitment to affordable housing.

The 1991 plan lists tax increment financing (TIF), PUDs, and cluster developments as tools or policies to promote affordable housing. Other so-called tools to promote affordable housing include give “equal site and planning considerations for ‘affordable’ units as for other units,” “continue non-discrimination,” discourage development that encroaches on natural resources, and “consider” alternatives to single family detached units. As for subsidized housing, the plan states:

---

At the present time, the City of Chanhassen has limited tools available to assist in the implementation of the housing plan. The remaining tools do have some potential for serving deficiencies in the moderate- and modest-cost markets, however, assembly of a financially feasible project serving the low-income spectrum of the population is extremely difficult. . . . Chanhassen will continue to monitor changes in state and federal legislation and programs geared toward the enhancement of housing availability and housing quality. (“Housing Section,” 24)

---

The 1998 plan lists the following strategies to encourage affordable development:

- review PUD ordinance, lot size requirements, and design standards
- pursue upper limits of densities on proposals with a range
- require medium- and high-density units to have a percentage of affordable units
- explore TIF and tax-exempt financing

The plan also notes a range of state programs, as well as the Carver County HRA, for assistance with subsidized housing.

## CHASKA

### Population

1970: 4,352

1980: 8,346

1990: 11,339

2000: 17,449

We reviewed the 1981 and 1991 comprehensive plans for the City of Chaska.

### Defining Low- and Moderate-Income Housing Needs

The 1981 plan says that the City of Chaska supports the development of 750 low- and moderate-income housing units recommended by the Met Council as Chaska's regional share (the actual allocation was between 460 and 1,150 low- and moderate-income units). The plan goes on to note,

---

[B]lue collar workers tend to come from rural areas and communities to the west while white collar workers come from eastern communities. One reason that the large number of blue collar workers continue to commute is the lack of affordable housing in Chaska. . . . A need exists for low and moderate income housing to employees in the Jonathan industrial areas. (2-7)

---

The 1991 plan does not define "adequate housing opportunities" or "low- and moderate-income housing." The plan does not calculate current needs or projected needs for low- or moderate-income populations. The plan does not address the city's share of regional need for any of these categories.

### Density and Development Potential

The 1981 plan does not indicate how many acres of each density category are planned. It does note that the City of Chaska provides for up to 20 units per acre in walkup apartments, and up to 36 units per acre in elevator apartments.

The 1991 plan provides slightly different density categories: up to 18 units per acre for three-story walkups, 24 units per acre for elevator apartments, and up to 36 units per acre for senior housing in elevator apartments. Because there is so little discussion of affordable housing, it is

impossible to determine if there is an association between high density and affordability in this plan.

### **Implementation**

The 1981 plan equates low- and moderate-income housing with subsidized housing. The plan notes that the City of Chaska supports the provision of incentives for modest-cost housing. “To that end the following regulations are now in force: 7,200 square feet minimum lot size, PRD [planned residential development] to allow high densities and other cost saving devices, no garage requirement, and no minimum floor area requirements.” The plan notes that mobile homes currently account for 21% of the city’s housing stock, and that the City of Chaska will not allow any more mobile homes through 1990, or until the share can be held at 13% of the total stock. The plan also mentions MHFA programs, Metro HRA, and CDBG funds.

The 1991 plan identifies PUDs, cluster development, and innovative site plans and building types as ways to reduce some costs. There is no reference in these areas to specific land-use plans or official controls to promote the development of low- and moderate-income housing in order to meet current or projected needs. There is also no reference to subsidized housing programs that might be accessed to create low- or moderate-income housing.

### **COON RAPIDS**

#### **Population**

1970:	30,505
1980:	35,826
1990:	52,978
2000:	61,607

The City of Coon Rapids had only one plan approved during the time period under study, in 1982.

### **Defining Low- and Moderate-Income Housing Needs**

Although there is no explicit statement about the definition of “housing opportunities,” the 1982 Coon Rapids comprehensive plan discusses building new housing (rather than rehabilitated or Section 8 housing) to supply more affordable housing. The 1982 plan provides a detailed breakdown of the housing stock by income levels as a means of calculating current housing needs. The plan uses 1970 and 1980 U.S. Census data, and breaks down the housing stock by income categories. The plan mentions the need to “accommodate the City’s fair share of regional housing opportunities for low- and

moderate-cost and modest-cost housing.” The 1981–1990 Met Council allocation is 720 low- and moderate-income housing units.

### **Density and Development Potential**

The 1982 Coon Rapids plan also provides a table of residential density projections by net and gross acres. According to the table, high-density housing (10 to 30 units per acre) will account for 630 new units between 1981 and 2000, or between 21 and 63 net acres. Between 1991 and 2000, another 422 units will be developed in high-density areas (14 to 91 net acres). Similar figures are presented for moderate- and low-density development as well.

### **Implementation**

The City of Coon Rapids lists a number of actions they will engage in to “take positive steps to provide the locational opportunity for 720 low- and moderate-income housing units.” Most of these steps relate to density allowances in the zoning ordinance. For example, the plan identifies maintaining existing moderate-density zoning districts, not allowing down zoning, adjusting “some” existing zoning provisions to reflect density ranges recommended by the plan, continuing the use of special use permits for duplexes in single-family districts, and continuing the use of PUD flexibility. The implementation section suggests adjusting the maximum units permitted in townhouse districts to 10 per acre; allowing triplexes, fourplexes, and eightplexes in the townhouse district; and several other density-related steps. The plan also notes that the City of Coon Rapids will encourage the use of subsidy resources to facilitate low- and moderate-income housing; continued participation in the Metro HRA Section 8 program, MHFA programs, and CDBG funding program; and the use of tax increment financing for land or street and utility construction cost write-downs. The plan also notes that

---

[The] City will provide a development management system to: (1) provide sufficient locational opportunity for the City’s fair share of areawide, low- and moderate-income and modest-cost housing needs; (2) allow a diversity of housing types and densities, and flexibility in housing design and site planning; and (3) provide adequate public facilities to serve emerging new opportunities. (“Housing Plan,” 25)

---



## COTTAGE GROVE

### Population

1970:	13,419
1980:	18,994
1990:	22,935
2000:	30,582

The City of Cottage Grove's first comprehensive plan was completed in 1981 and adopted in 1982. The second and most recent plan was completed in 1999 and approved by the Met Council.

### Defining Low- and Moderate-Income Housing Needs

The 1981 Cottage Grove plan presents a range of data to document housing conditions. 1970 U.S. Census data are combined with Met Council data on housing vacancy and turnover, and rental surveys from 1977 and 1979. The plan also presents data on housing cost inflation during the previous decade. The plan indicates that "in 1979 rents increased an average of 33% since 1977 and no low-income units were within the reach of low-income renters, although moderate-income renters could still afford to pay the average rent" (6). The plan uses the Met Council allocation of between 540 and 1,350 low- and moderate-income housing units to be added between 1981 and 1990. "The low number is based on what the actual past subsidies have been. The high number is based on the actual housing need" (20). The plan also states that the city's share of modest-cost market-rate units is 850 between 1980 and 1990. Fully 96% of these goals are to be met through new construction according to the plan. The plan does provide a working definition of low- and moderate-income housing for both owner- and renter-occupied housing.

The 1999 plan adopts LCA language and LCA definitions of affordability. The plan uses 1990 U.S. Census data to show existing levels of affordability by income category and by tenure. This is the means by which existing housing affordability needs are described. The plan does not discuss projected needs, nor does it examine the city's fair share of the metro need. The 1999 plan says, "The City has a high percentage of affordable housing and is actively seeking and promoting developments that provide 'move-up' market options for residents of the community" (116).

### Density and Development Potential

The 1982 plan states: "Because of the high costs of single family homes, most housing for low and moderate income persons will be of multiple family type constructions. All of the areas on the City Land Use Plan except

those designated single family residential would be suitable for this type of housing.” The City of Cottage Grove designated approximately 380 acres of land in those categories where subsidized housing might be located. The plan indicates that high density is 7 units per acre, and the minimum lot size for R-4 is 10,000 square feet.

High-density residential is 11 to 20 units per acre in the 1999 plan. The plan provides detailed projections of future housing, broken down by single-family housing units and multifamily housing units in five-year increments from 2000 to 2020. The table indicates the city has 1,349 multifamily units in 1999 and will have 2,049 in 2020 (an increase from 13% of the total stock to 14%).

### **Implementation**

The 1982 plan identifies the following actions to facilitate low- and moderate-income housing: encouraging nonprofit organizations; using Metro HRA; utilizing local, state, and federal rehabilitation loans; encouraging development of low-income housing within low-density residential land-use areas (no more details are given), and “revis[ing] zoning to allow greater flexibility in lot sizes and housing types” (24). Within one year of adoption of this plan, the City of Cottage Grove will revise the PUD section of the zoning ordinance to allow density bonuses for low- and moderate-income housing. The plan states that the City will consider waiving the City’s portion of building fees for subsidized housing units. The plan also says that within one year of adoption of the plan, the City of Cottage Grove will amend the zoning ordinance to eliminate the minimum floor area requirement for single-family homes, as well as the requirement for garages in multifamily housing developments, and establish a zoning district for manufactured homes. The plan also mentions the use of tax exempt bonds for construction of low- or modest-cost homes.

The 1999 plan states that manufactured housing will be permitted on an equal basis when it meets the same standards that apply to other single-family dwellings. The plan also permits a limited number of accessory apartments, supports the continued services of the Washington County HRA, and mentions the utilization of all available methods of assistance for low- and moderate-income housing. A large range of subsidy programs is mentioned in the City’s LCA plan. The City’s LCA plan says that it will review a range of local controls by the time its next comprehensive plan (the 1999 plan) is adopted.

## EAGAN

### Population

1970: 10,398

1980: 20,700

1990: 47,409

2000: 63,557

Only one plan for Eagan was adopted during the study period, in 1981. The current plan was drafted in 1999, but had not been approved as of January 2001, and therefore was not reviewed.

### Defining Low- and Moderate-Income Housing Needs

The 1981 plan states:

---

The Met Council has proposed a “low and moderate income housing goal” of 1,040 to 2,600 dwelling unit opportunities from 1980-1990. Many of these units are expected to be established under a subsidy program, the “rent assistance” program. . . It is expected that at least the lower range, which would require an average of about 104 units per year, could be achieved. This, in fact, is about the number of subsidized units that the City has been adding over each of the past two years. (VIII-13)

---

The 1981 plan refers to the allocation goal of 1,474 new, modest-cost market-rate dwelling units for the years 1980–1990. The plan states that “the need for low- and moderate-income housing within Eagan must be identified on a regional basis. . . The statistics and ‘fair share’ goals developed by the Met Council are the best and probably the only source of determining the future needs for low- and moderate-income housing” (VIII-13).

### Density and Development Potential

The plan does seem to implicitly connect high-density development with affordability. The plan breaks down current land use by the four residential density categories; R-IV (not defined) accounts for 255 acres, or 1% of all residential land. The plan also projects new units for the 1980–1990 period by type, and lists 1,790 units (28%) in fourplexes and town homes, 1,160 units (18%) in apartments, and 200 units (3%) in mobile homes.

### Implementation

The plan states that Eagan may consider a change in its rigid density and setback requirements to promote low- and moderate-income housing. This

would be considered on an individual basis through the PUD process. Specifically the plan states that

---

Eagan has adopted the following potential deviations from the rigid requirements of the Zoning Ordinance of the City in order to encourage the development of modest cost market rate housing units: reduce lot-widths to 75', depths to 100' and areas to 9,000 square feet, reduce street widths to 28' where proper parking controls can be achieved, eliminate minimum floor area requirements, encourage Metro Waste Control Commission to eliminate the service area charge in some cases, lower parking and garage requirements, and reduce density controls. (VIII-35)

---

The plan says the City of Eagan will create an ongoing "housing subcommittee" to periodically review subsidized housing proposals and recommend changes in City policies as needed. The committee would be established and serve at the will of the city council.

The plan also mentions the Dakota County HRA, Section 8 rental assistance, and the federal 236 program. The plan mentions working with HUD and MHFA to provide approximately 1,890 units over the next decade. The plan states that the City of Eagan will make \$20 million of tax-exempt mortgage financing available to low- and moderate-income families through the Minnesota Housing Finance Law. Finally, the plan states that 100 units will be made available through acquisition of scattered-site housing by the Dakota County HRA, 590 units through a rent subsidy program, 300 units through Section 8 New Construction loans, and 200 units through mobile home park development.

## **EDEN PRAIRIE**

### **Population**

1970: 6,938  
1980: 16,263  
1990: 39,311  
2000: 54,901

The following information is based on Eden Prairie's 1980 comprehensive plan. Although the City has begun producing a second plan, it has yet to be submitted to the Met Council for review.

### **Defining Low- and Moderate-Income Housing Needs**

The 1980 plan focuses on the creation of new housing to meet the city's low- and moderate-income housing goals. At the time of the plan's

adoption, Eden Prairie's stock of affordable housing was well below the metropolitan average (6% compared to 20% for other similar urbanizing communities and 33% for the metropolitan area as a whole). There is some confusion in the plan about the city's allocation under the fair-share plan. Several different figures are given, although the goal of 1,338 units is mentioned twice. The plan states that funding will be available to provide a subsidy for 557 of the 1,338 units in their goal. In addition, the end date for the goal of 1,338 is 1987. The plan does not discuss the methodology for determining the goal, but simply accepts the Met Council allocation figure.

### **Density and Development Potential**

Density categories are given in the plan, as well as a projection of future acreage allocation by category. Medium 2 density (10 to 15 units per acre) is combined with medium 1 (3.5 to 10 units per acre), and 1,082 acres is set aside for this category. High density (24 to 40 units per acre) is allocated 275 acres in 1990.

### **Implementation**

Overall the Eden Prairie plan provides little in the way of explicit descriptions of how implementation will occur. Where discussion of specific zoning or other land-use regulations occurs, there is little if any discussion of whether or how these will affect the creation of affordable housing. There is general talk about how current zoning ordinances and regulations add to the cost of development as well as about investigating the possibility of creating a community development corporation or promoting the development of mobile home parks. However, there is no specific implementation plan.

## **INVER GROVE HEIGHTS**

### **Population**

1970: 12,148

1980: 17,171

1990: 22,477

2000: 29,751

The City of Inver Grove Heights adopted a comprehensive plan in 1967. A second plan was created, although not formally adopted by the city council, in 1974. Both of these plans pre-date the LUPA requirements. This summary is based on the two plans adopted by the city subsequent to passage of LUPA, one in 1981 and the second in 1998.

### Defining Low- and Moderate-Income Housing Needs

The 1981 comprehensive plan discussed meeting low- and moderate-income goals primarily in terms of building new housing. The plan presents a fair amount of data to document existing housing needs and the cost breakdown of units in the city. The City of Inver Grove Heights adopted a goal of 500 low- and moderate-income units for the period 1980–1990. The city’s fair-share allocation was between 480 and 1,200 such units. These were allocated as follows: 50 units for seniors, 325 units for families (one- and two-bedroom units), and 125 units for large families (three or more bedrooms). The 1981 plan states:

---

The need for low and moderate income housing within Inver Grove Heights must be identified on a regional basis because Inver Grove Heights is a suburb within the Minneapolis/St. Paul Metropolitan area and there is nothing of particular significance within the community that would cause it to stand apart from regional considerations.

---

This is the *exact* language used in the 1980 Apple Valley plan (substituting, of course, “Inver Grove Heights” for “Apple Valley”).

The Met Council established a fair-share goal of 643 modest-cost market-rate units for 1980 to 1990. The 1981 plan states:

---

At present, Inver Grove Heights is constructing approximately 230 homes per year and none would appear to be classified as “modest cost, market rate” housing. As such, the City could not achieve the established goal under present trends. . . . However, a greater number of multiple dwellings and in particular, quadrominiums and town homes are being proposed in the City than in the past. (VIII-14)

---

This statement says in effect, “based on current development patterns, we won’t meet the modest cost housing goals, although we are making encouraging steps in that direction.” It is worth noting that this language mirrors that used in the 1981 Eagan plan, which made the same point in virtually the same manner.

The 1998 plan indicates that the City of Inver Grove Heights has approved a variety of housing types, with various flexible zoning regulations. The gist of the background section of the housing plan is that the City has done a good job in this regard in the past. The 1998 plan, however,

calculates neither existing low- or moderate-income housing needs, nor the city's share of the region's need. There is nothing in the plan about housing affordability needs. The plan instead provides LCA goals, which are essentially to maintain current rates of affordability. In fact, the plan does not even regard the LCA housing goals as applying to low- and moderate-income families at all. The plan states that the city's negotiated LCA goals "will assist the City in maintaining the broadest base of housing affordable to middle-income households" ("Housing Section," 8).

### **Density and Development Potential**

High density is defined as 15 or more units per acre in the 1981 plan. The plan includes a table that breaks down current land-use designations by total acres. It is impossible to tell from the table which category is high density, however. There is a statement in the plan suggesting a link between high density and affordability. "The average family probably would find it difficult to purchase a new town home unit. For this reason in particular, it is important to encourage the construction of multiple dwelling units in order to reach a larger portion of the population" (VIII-14).

The 1998 plan defines high density as exceeding 12 units per gross acre. Existing land use includes 505.9 acres for multiresidential (2.8% of total land in the city). There are 362.2 acres of existing multiresidential development within the MUSA, and 159 developable acres for future multifamily residential development within the MUSA. There is an implicit connection in the plan between high density and affordability. For example, when the plan describes the type of housing that is developed in high-density residential areas, it states that the City aims to "disperse affordable housing throughout the area rather than creating concentrations in specific locations" ("Land Use Section," 13). The plan indicates that "much of the areas zoned medium and high-density have already been developed. It is likely that there may be some difficulty attaining a goal of 10 units/acre for multifamily housing" ("Housing Section," 10).

### **Implementation**

The 1981 plan notes the need for the zoning ordinance to be reviewed and revised for consistency with the comprehensive plan. The plan calls for the City of Inver Grove Heights to work closely with the Dakota County HRA, MHFA, and HUD on subsidized housing programs. The plan notes that the City "may consider a reduction in the more rigid Zoning Ordinance in order to promote the development of low- and moderate-income housing." The plan also notes that the City will create an ongoing "housing subcommittee" that will meet periodically to review subsidized housing proposals

and review them for consistency with the Inver Grove Heights housing plan and to revise the housing plan when necessary. This idea of a housing subcommittee mirrors a proposal in the 1981 Egan comprehensive plan.

The 1998 plan says the City of Inver Grove Heights will work with Dakota County on housing issues, and continue to look to the county HRA for assistance with CDBG funding, LCA funding, and first-time homebuyers programs. The plan does not specify how between 1981 and 2000 low- and moderate-income housing will be promoted. There are phrases such as “maintain zoning and subdivision regulations allowing for the construction of affordable housing,” continue PUD ordinance that allows a mixture of housing types, and “promote” development of multifamily housing in areas that are suited to it. However, there are no specifics associated with any of these proposals. The sense of the City of Inver Grove Heights appears to be that, compared to its neighbors (Egan, Woodbury, and Cottage Grove), it has done more to make a range of housing available. In fact, the plan points to the development of some “upper-bracket” housing currently being developed as a way of narrowing the income gap between Inver Grove Heights and its neighbors. The tepid nature of the steps laid out in the plan for promoting low- and moderate-income housing are illustrated in the following action step: “To the degree possible, the City will work to ensure that local actions do not unduly increase the cost of raw land” (“Implementation Section,” 7). Thus, although LUPA calls for steps to promote lower cost housing, the preceding statement suggests that the City plans only to avoid raising costs more than necessary “whenever possible.”

## LAKEVILLE

### Population

1970: 7,196

1980: 14,790

1990: 24,854

2000: 43,128

We reviewed three comprehensive plans for Lakeville: 1981, 1988, and 1998. Lakeville is the exception to the rule that most first-wave comprehensive plans (from the late 1970s to the early 1980s) were generally in compliance with LUPA in that they adopted specific fair-share goals and included implementation steps to reach goals. Lakeville’s 1981 plan does none of this.

### Defining Low- and Moderate-Income Housing Needs

The 1981 plan is based on Lakeville’s 1976 “Comprehensive Community Profile” and 1977 “Comprehensive Community Profile Addendum.” The 1981 comprehensive plan does not have a specific housing plan, but notes



that the LUPA stipulations require a detailed housing action plan and that such a “detailed housing plan must be adopted.” The 1981 plan does refer back to the 1979 housing plan and makes mention of Section 8 and mobile home parks as providing low- and moderate-income housing, but does not discuss providing lower cost housing opportunities as such. The plan provides calculations of low- and moderate-income need from 1976. It lists low- and moderate-income demand at 225 low-income and 146 moderate-income owner-occupied units, 66 low-income rental units, and 22 moderate-income rental units. The plan states that based on current supply and demand, there is a deficit in low-income housing but a surplus in moderate-income housing. Overall, the plan calculates that there is a surplus of low- and moderate-income housing in the city. These estimates are based on 1970 U.S. Census data and proportional annual growth assumptions. Regional housing needs are not addressed, nor is the city’s share of those needs mentioned.

The 1988 plan discusses affordable housing mostly in the context of existing mobile home units. There is a list of subsidized housing in the city as a way of calculating existing affordable housing. There is no attempt to calculate the existing need for low- or moderate-income housing, nor is there an attempt to determine what the city’s share of the regional need is. There is simply a general goal statement that the City of Lakeville will provide housing in ranges affordable to low- and moderate-income households.

The 1998 plan again focuses on mobile homes as a source of affordable housing. In addition, the plan states that the City of Lakeville will “promote housing growth that will diversify the City’s housing stock and provide affordable housing opportunities in an effort to expand the local labor force and increase market support for community businesses” (222). However, the plan does not calculate present need for low-and moderate-income housing, nor does it calculate projected needs or the City’s share of the regional need for such housing.

### **Density and Development Potential**

The 1981 Lakeville plan equates high-density development with affordable housing. The plan notes that mobile homes and multifamily units make up most of the city’s low- and moderate-income housing stock.

The 1988 plan indicates that 0.1% of land (or 21 acres) is set aside for high-density residential development (defined as 11 or more units per acre). Another 250 acres (1.0%) is set aside for mobile homes (at 4 to 8 units per acre). This is a statement of existing land uses in 1986, not a projection of future land uses.

The 1998 plan provides data on current land use (53 acres, or 0.2% of land in the city for high-density development), and 2020 land-use projections (253 acres, or 1.0% of land for high-density development). High-density housing is generally targeted for the central business district.

### **Implementation**

There is nothing specific in the 1981 plan about the steps to be taken by the City of Lakeville to promote low- and moderate-income housing. Instead, the plan notes that the City does not require enclosed off-street parking and that residents of Lakeville are eligible for HUD Section 8 and MHFA subsidies. The plan also contains very general statements about providing “sufficient housing options” to meet the needs of all segments of the population, and “encouraging” low- and moderate-income owner-occupied housing. But there are no specifics about how this will be accomplished.

The 1988 plan repeats the same general statements described above, such as “provide sufficient housing options to meet the need of all segments” and “encouraging” low- and moderate-income owner-occupied housing. Additionally, the plan states that “in providing housing for low and moderate-income households, priority shall be given to Lakeville residents and notably, elderly residents” (44–45). Although PUDs are mentioned to help reduce land costs, there is no specific reference to affordability. Tax increment financing is also mentioned in relation to low- and moderate-income housing.

The 1998 plan says the City of Lakeville will “facilitate the development of low and moderate income [housing] through administrative and policy mechanisms” (44), although no specifics are provided. The plan repeats the previous plan’s statement that Lakeville residents and seniors will have priority. The plan also states that “quantitative goals for the provision of low and moderate income housing and for housing rehabilitation shall be established and reevaluated on an annual basis” (45).

The plan claims the City of Lakeville will examine and possibly amend zoning regulations for smaller lot sizes and density standards. The plan mentions PUDs as well. The plan also notes the Dakota County HRA as a source of low- and moderate-income housing. Finally, the plan states that the Met Council’s benchmark for affordable rental housing has actually been exceeded (this is a reference to LCA goals).

## LINO LAKES

### Population

1970: 3,692

1980: 4,966

1990: 8,807

2000: 16,791

The Lino Lakes review is based on comprehensive plans from 1981 and 1998. No explicit definition of “housing opportunities” is provided, but most of the plan discusses the issue in terms of new housing.

### Defining Low- and Moderate-Income Housing Needs

The 1981 comprehensive plan notes that 27% of the community’s housing was low- and moderate-income, and another 44% was in the modest-cost range. The plan uses the Met Council’s fair-share allocation of 90 modest-cost housing units by 1990, and suggests that “in consideration of the much more substantial growth that the City of Lino Lakes actually anticipates, the City of Lino Lakes may increase its share of modest cost housing allocation goal to 130 dwelling units by 1990” (“Housing Plan,” 74).

As a rural area, Lino Lakes was not given a low- or moderate-income allocation by the Met Council in 1981. The plan does state, “in the future as the city urbanizes it should consider adopting a low and moderate cost housing goal as well” (72).

The 1998 comprehensive plan provides no calculations of existing or projected need for low- and moderate-income housing, nor does it mention the city’s share of the regional need for such housing. The plan references LCA goals, and notes that the goals for homeownership are to slightly reduce the rate at which affordable housing is produced in the city and to slightly increase the rate at which affordable rental housing is developed. Even with the increase in affordable rental housing, Lino Lakes has adopted a goal that is 10 to 23% below the benchmark provided by the Met Council.

### Density and Development Potential

No data on acreage by density categories is provided in the 1981 plan.

The 1998 plan indicates that land zoned R-4, or high-density residential land (9 to 15 units per acre), accounts for 47 acres or 0.22% of total acres. Manufactured home parks account for 22 acres, or 0.1% of total acreage in Lino Lakes. Another 46 acres is zoned for medium density. This, too, is less than one-quarter of 1% of the land in the city.

The City of Lino Lakes, which at the time of the 1998 plan had exactly 8 residential units in buildings of four units or more, devoted the entire land use section of its plan related to multifamily housing to a discussion about ways of mitigating its “problematic aspects,” including “land use compatibility, housing value, and traffic resulting from higher density developments” (87).

### **Implementation**

The 1981 plan says the City of Lino Lakes will “promote” development of a variety of types, and “will continue its efforts toward implementing and evaluating various zoning tools to meet that need” (65). No details concerning these efforts are provided, however. The city experimented with allowing 15% of houses in one subdivision to be less than the 960 square foot minimum, with the intent to evaluate the experiment at a later date. No mention of the outcome of this experiment is made in the 1998 plan.

The 1981 plan states that the City of Lino Lakes may reduce its minimum lot size from 11,250 to 10,000 in sewered areas. It states that the City will rezone certain areas of the community to provide more opportunities for multifamily development. Finally, the plan states that the City will adopt a planned unit development ordinance, allowing for greater flexibility.

The 1998 plan offers no specific steps for producing low- and moderate-income housing. Mention is made, however, of Anoka County Community Action Program (ACCAP), Elim Rental Assistance, Habitat for Humanity, MHFA, Section 8 through Met Council HRA, and CDBG and HOME funds, all sources of low- and moderate-income housing assistance. The plan notes that the City of Lino Lakes will “provide housing options,” and “promote housing” for empty nesters and people with disabilities, but does not specifically mention low- or moderate-income housing (174). In fact, the plan lists 3 different “residential goals,” 16 different “residential policies,” and 3 different “residential strategies”; only one of these 22 policy statements mentions affordability, and not a single one mentions low- and moderate-income housing.

### **MAPLE GROVE**

#### **Population**

1970: 6,275  
1980: 20,525  
1990: 38,736  
2000: 50,365

We reviewed the two comprehensive plans that Maple Grove has on file from 1980 and 1998.

## Defining Low- And Moderate-Income Housing Needs

The 1980 Maple Grove plan does not specifically define the phrase “providing adequate housing opportunities.” The plan does not calculate existing or projected low- and moderate-income housing needs for the community, nor the city’s share of the metro area need. The plan states that the city will pursue Met Council assigned fair-share goals for low- and moderate-income housing, modest-cost housing, and subsidized housing allocation.

The 1998 plan also provides no definition of “adequate housing opportunities.” The plan does not calculate existing or projected low- or moderate-income needs, nor Maple Grove’s share of regional needs.

## Density and Development Potential

The 1980 plan explicitly ties high density to affordability. High density is defined as 6 to 17 units per net acre. In 1980, 356 acres (within MUSA) were set aside for medium- and high-density development, allowing for 7,284 units. The City of Maple Grove anticipated that by 1990, they would need 92 to 144 additional acres for multifamily housing.

In 1998, high density was defined as 8 or more units per acre, “to be concentrated near freeway interchanges and the Weaver Lake Road commercial area” (11). Existing land use in 1998 shows 52 acres of high-density development within the MUSA and another 605 acres of medium-density development.

## Implementation

The 1980 plan includes a pledge to take actions “to revise or eliminate official controls which create barriers to the establishment of low and moderate income housing opportunities” (25).

The 1998 plan mentions the use of PUDs and density transfers, but gives no indication of how these may apply to low- and moderate-income or high-density development.

---

A written agreement was signed between the City of Maple Grove and the Twin Cities Metropolitan Council in 1995 that specified actions the City would take to improve the diversity of its future housing stock in terms of affordability, tenure, type, and size. That agreement grew out of the Met Council’s review of the City’s 1993 comprehensive plan and the proposal to extend a major regional sanitary sewer line. . . . Additional reasons for the City’s entering into the Housing Agreement include a sense of responsibility to accommodate a fair share of the region’s

low- and moderate-income housing along with knowledge that local economic development will be aided by the nearby presence of a diverse labor pool. (25)

---

The agreement lists PUDs and “local controls” as means of promoting low- and moderate-income housing.

## MINNETONKA

### Population

1970: 35,776

1980: 38,683

1990: 48,370

2000: 51,301

We reviewed the 1980 and the 1998 plans for Minnetonka.

### Defining Low- and Moderate-Income Housing Needs

There are calculations about the amount of existing affordable housing and about need based on the city’s 1977 housing assistance plan, which identified a need for 371 additional units for low- and moderate-income households over a three-year period. The city’s share of the regional need for low- and moderate-income housing is identified as 560 to 1,400 between 1980 and 1990. The plan calls for the provision of 375 to 560 additional low- and moderate-income housing opportunities during this period, so it aims for below or right at the minimum number.

The 1998 plan references Minnetonka’s 1995 LCA action plan. It calculates existing need for low- and moderate-income housing, but does not calculate the city’s share of regional need. The plan also converts the LCA goals (normally stated in percentage terms) into actual numerical goals, resulting in a goal of 180 new affordable ownership units and 324 new affordable rental units. Note that this total (504 units for the 15-year period between 1995 and 2010) is less than one-fourth of the city’s *existing need* as calculated in the plan.

### Density and Development Potential

Residential densities are defined in the 1980 plan as 5 to 12 units for medium-density development and 12 or more units per acre for high-density development. These were recent changes (increases) “to bring the community density standards more in conformance with those proposed by the Association of Metropolitan Municipalities and the Metropolitan Council” (“Land Use Element,” 37). The plan notes that about 300 acres

are set aside for medium- and high-density development, or about 1.7% of total land use.

The 1998 plan uses the same definitions for medium- and high-density housing, and provides existing land-use breakdowns, with 324 acres identified as high-density residential (1.8% of all land within MUSA).

### **Implementation**

The 1980 plan notes that “large lot residential zoning, lot design regulations and environmental compatibility standards have all made it unlikely that unsubsidized moderate cost housing will be built in Minnetonka” (“Land Use Element,” 19). The city plans to use CDBG, MHFA, HUD, and Met Council assistance and establish a land bank of property suitable for low- and moderate-income housing to provide subsidized housing. The plan also includes general statements about promoting diversity in the housing stock, enforcing fair housing, etc. Specifically, the plan states the City of Minnetonka might (1) revise its special assessment changes so as to increase the incentive for construction of low- and moderate-income housing, (2) encourage innovative zoning and land-use approaches, and (3) provide financial incentives to developers of low- and moderate-income housing. The PUD ordinance is also cited as a way of providing more affordable housing. No specifics other than these are given.

The 1998 plan provides one of the most detailed listings of subsidized housing resources among the studied cities. Multiple sources are identified for a range of housing products, from rehabilitation assistance and rental assistance to first-time homebuyer assistance. The plan states that with only 4% of the land in Minnetonka vacant, most new projects for low- and moderate-income housing will involve redevelopment. The plan mentions the use of density bonuses and PUDs as tools to promote low- and moderate-income housing. The plan also says the City of Minnetonka will compare its fee structure and planning process with other communities and make any needed changes to the zoning ordinance, planning process, or fee structure based on this comparison.

## **OAKDALE**

### **Population**

1970: 7,818  
1980: 12,123  
1990: 18,374  
2000: 26,653

Oakdale created comprehensive plans in 1983 and 2000. The 1983 plan discusses how to create low- and moderate-income housing, while the 2000

plan actually states that a reduction in the percentage of affordable housing is among the city's housing goals.

### **Defining Low- and Moderate-Income Housing Needs**

The phrase *adequate housing opportunities* is not explicitly defined in the 1983 plan. The plan calculates existing low- and moderate-income need based on 1976 Housing Assistance Plan (HAP) and population projections for the three-year period through 1979. The plan relies on Met Council's fair-share allocation of between 580 and 1,415 units of low- and moderate-income housing.

The 2000 plan notes that a majority of housing in Oakdale is affordable according to LCA guidelines. Thus, the need for adequate housing opportunities is not discussed in this plan, with the exception of a statement regarding the need to create more "move-up" (i.e., more expensive) housing in the city. The City of Oakdale's goals under LCA seek a reduction in the percentage of affordable housing. The plan does not calculate local need or local share of regional low- and moderate-income housing need, nor does the plan calculate future needs in either area.

### **Density and Development Potential**

The 1983 plan defines high-density development as greater than 7 units per acre. The plan does not relate density categories to low- and moderate-income income housing categories. Existing acreage for medium and high density was 77 in 1983, and was projected to be 140 acres for high-density and 859 acres for medium-density development at buildout.

The 2000 plan shows 173.1 existing acres of high-density development (8 or more units per acre) and 224 acres in the future. There is no explicit discussion of how density categories relate to affordability, although the plan does point out that smaller lot sizes and setbacks may have helped to keep housing in Oakdale affordable over time.

### **Implementation**

The 1983 plan mentions the following implementation steps:

- the development of alternative forms of housing, including zero lot line homes within PUDs, town homes, and quadminiums
- regular review of zoning and subdivision ordinances to insure removal of restrictive provisions
- the waiver of requirements for amenities such as garages for modest-cost homes

The plan also mentions various sources of subsidized housing assistance, including state, federal, and CDBG.



Because there is no goal to promote affordable housing in the 2000 Oakdale plan, there is no discussion of how local regulatory steps might promote such housing. The plan makes mention of numerous programs to help meet low- and moderate-income needs, including the Washington County HRA, Neighborhood Housing Services (NHS), MHFA, and various county rehabilitation programs.

## **PLYMOUTH**

### **Population**

1970: 18,077

1980: 31,615

1990: 50,889

2000: 65,894

The review of Plymouth is based on the 1980 plan and the 2000 plan update.

### **Defining Low- and Moderate-Income Housing Needs**

The fair-share allocation plan in 1980 provides for 149 modest-cost homes and a target of 104 to 260 low- and moderate-income housing opportunities per year through 1990. Although the plan adopts these Met Council targets, it also includes a reference to data from a housing survey of a sample of Plymouth households to generate information on need calculations.

The 2000 plan does not define affordable housing opportunities. There is a calculation of existing need, although no calculation of projected needs is made, nor is the City's share of the regional need calculated. Affordability is defined using LCA guidelines, and LCA goals are presented in the plan.

### **Density and Development Potential**

The 1980 plan indicates high-density residential land is 11 to 20 units per acre. The estimated number of acres of high-density residential at the time of the plan is 278 acres, or 2% of total acreage in Plymouth. No specific guidance is given for construction of low- and moderate-income housing. It is assumed in the plan, however, that low-income housing would be provided in the areas of highest density.

The 2000 plan states that most of the vacant planned residential land within the MUSA already has development approval in place. The relationship between affordable housing and densities is implied in the plan. The plan states that there are 927 acres of multifamily housing within the MUSA. In the expansion area, the City of Plymouth plans 26 more acres of high-density development.

## Implementation

The 1980 plan lays out three strategies for providing low-cost housing: direct subsidy programs including Section 8, CDBG, MHFA, city bonds, and other public subsidies; elimination of barriers to private construction of lower cost housing; and the encouragement of lower cost units. The City claimed to have already removed most of the regulatory barriers to affordable housing, with the notable exception of the garage requirement for multifamily dwellings. The plan states that “the difference between permitting the lower cost units and encouraging them is a subtle one. . . The development of lower cost homes can be stimulated through measures such as reducing the cost of finance, pre-zoning for areas of higher density development or mobile home parks and land write down” (57).

The 2000 plan states the City of Plymouth may consider amending the ban on “mother-in-law” apartments. It also states that the City will study the impacts of assessments and fees on housing affordability, and may waive fees or reduce assessments for new low- and moderate-income housing. The plan mentions the Plymouth HRA, CDBG, MHFA, and federal Housing Revenue Bonds among others as sources of subsidized housing.

## PRIOR LAKE

### Population

1970: 4,127

1980: 7,284

1990: 11,482

2000: 15,917

Prior Lake’s first comprehensive plan was written in 1977 and reviewed and approved in 1981. Their most recent plan was written in 2000 and approved by the Met Council.

## Defining Low- and Moderate-Income Housing Needs

The 1981 plan uses and accepts the Met Council fair-share allocations for low- and moderate-income units (799) and for modest-cost market-rate units (261). There are no separate calculations of existing or projected needs. The Met Council review notes that the revised low- and moderate-income allocation is between 160 and 400 units, not the 799 units accepted in the plan.

The 2000 plan makes no mention of an affordable housing plan. The plan indicates that affordable housing already exists in Prior Lake, and that it will be more difficult to provide in the future due to market forces. There is no calculation of existing or projected low- and moderate-income housing

needs, nor is there a statement of the city’s share of regional needs. The 2000 plan refers to LCA goals and benchmarks. According to LCA, Prior Lake’s goal for ownership affordability is 50% between 1995 and 2010. This is 15 to 20% below their benchmark and 21% below the existing level of affordability. Similarly, for rental housing, the goal of 32% is below the rate that currently exists in the city (39%).

### **Density and Development Potential**

In the 1981 plan, high density is defined as 8–16 units per acre. Density and affordability are not linked, either explicitly or implicitly. Current land use data shows 102 acres (about 1%) in “multifamily” development, although there is no breakdown by densities.

In the 2000 plan, high density is defined as 11 to 30 units per acre. The plan does lay out expected development by density for five-year increments through the year 2020.

### **Implementation**

In the 1981 plan, implementation is broken down into two sections, one for low-income housing and the other for modest-cost market-rate housing. For low-income housing, the plan mentions the county HRA, Section 8, MHFA rehabilitation funds, and a review of the existing city platting ordinance. The plan also indicates that the City of Prior Lake may “increase the density bonus in the existing PUD” ordinance to encourage a more diverse mix of housing and densities (17).

The 2000 plan states that the City of Prior Lake will review and amend its zoning and subdivision ordinance, paying particular attention to minimum lot sizes, densities, development fees, setbacks, and street design standards. There is no indication about how these items will be addressed. The plan also refers to the Scott County HRA as a source of subsidized housing development.

## **RAMSEY**

### **Population**

1970: 2,360  
1980: 10,093  
1990: 12,408  
2000: 18,510

Only one plan was reviewed for the City of Ramsey. Adopted in 1980, the plan was reviewed by the Met Council and formally approved in June 1982. Upon review, the Ramsey plan appears to be one of the weakest of the

first-wave plans. There is almost nothing in the plan referencing low- and moderate-income housing needs or strategies.

### **Defining Low- and Moderate-Income Housing Needs**

The 1982 plan does not define “adequate housing opportunities.” Providing affordable housing is discussed in terms of new rental construction and rehabilitation. The plan contains explicit definitions of low- and moderate-income housing adjusted for household size. Because of Ramsey’s classification in the development framework in 1982, the Met Council did not calculate a low- and moderate-income housing allocation. The plan does attempt to quantify existing levels of affordability, estimating that 10% of the stock in the city is low- and moderate-income, compared to similar communities where the figure is 20% and the metro area as a whole where the figure is 33%. There is no attempt to determine the local share of regional need.

The Met Council did allocate a goal of 364 new modest-cost housing units during the 1980–1990 period.

### **Density and Development Potential**

Because the plan includes no goals related to low- and moderate-income housing, there is no linkage implied or otherwise between densities and low- and moderate-income housing. The City of Ramsey’s definition of high density is 6 to 15 units per gross acre. There is no analysis concerning current acreage of high-density housing. The proposed 1990 zoning map includes no high-density land.

### **Implementation**

The plan calls for allowing 6,000 square foot lots as part of PUD, increasing densities up to 20 units per acre. The rest of the implementation section includes various general statements about encouraging developers to construct multifamily units, continuing to cooperate with the Anoka County Community Action Program (ACCAP), and working with realtors and banks to distribute MHFA information. The plan recommends adopting PUD standards, but not explicitly with reference to low- and moderate-income housing.

## ROSEMOUNT

### Population

1970: 4,034

1980: 5,083

1990: 8,622

2000: 14,619

The City of Rosemount wrote a comprehensive plan in 1972. This plan was redrafted in 1980 to fulfill LUPA requirements, and was approved in 1981. The city's second plan was approved in 2000.

### Defining Low- and Moderate-Income Housing Needs

The 1981 plan notes that only 2% of the existing stock in 1980 is substandard, suggesting that low- and moderate-income housing needs will be met through new construction rather than rehabilitation. The plan projects a need for 250 to 300 low-income units through 1990. It is estimated in the plan that the majority of moderate-cost housing (approximately 400 units) will be provided through the further development of condominium mobile home subdivisions. The plan lists no data source for these projections. The city's assigned fair-share allocation is 220 to 550 units, but the plan aims for 250 to 300 units. The modest-cost housing allocation through 1990 is 300. The difference between the City of Rosemount's projections and the Met Council allocation is due to the City's population projections, which exceed those of the council.

The 2000 plan identifies the number of assisted housing units in the city in 1998 and provides data on average rent in the city. There are housing projections, but no calculation of existing or projected need for low- and moderate-income housing. In the 2000 plan, affordability is defined according to LCA guidelines. Affordable housing goals are LCA goals (which match the lower end of the benchmark range).

### Density and Development Potential

High-density housing is defined as more than 6 units per acre. There are numeric goals for multifamily housing in high-density areas (80 in 1980, 120 in 1985, and 160 in 1990), but no breakdown of acreage by density category.

The 2000 plan does identify high-density development as a way of satisfying need for affordable housing. The plan details acreage by density category for five-year increments from 1995 to 2020. The plan notes that a total of 30 acres of high-density residential areas will be allocated over this time period.

## Implementation

The implementation section of the 1981 plan consists of two sections: provision of modest-cost housing and provision of subsidized housing. For modest-cost housing, the plan calls for an increase in mobile home densities when cluster development is employed, a system of density increases when energy conservation and natural resource protection can be shown, and reduced permit processing time. For subsidized housing, the Dakota County HRA is mentioned, as is CDBG, Section 8 through the Rosemount HRA, and tax increment financing.

The implementation section of the 2000 plan seems to ignore the issue of land-use controls that might be manipulated to promote affordable housing. The plan does call for reinvestment in older homes to preserve affordable housing opportunities. No other specifics related to affordable housing are provided in this plan.

## SAVAGE

### Population

1970: 3,115

1980: 3,954

1990: 9,906

2000: 21,115

We reviewed two plans from Savage, one approved in 1981 and one in 2000.

## Defining Low- and Moderate-Income Housing Needs

The fair-share allocation for Savage in 1981 was 400 to 1000 low- and moderate-income units. The City of Savage sets a goal in its plan for 400 low- and moderate-income housing opportunities (although it does not define “opportunities”). The plan adopts the Met Council guidelines for the definition of low- and moderate-income housing. The city’s share of the metro need for new modest-cost housing is 605 units, and the plan accepts this goal.

The 1999 plan only references new housing when addressing housing needs. No reference is made to expanding Section 8 opportunities in the city. The plan does not calculate existing or projected needs for low- and moderate-income housing, nor does it calculate the city’s share of the regional need. Affordability is defined according to LCA guidelines, and LCA requirements are used for affordable and lifecycle housing.

## Density and Development Potential

There is no explicit link between density and affordability in the 1981 plan. The plan states that the City of Savage will not zone for multifamily housing unless the landowner has applied for such zoning through the PUD process. Essentially the entire area within the MUSA is planned to accommodate a gross residential density of 3.5 housing units per acre.

In the 1999 plan, high-density development is defined as 16 to 20 units per acre. In 1999, 286 acres (out of a total of 2,618 acres of residential land) had multifamily housing. There is no breakdown by density levels. There is a projection of needs related to affordability, however. Affordable ownership is assumed to occur at a density of 3 units per acre and affordable rental at high densities (16 units per acre). At those densities, 66 acres of each are needed to produce the affordable ownership and rental units called for in the LCA goals.

## Implementation

The 1981 plan supports a 7,000-square-foot minimum lot size for single-family housing in the R2 district, the use of PUDs to allow higher densities, “and other cost-saving devices if environmental considerations are met” (2-10). There is no further discussion of land-use control that might be used to promote low- and moderate-income housing. The plan does mention Scott County HRA, Section 8, MHFA, and CDBG funds to assist in subsidized housing.

The plan states that the City of Savage will consider adopting local government controls that minimize impact on housing costs, including narrow street widths, municipal financing for street and utility installations, permitting duplexes in R1, storm-water ponding, and pre-serviced land for housing development.

The 1999 plan calls for increased zoning for high-density residential development. The plan also calls for considering “any changes that may be needed in local requirements to make rental housing as affordable as possible. This may include higher densities, garage/parking requirements or others” (3-13). The plan offers no other specific steps related to local regulatory mechanisms. The plan mentions TIF, tax-exempt bonding, CDBG, HOME, MHFA, and tax credits as options for producing low-cost housing.

## SHOREVIEW

### Population

1970: 10,978

1980: 17,300

1990: 24,587

2000: 25,924

Shoreview's first comprehensive plan was adopted in 1982, and the city's last plan was adopted in 2000.

### Defining Low- and Moderate-Income Housing Needs

The 1982 plan does not explicitly define "adequate housing opportunities." The plan cites the Met Council fair-share allocation of 420 to 1,050 low- and moderate-income units. However, the plan calls for the addition of only 500 such units during the decade 1980 to 1990. The plan notes an allocation of modest-cost housing of 593 during this period, but does not specifically adopt a numerical goal for modest-cost housing. The plan establishes three-year goals as well.

The 2000 housing element is based on Shoreview's 1996 housing action plan. A definition of adequate housing opportunities is not provided in this plan either. Affordability is based on LCA figures. There is no mention of regional need or local share of low- and moderate-income housing, either past, present, or future. There is only an LCA reference. The City of Shoreview's goal for ownership affordability is below the benchmark.

### Density and Development Potential

Density ranges are not provided in the 1982 plan, nor is there an indication of a direct link between density and affordability. The plan does indicate that in 1980, 72 acres were set aside for high-density residential land uses (1% of the total area of Shoreview).

The 2000 plan does not provide density ranges, although there is a calculation of the overall density for the city's residential areas (2.95 units per acre). There is no link between density and affordability in the plan.

### Implementation

The 1982 plan indicates the City of Shoreview may establish an HRA or contract with a county HRA or the Metro HRA; adopt a PUD ordinance; reduce or eliminate lot, garage, and house size requirements; allow flexible density, clustering, and zero lot line approaches; adopt a maintenance code; eliminate house size requirements for single or multifamily housing; reduce lot sizes to 6,000 to 8,000 square feet; and examine setback, side yard, and



other requirements to ensure they do not unnecessarily increase the cost of housing.

There is no link between land use and regulatory actions and affordable housing in the 2000 plan. There are also no specific regulatory actions specified in the plan.

## **WOODBURY**

### **Population**

1970: 6,184

1980: 10,297

1990: 20,075

2000: 46,463

We reviewed the 1979 and the 2000 plans for Woodbury.

### **Defining Low- and Moderate-Income Housing Needs**

“Providing adequate housing opportunities” in the 1979 plan is addressed through building new units. The plan adopts the Met Council allocation of 831 modest-cost housing units and a total of 60 low- and moderate-income housing units by 1985. The plan provides a recent history of development by housing type, although this is not related to calculations of need.

The 2000 plan adopts LCA guidelines for affordability. For ownership housing the plan lists a goal that is both below the city’s current index and well below the benchmark. For rental housing the plan adopts a goal that is also roughly half of what the benchmark suggests.

### **Density and Development Potential**

The 1979 plan does not define density categories but does state, “It is felt that high and medium density developments are the only ones that can realistically provide housing within the low/moderate income framework” (38).

The 2000 plan defines high-density development as 8 to 15 units per acre, and includes town homes, condominiums, and apartment buildings. The plan does not provide existing data on acreage by density category, nor does it provide projections.

### **Implementation**

The 1979 plan allows cluster development in which “lot size may be reduced by up to 20%, though overall density is maintained as calculated normally” (40). There are no other standards, plans, or programs discussed relative to promoting low- and moderate-income housing. The plan mentions the Section 8 program, CDBG, MHFA, and tax-exempt revenue

bonds. The plan states, “in Woodbury the funds could be utilized to assist with the site improvements, land write-down and site clearing. The city’s role is to file the applications, prepare a housing assistance plan, and review the development plans for the new construction” (34).

The 2000 plan requires a PUD for mixed-housing projects, and allows density bonuses as a means to encourage scattered-site affordable housing. The plan says the City of Woodbury will explore developing a joint powers agreement with other cities to work together to accomplish affordable housing goals. The plan states that the Washington County HRA, Met Council, and HUD are potential resources for affordable housing, and also mentions MHFA programs. Other potential resources that are identified include TIF, Habitat for Humanity, and land write-downs. A fairly extensive list of specific subsidy programs is provided in the implementation section.

The 2000 plan offers a range of reasons why affordable housing will be difficult to achieve. The plan cites one case in which the City of Woodbury required a developer to reserve 20% of units in a project for affordability. Despite the rezoning that was done to make the project possible, the developer pulled out. The plan mentions that “the lack of a functioning HRA in Washington County” has also limited affordable rental housing in the city (6-25). The end of the Section 8 new construction program in 1982 is also mentioned as a barrier. The plan notes that “a developer who might be interested in building an affordable housing project in Woodbury will have a difficult time finding a site. There is very little unplatted residential land left in the community within the MUSA” (6-25). Finally, the plan states:

---

Economic goals and strategies strive to locate business and industry in the City. A key component in the strategy is to provide executive housing for middle managers and estate housing for upper management. Private sector market forces have a significant impact upon the ability of the City to provide for affordable housing. The jump in market values of the City’s existing housing stock has moved properties out of the affordable range. (6-26)

---

## *Part Three* **Translating Planning into Action**

The 1976 Land Use Planning Act requires local communities in the Twin Cities to engage in comprehensive planning to, among other things, meet local and regional housing needs. In the first two parts of this report we have summarized how the Metropolitan Council has implemented LUPA, as well as 25 years of planning efforts by our sample of 25 suburban communities. For LUPA or any planning effort to impact housing conditions, however, there must be follow-up. Communities must take the plans they have made and translate them into action. In this part of the report, the third of four, we examine how and to what extent our 25 suburban communities have implemented the plans submitted during the comprehensive planning process in order to promote low- and moderate-income housing. We rely primarily on two data sources: interviews with city officials and interviews with private sector housing developers.

### **MONITORING LOW- AND MODERATE-INCOME HOUSING PRODUCTION**

The Land Use Planning Act envisions a system in which local governments plan for low- and moderate-income housing within a regional context. As originally constituted, implementation of that system involved the calculation of local shares of regional need. For the system to be meaningful, however, there must be a means of keeping track of the efforts made by communities. We have seen that the Met Council established no such monitoring system. It is possible, however, that individual communities have kept track of their progress toward meeting low- and moderate-income housing needs. For communities operating within a regional system that is aimed at meeting low- and moderate-income housing needs, keeping track of the available housing that has been built seems like a minimum requirement for achieving program goals. A community must know what it has done in order to determine whether it is on track for meeting needs or for fulfilling the obligations that it has.

Although this is a minimal obligation, our interviews indicate that two-thirds of the communities in our sample do not have an inventory or database of the amount of low- and moderate-income housing they have. Ten of these communities indicated that the County HRA would have information on the number of low- and moderate-income units within their jurisdiction. Of those that did keep track, three have been doing so only since LCA was created in 1995, and only one indicated that their list went back as far as the

mid-1970s, when LUPA was initiated. Another community planner reported that her city had only eight subsidized units and keeping track of them did not require anything as formal as an inventory or database.

## LOCAL REGULATORY CHANGES TO PROMOTE LOW- AND MODERATE-INCOME HOUSING

Our city interviewees were asked a series of questions about what techniques were in place in their communities for enhancing the production of low- and moderate-income housing. These techniques centered on the relaxation of regulatory mechanisms that are often seen as barriers to affordable housing. The techniques, and the number of communities reporting using them, are listed in Table 3-1.

Most of the communities we studied had in place a PUD ordinance allowing negotiation of lot sizes and densities between developers and city officials. The next most common technique, reported by half of the interviewees, was an allowance for accessory apartments. Just less than one-half of the communities allowed smaller lot sizes. Seven communities reported that they use set-asides, in which developers are told that a certain percentage of units developed must be built for people with low and moderate income levels.

**TABLE 3-1.** Reported Use of Regulatory Mechanisms to Promote Low- and Moderate-Income Housing among Sample Communities

Techniques to promote low- and moderate-income housing	Number of communities	Pct.
Planned unit development (PUD) ordinance allowing smaller lots, density bonuses, etc.	17	71
Zoning variances	5	21
Density bonuses	3	12
Expedited approval for low- and moderate-income housing projects	0	0
Reduced fees	5	21
Reduced lot sizes allowed	10	42
Allowance of accessory apartments	12	50
Set-asides for low- and moderate-income housing	7	29

Chanhassen, Eden Prairie, and Oakdale each reported using five of these eight techniques, the most among the 25 communities studied. Rosemount, Chaska, and Apple Valley reported using four. On the other end of the spectrum, Andover and Brooklyn Park reported using none of these techniques, while Inver Grove Heights and Ramsey reported using only one (in the case of Inver Grove Heights, the technique was the PUD). The mean across all communities we studied was just less than two-and-a-half.

In part two of this report we examined the regulatory techniques that are listed in the implementation section of the comprehensive plans we reviewed. By looking at the most recent plans for the communities in our sample, it is possible to determine if the answers given by our interviewees match the regulations that are in the comprehensive plans. We were able to cross-check for six items: use of PUDs, increased densities, reduction in lot size/square footage minimums, expedited permit approval, fee reductions, and zoning variances. For two items, there is a close match between the plans and reported behaviors. Expediting permit approval is not listed in any of the current plans, and none of our respondents indicated that their community is currently doing this as a means of reducing housing development costs. Similarly, there is agreement between the comprehensive plans and reported behaviors for 13 of the 16 communities we studied with respect to reduction in fees as a means of promoting low- and moderate-income housing. That is, two communities reported that they reduce fees even though their comprehensive plans do not include such stipulations, and another community reported they do not reduce fees when their plan says they do.

For several items, however, there is a great discrepancy between what the planner said their community does and what the implementation section of the comprehensive plan says they do. With respect to allowing decreased square footage and the relaxation of other requirements to cut costs, there are discrepancies between interview responses and comprehensive plans in 8 cases out of 14 (missing information from the interviews accounts for 2 fewer cases in this comparison). For the rezoning of land to accommodate low- and moderate-income housing, there are discrepancies in 6 out of 16 cases. Even for the use of PUDs, there are differences in 6 out of 15 cases. Discrepancies between what the plan indicates and what our official contacts said were most frequent in Apple Valley (four out of six items).

There are a couple of reasons why such discrepancies may occur. First, the comprehensive plans simply may not provide enough detail about what the community is doing in the area of affordable housing. Second, changes in policy may have occurred between the time the plan was written and the time of our interview. We tried to minimize this by only cross-checking third-wave plans. Had we included first-wave plans that are still in effect

because there has been no update, the frequency with which plans and planners disagreed would no doubt have been greater. Another potential explanation for these findings is that city officials are simply unaware of what is in their comprehensive plans as they relate to housing, or that they are simply not implementing what is in those plans. On several occasions during our interviews, it became clear that those we interviewed were unaware of what the plans said about promoting low- and moderate-income housing. One official, for example, after mentioning that set-asides were a bad policy and one that he would not pursue, was surprised to hear that his city's current comprehensive plan called for their use.

Although it is difficult to determine the exact reason for the common discrepancies found between what the plans indicate on the one hand and what city officials say on the other, it is clear that there is some significant disconnect between the comprehensive plans and the practices of communities.

## **PROMISES KEPT**

We attempted to pursue the issue of the match between comprehensive plans and actual community practices by inquiring about specific items mentioned in the approved plans of the cities in our sample. For various reasons, we are unable to provide a summary for all 25 of our sample communities. In some cases there were no specific statements made in the comprehensive plan on which to follow up. In other cases, the interviewees were unable to say whether a particular action mentioned in a comprehensive plan adopted 20 years earlier had ever been taken. It should be noted that in most cases, we inquired only about specific steps mentioned in the comprehensive plans. Vague statements indicating, for example, a willingness to work with developers or the County HRA to facilitate low- and moderate-income housing—statements that dot the plans of these communities—were not asked about.

Perhaps the easiest step for communities to take was introducing a PUD ordinance that would allow more flexibility in densities. Many communities made this promise and virtually all of them kept it. In some places, however, such as Brooklyn Park and Prior Lake, our sources indicated that these ordinances had no impact on low- and moderate-income housing. One of the considerations that might limit the effectiveness of PUD ordinances and increases in allowable densities is the starting point from which communities work. In Chanhassen, the city was able to increase densities for single-family development using PUDs, but the increase was from an average of 1.8 units per acre to 2.86 in one project and 2.47 in another. These densities, although technically an increase from the previous average, are clearly insufficient to produce more affordable development.

For those communities that already had a PUD ordinance at the time their plans were adopted, some, like Burnsville, limited the use of PUDs to those cases where the developer could provide adequate guarantees that the density allowances would result in lower cost housing.

Another step that seems fairly minimal is to simply build out existing areas that already call for multifamily housing. The 1990 Burnsville plan, for example, suggests that the City “could take advantage of the large number of multi-family housing units that could be developed under current zoning conditions.” This is, in fact, what happened in Burnsville during the next decade. Coon Rapids was able to maintain the moderate-density districts it established in 1982.

The 1998 Lakeville plan called for an examination of the city’s medium and high-density residential zoning districts. The City of Lakeville has paid attention to that directive, wanting to ensure good multifamily housing projects with more amenities. However, this effort has not necessarily resulted in more low- and moderate-income housing.

Items that were less often achieved were specific changes to zoning and development guidelines. Nevertheless, some communities did follow through on these steps. Changes in zoning or development guidelines, while more rare than other steps, have the potential for long-term benefits in that they change the rules under which residential development takes place. Burnsville, for example, followed up on its 1978 promise to reduce lot widths to 70 feet on interior lots and 80 feet on corner lots. Coon Rapids increased the maximum units per acre in town home districts to 9.9, and adjusted permitted uses in those districts to include fourplexes and eightplexes. Cottage Grove reduced minimum lot area requirements to 7500 square feet in single-family districts, and eliminated the minimum floor area requirements for single-family housing and the garage requirements for multifamily housing, all steps that were included in their 1981 plan. Lino Lakes decreased minimum lot sizes to 10,000 square feet in sewered areas, and has revised some zoning regulations to allow for twin homes.

Plymouth followed up on its promise to assess existing policies that might push up housing costs, and some barriers have been removed according to our interviewee. Prior Lake has changed its zoning to provide for a greater range of density. High-density areas in the city now allow up to 30 units per acre. Rosemount fast-tracked developer proposals for modest-cost housing, and also increased mobile home densities.

Some communities were able to claim that they kept promises by referencing a single instance in which they complied with a statement in their comprehensive plan. For example, one community’s 1991 plan indicated that it would promote life-cycle housing, permit density increases, and

provide for mix-used development with a transit component. In each case, the interviewee claimed that they have kept those promises by referencing a single example during a nine-year period. Thus, although it is clear that in at least one instance the City followed through on a commitment made in its comprehensive plans, it is equally clear that this has not become a regular practice. In another city, a promise to establish a zoning district for manufactured housing was carried out, but it was abolished before the end of the decade. Similarly, Rosemount, as its 1980 plan suggested, has used CDBG funds for the development of a 28-unit low- and moderate-income family project and TIF funds for land acquisition in support of a 40-unit senior project. This follows through on the City's comprehensive plan promises, but does not constitute much action during the course of a 20-year period.

As mentioned earlier, the items that were carried out least often were those that related to specific zoning changes intended to facilitate lower cost housing. For example, the 1980 Blaine plan mentioned the possibility of reducing minimum lot-size requirements, increasing density requirements for single-family housing, adjusting the garage and minimum floor area requirements, and ensuring that a substantial portion of residential land be made available for multifamily housing. None of these changes actually occurred. The 1998 Burnsville plan mentioned that the city would "consider amending the zoning ordinances to establish special design requirements for seniors, persons with disabilities, and other special needs populations." None of these actions has taken place yet. In Chanhassen, which had met a large number of other commitments made in its plans, the City has failed to follow through on exploring "methods to lower land cost" ("the city doesn't own land so it cannot control the market," said the interviewee) or on developing a more streamlined review process for low-cost residential projects. In 1980, Inver Grove Heights promised to consider increasing flexibility in zoning densities, but has not yet done so.

The Inver Grove Heights plan of 1980 stated that an ongoing subcommittee would be established to make periodic (at least every three years) reviews of the city's housing program and to make recommendations for change as necessary to the City Council and Planning Commission. The committee was never established. Our interview contact commented, "I couldn't have told you that was in the plan. Sounds like one of those great consultant ideas."

The 1980 plan for Plymouth states, "the development of lower cost homes can be stimulated through measures such as reducing the cost of finance, pre-zoning for areas of high-density development or mobile home parks, and land write-down." But the city has not rezoned land for high-density development, has not allowed mobile home development, and has



not written down land costs, although it has used tax-forfeited land to build senior units.

Shoreview has adopted a PUD, as its 1982 plan indicates, but parking requirements, density, and lot size requirements have not been decreased. Our respondent also indicated that it is unlikely that setback, side yard, and other zoning requirements have been examined to ensure that they do not unnecessarily increase the cost of housing. The city has not promoted new housing types or other approaches to zoning ordinances to provide for cost reductions, nor has it made use of specific programs to which the City could give priority, as it stated it would in the 1982 plan.

Even vague promises—such as working with the legislature, the Met Council, and the County HRA to “accomplish housing goals”—are sometimes ignored by communities. When asked about these goals, some of our respondents could think of nothing concrete to report. Whether that is related to the vagueness of the goals themselves or the lack of action is impossible to determine.

In summary, there is a wide variation in the degree to which communities followed up on the implementation statements made in their housing plans. Several conclusions from the analysis of “promises kept” are noteworthy. First, it is clear that a housing plan adopted in one year is not necessarily embraced by the city council in subsequent years. One of our informants said it was typical for her city council to participate in workshops to help develop the comprehensive plan. “The problem is that the council members that may have worked on these things are not necessarily the same ones as we have today.” As a result, staff proposals that are consistent with the plan can be killed by a city council that no longer supports specific elements of the plan.

Second, follow-through on comprehensive plans is not always a simple yes/no proposition. Compliance on some items means more than a single action during a 15-year period. If the plan calls for the community to use the HRA to develop low- and moderate-income housing or to use CDBG funds to reduce prices, true compliance means a continued effort in these areas throughout the period of the plan. Pointing to a single HRA project or a single CDBG-funded project during a span of two decades falls short of true compliance with the comprehensive plan.

In addition, the experiences of the 25 communities we sampled indicate the important difference between passive reduction of barriers and the active encouragement of low- and moderate-income housing development. Several communities passed PUD ordinances as their plans suggested they would, but our informants clearly indicated that they had no impact on low- and moderate-income housing development. Similarly, respondents indicated

that some costs had been reduced by the measures taken by the city, but that the total amount of cost-reduction was insignificant.

In a related sense, many respondents pointed to changes in their housing policies and in their zoning regimes that had an impact on the local market for housing development, but not necessarily an impact on low- and moderate-income housing. The Land Use Planning Act specifically states that the implementation plans need to address how the community will meet its share of the regional need for low- and moderate-income housing. Actions that are generically related to housing but not specifically related to low- and moderate-income housing simply do not fulfill the LUPA mandate.

Finally, in some cases it became clear that communities were operating under plans that contained language with which officials were not familiar. In one community, our respondent was surprised to hear that the 1999 plan stated that the city will “notify developers of single family homes that about 8 percent of homes in their developments should be affordable to lower-income homebuyers; [and] provide any zoning or regulatory concessions needed to facilitate this.” Quickly backtracking, our respondent indicated that the plan is not a mandate and that this is simply one idea being considered. What this response clearly indicates is that the statement in the plan was, as another informant suggested, just another “great consultant idea” that was never seriously entertained by the community, despite being in the comprehensive plan.

Many communities have made some good-faith efforts to follow up on specific items in their housing plans. It is clear that some communities have used the plan as a framework for action. In other cases, however, the plan is seemingly not “owned” by the staff or the city council in any meaningful way. However, we do not present these data as a definitive scorecard of promises kept, because our ability to determine the degree of community follow-up is inexact, especially 20 years removed from the time that most of these plans were adopted.

The difficulty of establishing a clear understanding of the degree of compliance after two decades highlights the importance of ongoing monitoring. There is little doubt that had a system of monitoring been put in place by the Met Council, there would be a much greater and more consistent base of information against which to judge the actions of local governments. Furthermore, regardless of the lack of an enforcement mechanism, the mere existence of systematic monitoring would likely have encouraged local actions more uniformly in line with the plans that were approved.

## BARRIERS

We asked city officials in all 25 of our sample communities whether there was anything in their communities' current zoning, permitting, or other development policies that discouraged or prevented the addition of low- and moderate-income housing. Only 2 of the 25 officials we interviewed answered yes. However, several suggested other regulatory elements that might be considered by some to be obstacles, including restrictions on lot and unit sizes (mentioned by three respondents), fees (mentioned by two), and density allowances (mentioned by one). In the end, however, these respondents indicated that there was nothing in local zoning or permitting that discouraged low-cost housing.

What this implies is that affordability is entirely determined by “the market,” and by costs that are outside the control of local governments. Three respondents suggested that the high cost of land, for example, was the culprit in driving up housing costs. As one official said, “Land cost is high and no ordinance can deal with that.” Another official told us “zoning ordinances and permits are not designed to either encourage or discourage any particular values, whether that be low, moderate, or high income. Zoning and permits are designed to ensure types of uses. . .that apply across the range of values there. So the values on housing are market-driven.” Two respondents indicated that the lack of developable land prevented low- and moderate-income housing, and one respondent pointed to NIMBYism (not in my back yard).

That fully 90% of the suburban officials we spoke to maintained that there were no regulatory requirements in place in their communities that discouraged low- and moderate-income housing from being developed reflects a remarkable level of unanimity. It could indicate a strong sense among officials that they simply cannot do anything about low- and moderate-income housing development, or a significant denial of the impacts of land regulation upon prices. In fact, however, these responses probably reflect a more mundane reality: the reluctance of interview respondents to volunteer specific information when asked a general question. When we asked directly about several specific regulatory items and how they impact prices, there was little reluctance to identify many of these regulations as barriers to low- and moderate-income housing.

We asked about eight specific regulatory items that could have an impact on prices. The items were (1) lot size requirements, (2) restricted amount of land zoned for multifamily housing, (3) building material requirements, (4) subdivision regulations, (5) the permitting process, (6) limits on use of manufactured housing, (7) building codes that required code enforcement when rehabilitating housing, and (8) prohibitions on

accessory apartment units. One-third of the respondents (8 of 24; one official declined to answer these questions) replied that at least half of these items limited the development of low- and moderate-income housing in their communities, and 70% (17 of 24) indicated that at least two of the regulatory items listed had that effect. In contrast to the responses to the earlier question, only four of the respondents (17%) maintained that none of the eight items limited the production of low- and moderate-income housing in their communities. Table 3-2 summarizes the responses to these questions by community.

Cities where these requirements were most problematic, according to our respondents, were Champlin, Chanhassen, Eden Prairie, and Ramsey (where five or more were said to limit low- and moderate-income development). Our respondents from Brooklyn Park, Rosemount, and Woodbury maintained that none of the limits were operative in their communities. In Cottage Grove, Lakeville, and Plymouth, only one of the listed regulations worked to limit low- and moderate-income housing.

Table 3-3 shows which of the regulations were most frequently seen as limiting by our respondents. Of the suburban officials who responded, 65% (15 of 24) indicated that lot-size requirements limited affordability at least somewhat, while just less than half of the officials agreed that the restricted availability of land zoned for high density also limited low- and moderate-income housing development. None of the other regulations was mentioned by more than one-third of the officials with whom we talked.

The list of regulations we developed for the purposes of the interviews is certainly not an exhaustive list of regulatory factors that might limit low- and moderate-income housing development, nor are these necessarily the most prevalent. Nevertheless, these are obstacles to increased low- and moderate-income housing development erected by the local governments themselves. Table 3-3 shows that these obstacles were acknowledged to be operating in many of the suburban communities we studied.

## **DEVELOPERS' VIEWS OF OBSTACLES**

Community planners were able to identify 10 developers who have built subsidized or moderate-cost housing in their cities during the past two decades. Personal interviews were held with representatives from eight of these firms to seek their views on the ease or difficulty of pursuing projects and getting approvals. From these interviews we gain another perspective on the communities that are responsive to affordable housing and on communities that are more difficult to work with, either because of ground rules in ordinances; limited land supply; or lack of support from city staff, elected officials, or the general public. General questions probing the obstacles

**TABLE 3-2.** Number of Listed Regulations that Limit Low- and Moderate-Income Housing Development in Sample Communities

Community	Number that limit low- and moderate- income housing...	
	somewhat	very much
Andover	1	3
Apple Valley	3	1
Blaine	1	1
Brooklyn Park	0	0
Burnsville	2	0
Champlin	4	2
Chanhassen	2	3
Chaska	2	2
Coon Rapids	1	1
Cottage Grove	1	0
Eagan	—	—
Eden Prairie	5	0
Inver Grove Heights	2	0
Lakeville	0	1
Lino Lakes	2	2
Maple Grove	0	0
Mnettonka	2	0
Oakdale	3	0
Plymouth	0	1
Prior Lake	3	0
Ramsey	3	2
Rosemount	0	0
Savage	1	1
Shoreview	1	1
Woodbury	0	0

**TABLE 3-3.** Types of Regulations Limiting Low- and Moderate-Income Housing Development

Regulation	Limits low- and moderate income housing...			
	somewhat	very much	Total and pct.	<i>n</i>
Lot size requirements	10	5	15 (65)	23
Amount of land zoned for high-density	5	6	11 (46)	24
Prohibition on accessory units	2	5	7 (30)	23
Limits on manufactured housing	5	2	7 (30)	23
Subdivision regulations	4	2	6 (25)	24
Local building material requirements	6	0	6 (25)	24
Requirement for code enforcement with rehabilitation	4	1	5 (24)	21
Permit process	3	0	3 (12)	24

facing developers were followed by more specific questions about their two most recent projects.

There is a gray area in defining what is “affordable” housing and what is affordable for households earning less than 50% of the area median family income (currently households earning less than \$37,000). Developments that incorporate some affordable units together with market rate units generally are unable to satisfy the housing needs of households that are low income.

Two of the developers we interviewed, Centex and Rottlund, are large-scale private developers active in 11 of the 25 cities we sampled, and they reported that during a 20-year period they have built between 35 and 40 housing projects that include some affordable units. Generally these units are moderately priced single-family and town home units with base prices starting in the \$125,000 to \$135,000 range. Both developers stated that their town home units offer the most affordable owner-occupied housing. They reported that in their four most recent projects, no public subsidies were involved. Their products are not targeted to households with incomes below 50% of the area median family income. One developer had attempted to work out several projects with “set-aside requirements” (generally setting aside 20% of the units affordable to households earning less than 80% of median income), but only one project was actually completed and this was in the 1980s. Another developer we interviewed was CommonBond Communities, a large nonprofit developer that specializes in low- and moderate-income subsidized housing. This developer has completed seven projects in five of the sample communities.

The remaining five developers we interviewed build smaller projects and are active in seven of the cities we sampled, with Plymouth, Eden Prairie, and Minnetonka having two completed projects each. Out of their 26 completed projects, 10 are located in the sample cities. The majority of these projects required some level of public subsidy from the Low Income Housing Tax Credit Program, the local HRA, the *Hollman v. Cisneros* consent decree, MHFA, or TIF sources.

None of the developers we interviewed have found it easy to build affordable housing in the suburbs. Table 3-4 summarizes their responses to a list of factors that have created problems for their projects. The table lists factors rated as either a “significant” or “major” obstacle. The availability of land zoned at higher densities is of major concern to all of the developers we spoke to, and land availability is directly linked not only to the acreage zoned but also to the specifications in the ordinances that establish the number of units per acre. When asked to identify the two most important factors, availability of land was ranked number one most often. A variety of other factors clumped together in second place: zoning regulations, cost of

TABLE 3-4. Developers' Ranking of Obstacles to Building Affordable Housing

Rank	Obstacles	Number and pct. rating as "significant" or "major" obstacle (out of 8)
1	Availability of medium- and high-density land	8 (100%)
2	Zoning regulations	7 (87.5%)
3	Cost of land	6 (75%)
4	Resistance of neighbors	6 (75%)
5	Availability of subsidies	6 (75%)
6	Permit approval process	4 (50%)
7	Cost of materials	4 (50%)
8	Fees	3 (37.5%)
9	Resistance of elected officials	3 (37.5%)
10	Availability of subsidies	2 (25%)
11	Availability of financing	2 (25%)
12	Resistance of staff	1 (12.5%)
13	Building regulations	1 (12.5%)

land, and the availability of financing to put a feasible project together. One developer stated that "the most difficult [obstacle] is the environmental regulations, especially requirements to preserve wetlands, trees, and provide buffer zones. These regulations decrease the effective use of the property."

Descriptions of recently approved projects document a relatively small number of units added to the affordable housing stock, a downward trend in the number of units finally approved as compared to the number proposed, and the importance of having multiple sources of public subsidies to create an economically feasible project.

One project that originally proposed the inclusion of 37 town home units ended up with 30 (roughly 9 units per acre). Another developer started at 11 units per acre and ended up at 7 units per acre by the time the project was approved. Neither of these projects was located in one of our sample cities. A third project that was in a sample city was proposed at 66 units and reduced to 52. Other developers reported no reduction in number of units, and one reported an increase as a result of the approval process.

Other examples of successful affordable housing development include the following:

- a downtown project at 10 units per acre developed with TIF support from the city (in a sample city)

- 152 units of detached town homes at 10 per acre, with more than half under \$135,000 (in a sample city)
- 64 apartments at under 20 units per acre with multiple sources of subsidy (in a sample city)
- 38 town homes at 8 units per acre with multiple sources of subsidy (in a sample city)
- a pending town home development for 20 town homes at 10 units per acre with two sources of public subsidy (in sample city)

The most frequently mentioned obstacle to getting a project approved was neighborhood opposition. Developers reported record turnouts at public meetings, distribution of flyers and leaflets urging neighbors to come and oppose a proposed development, and one instance of receiving threatening phone calls at home. It is far more likely that moderately priced owner-occupied units will be received positively than will rental housing. “Nitpicking the project design,” as one developer put it, has been one of the neighborhood strategies, together with opposition to rental units. Active opposition of neighbors is so prevalent that developers expressed surprise when a development of theirs did not attract vocal opposition. One developer reported that when he arrived at the city council meeting for a vote on his development, the absence of a crowd led him to believe he had shown up on the wrong night.

One developer said how important it was to get positive support from the Metropolitan Interfaith Council on Affordable Housing (MICAH) for a project with *Hollman* resettlement units. “People in a community form relationships in congregations and I don’t think they would have gotten the project done without MICAH. Teas with elected officials, almost as many people at meetings in support. . . [a] fine bit of work on their part.”

Another possible major obstacle is resistance from city staff or elected officials. Almost all of the developers, however, found city staff members supportive and helpful in pursuing projects. In some instances assistance in project design was provided to make the development fit better into the neighborhood, and in one community staff actually helped the developer find an appropriate site. In two instances, the city staff supported use of TIF funds. According to one developer, city staff “pushed on the Met Council and lobbied MHFA for tax credit designation. . .MHFA tax credits [were] critical. . .couldn’t have done it without them.” Another developer credited city staff with trying to “help with elected officials and countering neighborhood opposition.”

Typically, however, elected officials were not as uniformly supportive of the projects proposed by these developers. Comments on support from elected officials were more tentative, ranging from “quieter support,”



“passive support,” and “generally supportive” to instances of outright opposition when a project was proposed in a council member’s district. Support from one mayor was specifically cited as extremely helpful. In one city, officials were anxious to support the project because the city was hoping to sell a city-owned piece of property. Another developer complained of city officials in one of the sample communities creating design obstacles and costly additional requirements as the project moved through the approval process.

Developers are well aware of the reluctance of communities to accept affordable housing. Few, if any, relish the opportunity to be reviled by neighbors at a public meeting. Furthermore, most developers can ill afford to devote time and resources to carry through projects that will be blocked by local governments. Therefore, developers select their cities carefully in an attempt to minimize costs associated with projects that die. As one said, “we don’t bother to go out and work in communities where we are not wanted.” What results is a cycle in which the difficulties of low- and moderate-income housing development become self-perpetuating. Developers avoid certain communities until a point is reached where the more receptive communities become concerned that they already have “too much affordable housing.” Then these communities become less receptive and the pool of eligible and willing communities shrinks.

Several of the interviewees were reluctant to name cities (except for Eagan) that were particularly difficult to work with. This is understandable because developers may wish to site future projects in those communities. The cities of Minnetonka, Plymouth, Chaska, Maple Grove, and Blaine were identified by more than one developer as being receptive to affordable housing projects (although Plymouth and Maple Grove were also named by other developers as difficult places to develop affordable housing). Another developer with a completed project in Chaska found the elected officials, staff, and citizens there all very supportive of affordable housing. Another commented, “suburbs want to do just as much affordable housing that puts them on the right side of LCA.” Another developer plans to go outside the seven-county metro area to Faribault for another project because “it is really refreshing to go to a community where they just knock themselves out to help out.”

## **ACTIVE ROLES IN THE DEVELOPMENT OF LOW- AND MODERATE-INCOME HOUSING UNITS**

Up to now we have examined how the 25 sample communities have implemented the steps they identified in their comprehensive plans to reduce the obstacles to low- and moderate-income housing. Most of our analysis thus

far has focused on passive actions that can make low- and moderate-income housing development more feasible. In this section, we briefly look at two more active steps that can make low- and moderate-income housing happen.

First, we asked officials whether their communities solicit proposals from either the local HRA or other developers for building new low- and moderate-income housing. One-half of the respondents indicated that their cities did so. Of these communities, it appears that four did so only once, while in other communities such solicitations are more common.

Officials were also asked whether their city has ever acted as a developer of low- and moderate-income housing (Figure 3-1). Only 8 of the 25 (32%) responded affirmatively. Of the other 17, 1 respondent did not know and 16 said no. Of those who indicated that their cities were not involved as developers, 4 officials mentioned that this is the job of the county HRA. In fact, 10 of the 15 who indicated their cities do not act as developers are from Carver, Dakota, Scott, and Washington Counties, each of which has an HRA in place. The fact that a county HRA exists, however, does not preclude action by the local government. Of the 8 respondents who indicated that their city has acted as a developer in the past, 3 are in counties with HRAs.

For many smaller suburban communities, however, it is less common for the local government to be involved as a developer of low- and moderate-income housing. Such development is complicated and time-consuming,

**FIGURE 3-1.** Degree of Active Role in Promoting Low- and Moderate-Income Housing, by Community

		Acted as developer?	
		Yes	No
Solicited proposals?	Yes	Chaska Woodbury	Burnsville Champlin* Coon Rapids Inver Grove Heights Lino Lakes Minnetonka Oakdale Rosemount Savage Shoreview
	No	Blaine Eagan Eden Prairie Maple Grove, Plymouth Ramsey	Andover Apple Valley Brooklyn Park Chanhassen Cottage Grove Lakeville Prior Lake

\* Respondent did not know whether the city had acted as a developer of low- and moderate-income housing.

and most suburban governments simply do not have the staff to engage in such activities. It is more common for these communities to solicit proposals from other entities, although only one-half of the communities have done so, and some of them apparently only once.

Only two respondents indicated that their cities are involved as developers and solicit proposals from other entities (Chaska and Woodbury), while seven (28%) have neither acted directly as a developer nor solicited such a project from another entity. These seven communities are Andover, Apple Valley, Brooklyn Park, Chanhassen, Cottage Grove, Lakeville, and Prior Lake.

The likelihood that a suburb has been a developer may be tied to its growth potential. Six of the eight communities that have acted as developer are communities we categorized as having large amounts of developable land. On the other hand, four of the seven communities that neither solicit proposals nor directly develop are also in our high developable land category.

## **ATTITUDES TOWARD LUPA AND REGIONAL SHARE**

This section examines the attitudes of local planning officials toward the housing elements of LUPA. Our interviews with local officials uncovered a strong sense among them that LUPA was not very relevant to affordable housing issues in suburban areas of the region. A number of reasons were cited for this perception, including the current emphasis of the Met Council on the Livable Communities Act and the feeling that the planning requirements of LUPA have little to do with the actual development of low-cost housing.

### **LUPA OR LCA?**

One of our respondents told us, “Everybody is not using LUPA—the region is using LCA” when it comes to determining low- and moderate-income housing goals and objectives. This, of course, is a factually accurate statement. The Met Council has allowed LCA housing plans to serve LUPA requirements since LCA began. Another respondent told us that LUPA has been superseded by LCA—that LCA does the same thing as LUPA (sets out fair-share requirements) and is more recent. Although it is a more recent act of the Minnesota legislature, it is not the case that LCA supersedes LUPA. The 1976 Land Use Planning Act remains an active law with its own set of requirements. That these requirements have been long ignored in the area of housing does not mean they do not exist.

Other respondents did not consciously remark upon the irrelevance of LUPA in the current context, but instead simply referred to LCA goals and guidelines when asked a question about LUPA and low- and moderate-income housing needs. When asked about the concept of “fair-share”

housing, one official simply said, “we try to meet our LCA goals.” Another said, “The Planning Act doesn’t have much to do with it, we signed off on the affordability goals for LCA.” Similar responses are, in all likelihood, evidence that LUPA has been replaced by LCA in their minds to such a degree that they either do not think about it anymore or are even unaware of LUPA and what it used to mean. More than one of our respondents did not know anything about the housing requirements of LUPA and asked our interviewers to give them some background.

The shift to LCA as a framework for low- and moderate-income housing efforts has led many officials to think that they have met their “fair share” according to LCA benchmarks. Although we did not ask them a question about this, 10 of our respondents (40%) volunteered that their community has already done its fair share in the area of affordable housing. In many cases these were explicit references to the generous definitions of affordability in LCA and the Met Council’s data showing that many communities are at or above those benchmarks (see Goetz 2000).

If, for some, LCA has become the basis of their belief that their communities have met their share of low- and moderate-income housing needs, for others it allows a retreat from the entire notion of regional fair share. As one respondent said, “The advantage of LCA is that it is community-based, and that is much easier for city councils to understand than their place in the region.”

## **THE FADING RELEVANCE OF LUPA**

Even for those who knew of LUPA and what it was meant to be, there was a fairly widespread sense that it does not play a large role in what actually happens in residential development. Several respondents said their efforts to address low- and moderate-income housing and the amount of such housing built in their communities had nothing to do with LUPA. “It wasn’t LUPA, it was economics,” according to one official. Another maintained that LUPA had no teeth when it came to low- and moderate-income housing. “The comp plan can reflect the [development] guidelines, but if there is no political will, they are just words on a page,” said one planner. Another said, “LUPA is dated and it doesn’t have much discussion as to how cities are supposed to make affordable housing work. Other things contribute to getting affordable housing done in this community.” Another official simply maintained that LUPA “is not clear” when it comes to establishing housing goals.

One planner maintained,

---

[F]rom a planning or technical standpoint, affordable housing is easy—it’s just the politics and the values behind the regulations

and how the Council feels about those. What is lacking is the political courage. Affordable housing gets done if there's money and the political willingness to do it.

---

Several other officials echoed these statements, arguing that what is most useful in promoting low- and moderate-income housing is a good set of tools to accomplish such development and the political will to see it happen.

That the law has not been adequately implemented for a 20-year period obviously contributes to the sense many officials have that it has become irrelevant. It was made irrelevant by being largely ignored. Whether it is inherently irrelevant is a more difficult question to answer.

## SUMMARY

There are significant barriers to resurrecting the record of compliance of the 25 sample communities with community plans that are more than 20 years old. The likelihood that local officials have been in a single community during the entire period and remember the details of land use and housing regulations during that period are quite slim. Furthermore, documenting all of the steps, small and large, taken by communities during this period that have either promoted or inhibited the development of low- and moderate-income housing in a general way or in specific cases is simply beyond the resources of this study. What we offer instead is a review of information from several sources—the community plans themselves, interviews with city officials, and interviews with residential developers. This information provides a sketchy and necessarily incomplete view of the ways in which communities have translated their housing plans into action since 1979.

We found that most communities do not even keep track of the subsidized and low- and moderate-income housing that exists within their boundaries. Many rely on the county HRA to keep track of that information. Nevertheless, combined with the fact that most communities have not calculated the need for low- and moderate-income housing (relying instead on the LCA goals negotiated with the Met Council), it must be concluded that with regard to the share of regional need for low- and moderate-income housing, most of the communities in our sample know neither what the magnitude of that share is for their communities, nor how close they are to meeting it. Such information, we argue, would be essential for any community serious about meeting its share of the regional need for such housing.

Our analysis of the specific steps taken by communities to follow up on promises made in their comprehensive plans shows a mixed record. Some communities have followed up on steps laid out in earlier plans. In some communities this included revisions to land-use regulations that provide the

framework for residential development. In other communities, one-time efforts to channel subsidies to low- and moderate-income housing developments represent, in a narrow sense, fulfillment of pledges made in plans, but fall short of constituting a consistently new way of doing business in residential development. Some officials told us that items listed in earlier comprehensive plans were carried out but had had no impact on low- and moderate-income housing development. Finally, there are communities in which assurances given in comprehensive plans about steps that would be taken to promote low- and moderate-income housing were simply never met.

There are several potential reasons for the gap between what the plans indicated would happen and the steps actually taken. In some cases it is due to the lack of familiarity of local officials with the contents of the plans themselves. In other cases, the city officials we spoke with suggested that the policy orientation embodied in the comprehensive plans approved in one year do not necessarily match the policy strategies of city councils in subsequent years. This suggests that in some respects, the housing element of comprehensive plans is not regarded by community officials as binding. Finally, we discovered that several local planning officials do not see LUPA as the relevant piece of state law in the area of low- and moderate-income housing development. Most officials referred instead to the Livable Communities Act as the legislation that guides their current housing planning and informs their goal-setting processes.

There is some basic level of agreement between city officials and private developers about what constitute the most serious barriers to low- and moderate-income housing development. City officials most frequently pointed to lot-size requirements and the availability of land for high-density development. Developers overwhelmingly identified the availability of land, but also added NIMBYism as an additional obstacle.

Based on information provided by developers, it is easy to understand why the pace of efforts to increase the supply of low- and moderate-income housing is so slow. First, it is difficult to find a site for such housing given the scarcity of available vacant land where higher density housing is permitted. Second, it takes a lot of time and effort on the part of developers to put together a financially feasible project, regardless of whether or not there is active opposition from neighbors. Sources of subsidy are limited. The Low Income Housing Tax Credit Program through the MHFA Super Request for Proposals appears to be the most important form of subsidy, particularly since there is greater reluctance today to use TIF funds. Third, there are extra costs involved both in making project design changes and in building political support within communities in the face of determined local opposition. Close to 25 years of comprehensive planning in the area of affordable housing does not seem to have addressed these basic difficulties.

# Part Four

## The Effect of Planning

Traditionally, the Met Council has evaluated the adequacy of housing plans, in part, by determining whether communities set aside enough high-density residential land to accommodate low- and moderate-income housing goals. The council assumed that this land was the most likely to yield low-cost housing. In the first wave of comprehensive plans, completed between 1979 and 1982, the sample communities set aside thousands of acres for high-density residential development. In this section of the report, we examine what actually happened to that land during the 20-year period from 1980 to 2000.

### TRACKING LAND SET ASIDE FOR HIGH-DENSITY HOUSING

#### THE LOCATION OF LOW- AND MODERATE-INCOME HOUSING

The first step in our analysis will be to identify the location of existing low- and moderate-income housing in the 25 communities in our sample. This will determine whether the Met Council assumption, namely that high-density land is the most likely to yield low- and moderate-income housing, is defensible.

We created an inventory of all subsidized low- and moderate-income housing for the 25 sample communities. Sources for the inventory included the communities themselves (the third-wave plans of several communities included an exhaustive list of subsidized multifamily housing projects); HUD; the Met Council; and HomeLink, a regional affordable housing clearinghouse.

We then determined the existing and original (first-wave) zoning designation for the land occupied by these projects. Because we wanted to determine whether low- and moderate-income housing is indeed more prevalent in high-density areas, we were primarily interested in the current zoning designation. Table 4-1 presents the data on the current density designations for existing low- and moderate-income housing in the 25 sample communities.

**TABLE 4-1.** Current Zoning Designation of Low- and Moderate-Income Housing for Sample Communities, 2000

Current zoning designation	Number and percentage of units of low- and moderate-income housing
High-density residential	3,399 (48%)
Medium-density residential	773 (11%)
Low-density residential	686 (10%)
PUD	1,152 (16%)
Non-residential	1,047 (15%)

Note: Density definitions are those of the individual cities. These figures do not include units that could not be classified.

The data show, somewhat surprisingly, that most low- and moderate-income housing is not located in high-density areas. Only 48% of the low- and moderate-income housing units that we were able to trace in the 25 sample communities are on land zoned for high-density residential use. Nevertheless, this zoning category accounts for the single largest group of units (by three to one). Given the fact that high-density residential land is extremely scarce among the sample communities, high-density land is much more likely than other land types to yield low- and moderate-income housing. On the whole, only 1% of the total land in our 25 sample communities is currently zoned or designated for high-density residential use, yet it contains almost half of the low- and moderate-income housing units we could trace. The data suggest that the Met Council assumption that high-density land is more likely to yield affordable housing is valid.

## **THE MAINTENANCE OF HIGH-DENSITY LAND OVER TIME**

The next step in our analysis was to track the development history of the land set aside for high-density residential development during the first wave of planning. First, we identified land set aside for this use in the first wave of comprehensive plans for our 25 sample communities. For 18 of the communities, we used the comprehensive plan; for 6, we could only locate the zoning map; and for 1 (Eagan), we used both. These maps were overlaid with current parcel maps for each of the communities to identify individual parcels of land within the designated high-density areas. Given the scale and the quality of the resolution of the first-wave maps used in this analysis, the figures produced should be regarded as estimates, both in terms of the parcels and the acreage. This exercise produced a database of 7,463 parcels (8,529 acres) of land set aside for high-density use in the first wave of plans. Table 4-2 presents the data (in acres) for each of the 25 communities.

The third column of the table lists an estimated maximum “carrying-load” for the acres set aside as high density. This figure was determined by multiplying the number of acres set aside by the maximum number of units allowed in each city’s high-density category. Where no maximums were identified by the city, the minimum was used. Thus, for several communities in our sample, these figures are conservative estimates. The data show an estimated capacity for more than 100,000 units on the land set aside as high-density residential by the 25 communities in our sample.

### **“AN ACRE A DAY”**

To determine the effect of reserving land as high-density, we charted the fate of this land over time. We matched these parcels against the current zoning maps for the communities in our study to determine how that land is



**TABLE 4-2.** Estimated Parcels Set Aside for High-Density Development in First-Wave Plans of Sample Communities

City	Total high-density acreage originally designated	High-density acreage used to calculate units possible in high-density areas*	Maximum number of units possible in high-density areas
Andover	46.01	46.01	276
Apple Valley	258.27	69.82	838
Blaine	392.56	371.83	3,718
Brooklyn Park	1,245.39	504.03	7,056
Burnsville	1,050.84	837.49	11,725
Champlin	159.49	159.49	2,871
Chanhassen	46.2	36.33	254
Chaska	15.0	6.8	162
Coon Rapids	936.14	747.17	22,415
Cottage Grove	60.70	60.70	1,214
Eagan	1,117.92	593.18	7,118
Eden Prairie	186.21	186.21	7,449
Inver Grove Heights	756.21	503.10	6,037
Lakeville	534.12	518.62	5,705
Lino Lakes	217.20	164.52	3,949
Maple Grove	45.16	42.86	729
Mnetonka	184.10	106.08	1,273
Oakdale	192.64	192.4	1,539
Plymouth	308.87	308.87	6,177
Prior Lake	506.34	506.34	8,101
Ramsey	195.31	173.58	2,604
Rosemount	57.09	43.59	262
Savage	16.82	3.04	110
Shoreview	0.00	0.00	0
Woodbury	0.00	0.00	0
<b>Total</b>	<b>8,529</b>	<b>6,192</b>	<b>101,825</b>

Note: Calculation uses the minimum high-density designation (e.g., 12 units per acre) in cities without a maximum density limit for high-density parcels.

\* Only the acreage for which current densities could be calculated was included in the calculation of maximum number of units possible.

currently zoned. Because of missing information on current densities (as, for instance, when a PUD designation is used), we were able to assign current zoning designations to only 5,140 of the original parcels. The data show a dramatic change during the 20-year period from 1980 to 2000.

Based on the original zoning or plan designation, approximately 101,825 housing units could have been built on these 5,140 parcels. By 2000, because of changes made to the designation or zoning of these same parcels, the land could accommodate only 44,413 units, a staggering 56% reduction in residential development potential. This means a potential 57,412 units were lost on these parcels.

Some communities changed their zoning or plan designation of this land quite extensively, or perhaps never updated their zoning maps to conform to their comprehensive plans. In the City of Coon Rapids, for example, the potential yield of the 747 acres we tracked that was originally set aside for high-density housing has been reduced by two-thirds. This land could have accommodated more than 22,400 housing units, but will currently accommodate only 7,750 units because of redesignation. In Eden Prairie, *every single acre* of high-density land that we could track during the 20 years since the city's first-wave plan was adopted has been redesignated for another use. For Brooklyn Park, the high-density land we were able to track originally could have accommodated 7,100 housing units. In 2000, that same land would yield only 800 units, an 89% reduction. In other communities, there was virtually no change in housing yield for the parcels we could track over time. Plymouth lost the capacity to build 159 units out of an initial capacity of close to 6,200, a 3% reduction. In four communities—Andover, Minnetonka, Rosemount, and Savage—the regulations governing land set aside or zoned for high-density development during the first wave of planning were changed so that the land would actually yield more units in 2000 due to slightly greater density allowances. Overall, in 19 of 23 communities (83%), the unit capacity of the land originally set aside for high-density residential development decreased between 1980 and 2000.

Table 4-3 shows the changes in zoning designation for the parcels we charted, by city. The data show that 58% of all parcels have been down-designated.<sup>3</sup> These parcels remain designated for residential use, but are zoned for medium- or low-density development. Another 5% of the parcels are now zoned for non-residential use.

The table shows dramatic differences across the cities in our sample. Plymouth, Andover, Cottage Grove, and Oakdale have kept the same density designation for more than 80% of their parcels. Overall, however, only 14% of the original high-density parcels are unchanged over the time period of our study. The changes are extensive. Lakeville, Maple Grove, Champlin,

<sup>3</sup> We use the term "down-designated" instead of "down-zoned" because the data from our first time point, the first-wave plans, indicate the comprehensive plan designation of the land, not its zoning status.

TABLE 4-3. Current Status of Parcels Set Aside for High-Density Development in Sample Communities

Communities	Total parcels	Pct. no change	Pct down-designated	Pct. PUD	Pct. non-residential	Pct. up-designated	Pct. unknown
Andover	36	92	3	0	0	6	0
Apple Valley	148	14	3	81	2	0	0
Blaine	756	1	63	0	0	34	1
Brooklyn Park	1,044	0	87	3	3	0	7
Burnsville	889	34	53	6	1	0	6
Champlin	399	1	94	0	4	0	0
Chanhassen	80	0	3	91	0	6	0
Chaska	32	9	6	78	0	6	0
Coon Rapids	473	15	65	5	14	0	1
Cottage Grove	33	88	9	0	0	3	0
Eagan	1,081	3	24	65	3	4	0
Eden Prairie	30	0	3	0	97	0	0
Inver Grove Heights	559	23	66	0	5	0	5
Lakeville	531	1	98	0	0	0	1
Lino Lakes	217	1	46	49	4	0	0
Maple Grove	83	0	95	4	0	1	0
Minnetonka	59	61	0	34	0	0	5
Oakdale	327	83	16	0	0	2	0
Plymouth	112	98	1	0	0	1	0
Prior Lake	70	4	37	0	9	49	1
Ramsey	388	3	92	2	3	0	1
Rosemount	111	0	3	2	87	8	0
Savage	5	60	0	20	0	20	0
Shoreview	0	—	—	—	—	—	—
Woodbury	0	—	—	—	—	—	—
<b>Total</b>	<b>7,463</b>	<b>14</b>	<b>58</b>	<b>16</b>	<b>5</b>	<b>5</b>	<b>2</b>

Note: Parcels down-designated to medium density were categorized as “no change” if the maximum density of the medium-density designation was the same as the minimum density of the high-density designation. Shaded cells indicate the highest values in each category.

and Ramsey down-designated more than 90% of their high-density parcels during this 20-year period. Cities with relatively lower median incomes were significantly more likely than the higher income communities to redesignate their high-density parcels. Eden Prairie and Rosemount are the only two communities that have redesignated a high percentage of their high-density land for nonresidential uses, and in both cases they have done so with nearly all of the high-density parcels originally set aside. Prior Lake has actually up-designated nearly half of its original high-density parcels, and Blaine has up-designated one-third. Overall, 5% of the parcels we tracked were up-designated.

Table 4-4 repeats the above analysis using acreage instead of parcels. The results essentially mirror those shown in Table 4-3, with some minor changes. Plymouth and Andover stand out more clearly as communities that have left the great majority of their high-density land unchanged. Lino Lakes joins Lakeville, Ramsey, and Maple Grove as communities that down-designated more than two-thirds of the acreage originally set aside for high-density housing. Savage stands out as having moved a very high percentage of high-density land into the PUD category. Eden Prairie is alone in having converted previously high-density acreage into nonresidential uses. Finally, when acreage is taken into account, Rosemount has up-designated the most land during this time period.

Overall, 38% of the acreage originally set aside for high-density residential use was down-designated for low- or medium-density residential development. An additional 16% has been redesignated for PUDs at indeterminate densities. About 17% of the land was converted to nonresidential use. Only 17% of the acreage remained high density, and another 5% was redesignated for even higher density development. This leaves in the high-density category just 22% of the acreage originally set aside for high-density development in the first round of plans in 1980.

Figure 4-1 presents the data in graphic form. The chart shows the degree of redesignation that has taken place on the land originally set aside for high-density residential use.

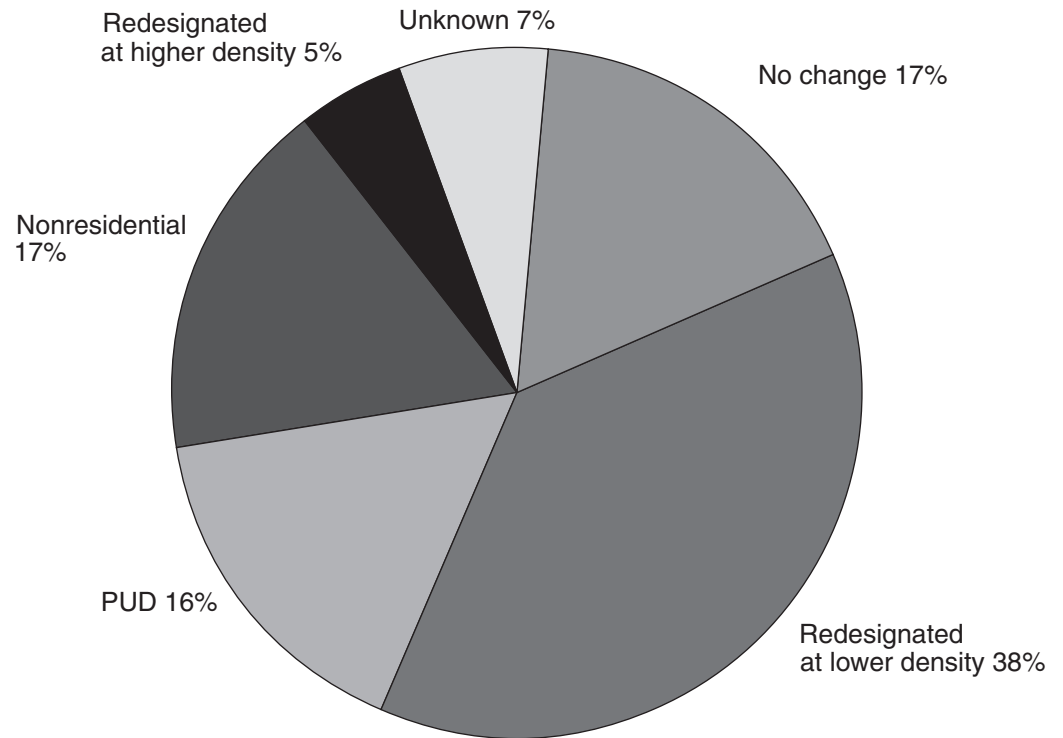
The data shown in Tables 4-3 and 4-4 and summarized in Figure 4-1 reveal a great deal of flux in the zoning designation for the land these communities set aside in the early 1980s for high-density housing. Overwhelmingly, this land is no longer reserved for high-density housing; only 19% of the parcels and just 22% of the acreage remained high-density 20 years later. To provide some perspective on the rate of change that occurred in the high-density land category, these communities were moving land out of high-density residential categories at a rate of more than one acre each working day from 1980 to 2000.<sup>4</sup>

<sup>4</sup> For the purpose of this calculation we conservatively assumed that all of the acres in the "unknown" category remained in the high-density residential category.

TABLE 4-4. Current Status of Acres Set Aside for High-Density Development in Sample Communities

Communities	Total acreage	Pct. no change	Pct. down-designated	Pct. PUD	Pct. non-residential	Pct. up-designated	Pct. unknown
Andover	46	97	3	0	0	1	0
Apple Valley	258	3	1	73	23	0	0
Blaine	393	1	45	9	7	27	10
Brooklyn Park	1,245	0	39	14	25	6	16
Burnsville	1,051	32	33	7	16	0	12
Champlin	159	8	65	0	27	0	0
Chanhassen	46	0	30	68	0	2	0
Chaska	15	14	17	64	0	5	0
Coon Rapids	936	17	45	9	21	0	8
Cottage Grove	61	74	22	0	0	4	0
Eagan	1,118	11	23	47	13	6	0
Eden Prairie	186	0	12	0	88	0	0
Inver Grove Heights	756	18	31	7	19	0	25
Lakeville	534	13	84	3	0	0	0
Lino Lakes	217	0	77	13	9	0	0
Maple Grove	45	0	69	5	0	26	0
Minnetonka	184	51	0	42	0	7	5
Oakdale	193	61	23	0	0	15	0
Plymouth	309	97	0	0	0	3	0
Prior Lake	506	1	61	0	20	17	0
Ramsey	195	0	73	4	21	0	1
Rosemount	57	0	8	24	19	50	0
Savage	17	15	0	82	0	3	0
Shoreview	0	—	—	—	—	—	—
Woodbury	0	—	—	—	—	—	—
<b>Total</b>	<b>8,529</b>	<b>17</b>	<b>38</b>	<b>16</b>	<b>17</b>	<b>5</b>	<b>7</b>

Note: Acres down-designated to medium density were categorized as “no change” if the maximum density of the medium-density designation was the same as the minimum density of the high-density designation. Shaded cells indicate the highest values in each category.



**FIGURE 4-1.** Current Designation of the Acreage Originally Designated for High-Density Development in Sample Communities

But just as high-density land can be rezoned for different uses, other land-use types may be converted into high-density land over time. In fact, it is possible that in these communities, the amount of land converted from other categories into high-density residential use is enough or more than enough to compensate for the dramatic loss of high-density residential acreage documented above.

The data shown in Table 4-5 indicate that most communities did, in fact, shift land from other designations into high-density zoning categories. Given the tendency to move land both out of and into the high-density category, the *net change* is the most important indicator of communities' ongoing willingness to facilitate high-density residential development. The final column in Table 4-5 provides the net change in high-density land for the 25 communities in our sample. Only a few communities failed to shift any land into high-density residential. Some communities—such as Apple Valley, Burnsville, Inver Grove Heights, and Lakeville—shifted hundreds of acres that had originally been designated for another use into high-density residential. Other communities—including Andover, Chanhassen, Chaska, Plymouth, Woodbury, and Shoreview—actually increased their high-density residential acreage during the study period. Even Eden Prairie, which between 1980 and 2000 had redesignated every acre of land originally

TABLE 4-5. Change in High-Density Residential Acreage, by Sample Community

Community	Acres set aside in first-wave plan	Original acres rezoned	Acres designated high-density since first-wave plan	Acres currently zoned high-density	Net change in high-density designation
Andover	46	1	63	108	62
Apple Valley	258	250	209	217	-41
Blaine	393	281	2	114	-279
Brooklyn Park	1,245	971	—	—	—
Burnsville	1,051	716	478	813	-238
Champlin	159	146	27	40	-119
Chanhassen	46	45	88	89	43
Chaska	15	12	193	196	181
Coon Rapids	936	779	223	380	-556
Cottage Grove	61	13	12	60	-1
Eagan	1,118	928	155	345	-773
Eden Prairie	186	186	207	207	21
Inver Grove Heights	756	620	357	493	-263
Lakeville	534	465	266	335	-199
Lino Lakes	217	216	133	134	-83
Maple Grove	45	33	40	52	7
Minnnetonka	184	150	0	34	-150
Oakdale	193	72	28	175	-18
Plymouth	309	0	194	503	194
Prior Lake	506	415	49	140	-366
Ramsey	195	194	22	23	-172
Rosemount	57	29	10	38	-19
Savage	17	14	—	—	—
Shoreview	0	—	115	115	115
Woodbury	0	—	448	448	448
<b>Totals*</b>	<b>7,265</b>	<b>5,525</b>	<b>3,319</b>	<b>5,059</b>	<b>-2,206</b>

\* Totals do not include the figures for Brooklyn Park and Savage, communities for which we could not determine net change.

designated as high-density residential, actually ended up with a few more acres in the high-density development category in 2000 because they moved more parcels into that category.

The overall trend for these 25 communities, however, is a rate of redesignation away from high-density residential use that outstrips the rate at which they moved land into that category. The data indicate that the sample communities currently have a total of more than 5,000 acres zoned high-density residential. This is a net loss of 2,206 acres (30%) during the period of this study. Even though the cities in our sample have been redesignating as high-density land acreage that originally had been set aside for other uses, the rate at which this occurred is roughly 60% of the rate at which they redesignated land originally set aside for high-density residential development. Looking at the net change in high-density land, then, our 25 sample communities reduced the amount of high-density residential land at a rate of just less than one acre every other working day for the 20-year period between 1980 and 2000.

## **ON THE GROUND**

The final step in our analysis was to examine more closely what is actually on the land that is zoned for high-density housing to give us more reliable information about what happened to the parcels initially designated high density. To accomplish this, we randomly selected a sample of 243 parcels for analysis.

Of the 243 parcels originally designated high density, 83 (33% of the acreage) are still high density. The data show that 88% of the parcels (92% of the acreage) currently zoned high-density actually had housing in 2001, although not all of the housing was high-density. In fact, just more than 58% of the residentially developed acres were high-density housing. Most of the parcels (more than 80%) had apartments or condominiums, 11% held town homes, and 6% held single-family homes or duplexes. Most of this housing (94% of the parcels and 97% of the acreage) was renter-occupied. Importantly, 62% of the parcels (67% of the acreage) already had high-density housing on them by the time of the first-wave plan.

In 2001, 11% of the high-density parcels contained low-density housing. These were mostly single-family homes or town homes. All were owner-occupied units.

Finally, 20% of the developed parcels were built out as medium-density housing by 2001, mostly with town homes, apartments, and duplexes. More than half of the medium-density units in the sample were owner-occupied. Almost half of these low- and medium-density parcels were already built out (as low- or medium-density) by the time of the first-wave plans.



## **AFFORDABILITY**

Additional research on the housing units that occupied the sample parcels provided information on their affordability. In order to determine whether the housing that existed on the parcels we examined was affordable, we used rent levels of comparably sized subsidized housing in the Twin Cities region. The rent levels we used to determine whether the units qualified as affordable to low- and moderate-income families were a maximum of \$650 for one-bedroom units, \$750 for two-bedroom units, and \$850 for three-bedroom units.

Based on these rates, we found that only 35% of the high-density parcels (30% of the acreage) contained housing affordable to low- and moderate-income families.

## **PLANNED UNIT DEVELOPMENTS**

The land set aside for PUDs is of special interest because of the frequency with which communities referred to this strategy as a means of increasing densities and potentially promoting low- and moderate-income housing. As summarized in part two of this report, 75% of the first-wave plans mentioned the use of PUDs as a means of promoting higher densities in housing. Our data also indicate that 17% of the acreage originally set aside for high-density residential use was shifted into PUDs.

Examination of the housing that has been built in the PUDs in our 25 sample communities, however, suggests that this technique has only infrequently led to the development of low- and moderate-income housing. Of the sample of 61 PUD parcels we analyzed, 11% (12% of the acreage) are currently high density. Almost 80% of the housing in PUDs for which we have data is owner-occupied. Just two of the seven parcels for which we were able to obtain rent levels (19% of the PUD acreage) contain housing affordable to low- and moderate-income households.

## **THE RATE OF LOW- AND MODERATE-INCOME HOUSING PRODUCTION**

Given the analyses in the preceding section, it is possible to calculate the rate at which high-density land set aside in 1980 yielded low- and moderate-income housing units 20 years later. We start with the number of acres set aside for high-density residential development during the first wave of plans, and then make several adjustments based on the foregoing analysis.

Step one: Adjust for redesignation of high-density land. We assume that there is some rate at which the redesignation of high-density land

for low-density or other use occurs. We estimate that to be 55% based on the experience of these 25 communities between 1980 and 2000 (excluding land with the same, upzoned, or PUD designations). This number must be adjusted, however, to account for land originally set aside for other uses that is rezoned or upzoned into high-density residential land. Thus, the adjusted rate of zoning change is a 30% reduction in acreage over time. That is, the number of acres zoned for high-density residential development in 2000 is 70% of the amount set aside in the first wave of plans.

Step two: Adjust for the amount of current high-density land that does not have housing. An additional adjustment is made to account for the percentage of land zoned for high-density residential that actually has housing on it. We found this to be 92% of the acreage in our 25 sample communities.

Step three: Adjust for the amount of currently designated high-density land that already contained high-density housing at the time of the first wave of plans. Another adjustment is necessary to account for the fact that much of the land (67%) designated for high-density development in 1980 already had been built at high densities. Only 33% of the acreage so designated was vacant (or had a nonhousing use) at the time of the first-wave plans.

Step four: Adjust for the percentage of newly built high-density units that are affordable to low- and moderate-income households. One final adjustment to the figures is necessary. Using the rents charged by other providers of subsidized low- and moderate-income housing as a guideline, we estimate that only 30% of the acreage with new housing units on high-density land had units affordable to low- and moderate-income households.

Making the adjustments described above provides a means of establishing the rate at which acres set aside for high-density development in the first wave of plans actually produced low- and moderate-income high-density housing after 20 years. The formula is

$$X = a \times .70 \times .92 \times .33 \times .30$$

where  $a$  is the number of acres set aside for high-density housing in year one, and  $X$  is the estimated number of acres on which new, high-density, low- and moderate income units will have been built during a 20 year period.

Thus, in practice, for every 100 acres of land set aside for high-density residential development in 1980 by the communities in our sample, roughly six acres contained new, high-density, low- and moderate-income housing in 2000. In order to develop a given number of acres as high-density low- and moderate-income housing over a 20-year period, the cities in our sample would have had to designate almost sixteen times that number of acres as high-density in their initial land-use plans.

## SUMMARY

In part four of this report we have examined the rate at which land that was set aside by our 25 sample communities for high-density residential use actually produced new, high-density, low- and moderate-income housing during the 20-year period we studied. Our finding should be taken as an estimate of this rate given the lack of clear data for some items analyzed. Nevertheless, the analysis shows a significant divergence between the amount of land set aside in year 1 and the amount of low- and moderate-income housing produced by year 20.

Note that our analysis extends only to land originally set aside as high-density residential. The data also show that just less than half of the current inventory of subsidized housing is not built on high-density land, although low- and moderate-income housing on high-density land is the most common. Thus, this analysis is not an overall assessment of the rate of low- and moderate-income housing production by these communities. Many communities have built numerous projects on other parcels. We examined only high-density parcels because the rate at which communities reserve land for high-density residential development is one of the chief indicators used by the Met Council to determine the adequacy of the housing elements of comprehensive plans under LUPA. We have shown that there is some basis in fact for using this as an indicator of the adequacy of housing plans; land zoned for high-density housing is many times more likely than any other type of residential land to actually contain low- and moderate-income housing. On the other hand, our analysis shows that the “conversion rate” of land set aside for high-density is extremely low. That only 6% of the acres set aside yielded new low- and moderate-income housing 20 years later indicates that high-density set-asides are not a good indicator of future affordable housing activity. Either this standard should be abandoned altogether, or the Met Council should insist on a set-aside that would accommodate many times the number of low- and moderate-income units identified by a community as its goal.



# Part Five

## Conclusions

### PART ONE

Our analysis of the Metropolitan Council's implementation of LUPA has shown that the agency has changed its orientation to the law very significantly during the 25-year period in which LUPA has been operational. In the beginning the council was active in calculating regional needs and local shares of the need for low- and moderate-income housing. Since the early 1980s, however, the council has stopped calculating need. It discontinued the practice of reviewing local housing performance for about an 18-year period before taking it up again recently, and it backed off of its practice of providing development guidelines to local communities. For most of the period of this study, the council has pursued a decidedly hands-off approach to LUPA compliance.

Met Council staff suggest that such an approach is the appropriate one given the lack of enforcement authority in the program. The absence of authority to force the development of low- and moderate-income housing, however, does not in any way require the council to ignore compliance with LUPA. The low- and moderate-income housing allocation formula of the 1970s, for example, might have been continued even in the face of greatly reduced federal subsidies. The formula provides an estimate of need that would be useful regardless of resource levels, and provides a standard against which development efforts could have been judged. In addition, although federal housing subsidies declined in the 1980s, they did not disappear. The federal Low Income Housing Tax Credit Program and the greater allocation of state and local funds for subsidized housing helped, to some extent, to offset federal cutbacks. In short, efforts to meet the need for low-cost housing in the Twin Cities did not end in the 1980s, and a means of measuring those efforts vis-à-vis needs remained important.

Furthermore, even in the absence of the authority to force such activity, the Met Council could—and in our view, should—have developed a system to monitor compliance. Such a monitoring system would have produced information on which communities were making progress and which were not, and that could have provided leverage in negotiations or advocacy efforts related to affordable housing. The council's willingness to turn a blind eye to whether communities were following up on their housing elements did not serve the public interest.

More recent steps to establish a housing performance score for each community in the region and to use that score when making grant decisions

is a positive step that will likely increase the potential for LUPA objectives to be met. The absence of such steps for a 19-year period during which the region gained hundreds of thousands of households represents a missed opportunity of huge proportions.

## **PART TWO**

Although one must expect variation across communities in how thoroughly the LUPA housing requirements were addressed, we found that the variation across waves was much more significant. Planning during the first five years after LUPA was initiated was more attuned to regional and local need for low- and moderate-income housing than is the current third wave of planning. First-wave plans adopted a regional framework and generally included more detail related to implementation strategies than do current plans. First-wave plans used the terminology outlined by LUPA and focused on “low- and moderate-income” housing and on share of regional need. The current third wave of plans does neither. In the place of low- and moderate-income housing, communities now refer to “affordable” housing, referencing LCA guidelines on affordability that are typically higher than low- and moderate-income levels. The third-wave planning also ignores the concept of need and instead incorporates LCA housing goals as a substitute. Only 2 of the 25 communities we studied even made an effort to document local need. Not one referred to regional need or their own local share of that need as LUPA explicitly calls for. The implementation strategies for the third wave of plans also compare unfavorably with those of the first wave. Many communities include very few or no specific steps that will be taken to facilitate low- and moderate-income housing. Almost without exception, the plans do not even address the impediments to low- and moderate-income housing identified by the planning officials we interviewed in those same communities.

On the basis of all of these findings, we must conclude that there is not a single plan approved since 1982 in the 25 communities we reviewed that meets the housing standards implied by LUPA.

## **PART THREE**

In part three of this report we attempted to establish a 25-year record of compliance with LUPA for each of the 25 communities in our study. The obstacles to achieving a comprehensive view of compliance over such a time period are many. The likelihood that local officials have been in a single community during the entire period and remember the details of land-use and housing regulations during that period is quite slim. Furthermore, documenting all of the steps, small and large, taken by communities during this

period that have either promoted or inhibited the development of low- and moderate-income housing, either in a general way or in specific cases, is simply beyond the resources of this study. What we offer instead is a review of information from several sources—the community plans themselves, interviews with city officials, and interviews with residential developers. This information provides a sketchy and unavoidably incomplete view of the ways in which communities have translated their housing plans into action since 1979.

We found that most communities do not even keep track of the subsidized and low- and moderate-income housing that exists within their boundaries. Many rely on the county HRA to keep track of that information. Nevertheless, combined with the fact that most communities have not calculated the need for low- and moderate-income housing (relying instead upon the LCA goals negotiated with the Met Council), it must be concluded that with regard to the share of regional need for low- and moderate-income housing, most of the communities in our sample know neither what the magnitude of that share is in their communities nor how close they are to meeting it. Such information, we argue, would be essential for any community serious about meeting its share of the regional need for low- and moderate-income housing.

Our analysis of specific steps taken to follow up on promises made in comprehensive plans revealed a mixed record. Some communities have followed up on steps laid out in earlier plans. In some communities this included revisions to land-use regulations that provide the framework for residential development. In other communities one-time efforts to channel subsidies to low- and moderate-income housing developments represent, in a narrow sense, fulfillment of pledges made in plans, but fall short of constituting a consistently new way of doing business in residential development. Some officials told us that items listed in earlier comprehensive plans had been carried out, but had had no impact on low- and moderate-income housing development. Finally, there are communities that simply never fulfilled their assurances given in comprehensive plans about steps that would be taken to promote low- and moderate-income housing.

There were several potential reasons for the gap between what the plans indicated would happen and the steps actually taken. In some cases it was due to the lack of familiarity of local officials with the contents of the plans themselves. In other cases the city officials we spoke with suggested that the policy orientation embodied in the comprehensive plans approved in one year do not necessarily match the policy strategies of city councils in subsequent years. This suggests that in some respects, the housing elements of comprehensive plans are not regarded by community officials as binding.

Finally, we discovered that several local planning officials do not see LUPA as the relevant piece of state law in the area of low- and moderate-income housing development. Most officials referred instead to the Livable Communities Act as the legislation that guides their current housing planning and informs their goal-setting processes.

There is some basic level of agreement between city officials and private developers about what constitute the most serious barriers to low- and moderate-income housing development. City officials most frequently pointed to lot-size requirements and the availability of land for high-density development. Developers overwhelmingly identified the availability of land, but also identified NIMBYism as an additional obstacle.

Based on information provided by developers, it is easy to understand why the pace of increasing the supply of housing units for low- and moderate-income households in the region is so slow. First of all, it is difficult to find a site given the scarcity of available vacant land where higher density housing is permitted. Second, it takes a lot of time and effort on the part of developers to put together a financially feasible project, regardless of whether or not there is active opposition from neighbors. Sources of subsidy are limited. The Low Income Housing Tax Credits Program through the MHFA Super RFP appears to be the most important source of subsidy, particularly since there is greater reluctance today to use TIF funds. Third, there is the extra cost involved in making project design changes and building political support within the communities in the face of determined local opposition. Close to 25 years of comprehensive planning in the area of affordable housing does not seem to have addressed these basic difficulties.

## **PART FOUR**

In part four of this report we examined the rate at which land that was set aside by our 25 sample communities for high-density residential use actually produced new, high-density, low- and moderate-income housing during the 20-year period we studied. Our findings should be taken as an estimate of this rate given the lack of clear data for some items analyzed. Nevertheless, the analysis shows a significant divergence between the amount of land set aside in year 1 and the amount of low- and moderate-income housing produced on that land 20 years later.

Note that our analysis extends only to land originally set aside as high-density residential. Although high-density land is the most frequent location for subsidized low- and moderate-income housing, our estimates suggest that about one half of all low- and moderate-income units are built on land with other designations. Thus, this analysis is not an overall assessment of the rate of low- and moderate-income housing production by these



communities. We examined high-density parcels because the rate at which communities reserve land for high-density residential development is one of the chief indicators used by the Met Council to determine the adequacy of the housing elements of comprehensive plans under LUPA. There is some basis in fact for using this measure as an indicator of the adequacy of housing plans; land zoned for high-density housing is many times more likely than any other type of residential land to actually contain low- and moderate-income housing. On the other hand, our analysis shows that the “conversion rate” of land set aside for high-density is extremely low. That only 6% of the acres set aside in 1980 yielded new low- and moderate-income housing 20 years later indicates that high-density set-asides are not a good indicator of future affordable housing activity. Either this standard should be abandoned altogether, or the Met Council should insist on a set-aside that would accommodate many times the number of low- and moderate-income units identified by a community as its goal.

## **ENABLING EXCLUSION?**

This study has shown that the 25 years following the passage of LUPA have yielded minimal changes in either the planning or implementation of the housing elements of municipal land-use plans. Local planning and development processes around affordable housing remain largely unchanged. Despite an initial burst of city compliance and Met Council enforcement, the 1980s and 1990s saw growing inattention to the LUPA statute as it relates to low- and moderate-income housing. As it stands, the fair-share housing element of LUPA serves simply to enable exclusion. On the books, the region is one of the few national models for the local provision of regional housing needs; in practice, these requirements are readily ignored.



# Works Cited

---

Note: The comprehensive plans cited in this report are cited in the text only and are not listed below.

- Goetz, Edward G. 2000. "Fair Share or Status Quo? The Twin Cities Livable Communities Act." *Journal of Planning Education and Research* 20 (1): 37–51.
- Listokin, David. 1976. *Fair Share Housing Allocation*. New Brunswick, NJ: Center for Urban Policy Research.
- Metropolitan Council of the Twin Cities. 1985. *Metropolitan Development Guide*. St. Paul, MN: Metropolitan Council of the Twin Cities.
- Metropolitan Council of the Twin Cities. 1997. *Local Planning Handbook*. St. Paul, MN: Metropolitan Council of the Twin Cities.
- Minnesota Land Use Planning Act of 1976. Minn. Statute § 473.859.



# Appendix

## THE AFFORDABLE HOUSING LEGACY OF THE 1976 LAND USE PLANNING ACT

Comprehensive Plan/Zoning Ordinance Research Protocol

### BACKGROUND

What are the dates of adoption of all comprehensive plans?

Does the plan contain a housing element?

When was it adopted?

Has it been amended since?

Describe the changes.

How does the plan explicitly or implicitly define “providing adequate housing opportunities”? Is this discussed in terms of building new housing, making the existing supply more affordable, or both?

### CALCULATION OF EXISTING AND PROJECTED “AFFORDABLE” HOUSING

Does the plan calculate *existing* local **low-income housing needs**? Share of regional low-income housing needs? If so, list calculations for each.

Does the plan calculate *existing* local **moderate-income housing needs**?

Share of regional moderate-income housing needs? If so, list calculations for each.

Does the plan calculate **projected** local **low-income housing needs**? Share of regional low-income housing needs? If so, list calculations for each.

Does the plan calculate **projected** local **moderate-income housing needs**?

Share of regional moderate-income housing needs? If so, list calculations for each.

What methodology is used to calculate low- and moderate-income local housing needs? Share of regional needs? What is the data source (1980 U.S. Census, etc.)?

How does the plan define low-, moderate-, and high-density categories? Are these related explicitly or implicitly to the low- and moderate-income categories?

What number and percentage of total residential acres within the city’s MUSA does the plan allocate to each density category currently? In 2005? 2010? 2015? 2020?

## **IMPLEMENTATION AND POLICY**

Does the plan discuss how land-use plan or official controls such as zoning, subdivision controls, site-plan regulations, or building codes will be used to promote the development of low- and moderate-income housing? Moderate- and high-density housing? Give specifics.

Does the plan discuss other standards, plans, and programs that will provide opportunities to meet existing and projected regional low- and moderate-income housing needs? List all relevant policies.

List all housing implementation programs, including land-use controls, public programs, fiscal devices, and other specific actions to implement the housing element.

## **ANALYSIS**

Does the plan offer enough residential acreage to meet its share of the need for low- and moderate-income housing? To meet its LCA goals?

How much residential acreage is there in the moderate- and high-density categories in the zoning ordinance? Approximately how many units may be built under these designations? Does the zoning ordinance (associated with the original or current plan) conform to the goals of the plan and the plan map?

## **OTHER ISSUES**

How does the housing element handle mixed-use developments? PUDs?

What was the outcome of the Met Council review of the plan? Describe Met Council comments and subsequent changes.

Other reactions to the plan?

Questions for elected official, Met Council, and developer interviews?