

Density and Housing Options Study

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City of Minnetonka – University of Minnesota
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Project Scope and Background

According to an Opportunities Cities study conducted by the Urban Land Institute (ULI) and the Regional Council of Mayors (RCM), the housing stock in Minnetonka is composed largely of high-priced, single-family homes on large lots.¹ The City has engaged a team of urban planning students from the University of Minnesota's Humphrey School of Public Affairs to explore best practice strategies that will encourage the development of a diverse range of housing options for residents that have various needs in terms of housing type, size, price, and density.

Depending on what policies are pursued, the expressed need for increased density and diversity of housing is potentially at odds with several of the goals included in the 2030 Comprehensive Guide Plan (Plan): protect and improve natural resources, facilitate the preservation of open space, and preserve the character of existing neighborhoods. However, the goals of the Plan also indicate that residents understand that there is some change that must be considered as the community strives to accommodate growth: embrace the past while valuing diversity and inclusiveness; guide development to ensure community vitality; promote sustainable development; enhance resident and business mobility with quality roads and transit; and promote a quality and affordable life-cycle housing stock.²

This report begins with an audit of the current policies of the City of Minnetonka as they relate to the framework of Smart Growth in order to identify existing policy areas that may be improved to better provide a diversity of inclusive housing options within Minnetonka. When used in targeted and appropriate areas of Minnetonka, Smart Growth concepts can help the community to move toward achieving its stated goals of accommodating growth while preserving and enhancing the quality of existing neighborhoods and providing new opportunity for diverse groups of people. Furthermore, we provide an overview of the major policy options that exist for increasing housing opportunities based on best practice approaches for mixed use, inclusionary housing, and senior housing.

Smart Growth and Housing

The foundation of our analysis is an audit of the City of Minnetonka's plans and ordinances within the context of Smart Growth principles. While various groups that ascribe to Smart Growth define it slightly differently, the principles which are common include:

- A mixture of land uses
- *Compact building design*
- *A range of housing opportunities and choices*
- Walkable neighborhoods
- Distinctive and attractive communities that have a strong sense of place
- Preservation of open space, farmland, natural beauty, and sensitive environmental areas
- A preference for infill development within existing communities over new development or undeveloped land
- Access to many different transportation options
- A framework where development decisions are predictable, fair, and cost effective
- A strong culture of community engagement and collaboration in development decisions.³

While the framework of Smart Growth is certainly a normative and value-laden perspective, many of the principles that it espouses mesh well with the stated goals of Minnetonka's 2030 Comprehensive Guide Plan. Furthermore, there exists a growing body of academic research that suggests that Smart Growth principles are associated with behaviors and outcomes that fit with the Plan's goals. These outcomes are discussed below.

Health and Environment

Several studies have shown that Smart Growth urban design characteristics are positively associated with increased walking and other self-driven forms of utilitarian transportation that are linked to positive health outcomes.⁴ While this research does not indicate an increase in overall physical activity, residents of places that exhibit Smart Growth characteristics tend to utilize physical activity within their neighborhoods to accomplish tasks that previously would have taken place via automobile.⁵ Further research indicates that diversified land use in neighborhoods is a strong predictor of decreased reliance on automobiles for transportation.⁶ This reduction in automobile dependence and increase in transportation connectivity via walking and bicycling jives well with Minnetonka's stated goals of promoting sustainability, preserving natural resources, increasing the mobility of residents and businesses, and meeting roadway demand through strategies to reduce reliance on automobiles.⁷ These same forces may also lead to a higher quality community for residents of neighborhoods with Smart Growth characteristics.

Enhanced Community and Sense of Place

Hollie Lund argues through her research comparing pedestrian and automobile oriented neighborhoods in Portland, Oregon, that sense of community is enhanced by traditional-style neighborhoods that have

an environment amenable to pedestrians.⁸ These neighborhoods are characterized by higher densities, a diverse range of housing options, mixture of retail and employment with residential land uses, a pedestrian-friendly environment, the presence of public open spaces, and interconnected networks of streets. Lund's theory is that enhanced community and sense of place is fostered by this type of environment because it creates the possibility for positive chance encounters and other neighborly interactions between community members. Within the context of Lund's conclusions, it is plausible that increasing the diversity and density of available housing options in Minnetonka, while providing an adequate mixture of uses and a pedestrian friendly environment, could unite Minnetonka's stated goal of guiding development to ensure community vitality with its goals of diversity, increased density, inclusiveness, and promoting a quality and affordable life-cycle housing stock. While Smart Growth principles within the context of Minnetonka's low-density, single-family neighborhoods may not work to "preserve the character of existing neighborhoods," the enhanced sense of community that Smart Growth may provide could be an acceptable alternative in some areas if sufficient community buy-in can be obtained.

Efficiency of Infrastructure Provision

Compact housing patterns, a major component of Smart Growth, have been shown to reduce the per-unit cost of providing public water and sewer infrastructure by reducing the number of hook-ups, and by reducing the number and distance of water and sewer lines.⁹ While these results cannot necessarily be generalized, similar forces may lead to savings in the provision and maintenance of streets, sidewalks, and other vital public infrastructure when development and redevelopment leads to increased density and compactness. Increased efficiency of infrastructure provision is especially important for the purposes of this report because it may help to increase affordability if it leads to cost savings for residents.

So what does this have to do with housing?

Creating a range of housing opportunities and choices is a critical component of the platform espoused by Smart Growth supporters. While "diversity" and "range" may be defined simply (i.e. introducing affordability or senior-specific housing to the housing stock), Smart Growth considers housing as one component of a holistic set of conditions that should lead to a "good" life for the people that live within a place. To those who espouse Smart Growth, a diverse stock of quality housing is not merely an array of housing types that are well constructed and happen to exist within a community. Rather, housing is an important factor that contributes to varying levels of access to transportation, education, and services for diverse types of people, and has implications for energy use, environmental sustainability, and the efficient usage of public facilities and infrastructure. In this way, increasing the density and diversity of housing opportunities within the context of Smart Growth could also preserve the comprehensive plan goals which may otherwise be at odds with increased density and diversity. Therefore, in this report housing policies that promote diversity are considered within the broader context of creating a better way of life for all members of the community via the Smart Growth framework.

In particular, the Smart Growth approach to housing works toward the following:

- Increased diversity of housing types

- Increased density and compactness of housing and neighborhood design
- A less automobile-dependent environment, especially for those who struggle to afford automobile transportation
- Appropriate balance between jobs and housing
- Neighborhood level support for transit, shopping, and local services
- Increased and appropriate mixture of uses and incomes within neighborhoods

Smart Growth Audit: Method of Analysis

The Smart Growth audit framework utilized for our analysis was developed by Jerry Weitz & Associates (2001). It includes the following sixteen dimensions of analysis: (1) Efficient Land Consumption (2) Inward Direction of Growth (3) Density (4) Urban Form (5) Land Use (6) Jobs-Housing Balance (7) Open Space/Green Space, Energy Conservation (8) Water Quality (9) Air Quality (10) Housing (11) Transportation (12) Parking (13) Water (14) Sewer and other Infrastructure (15) Permitting Processes and (16) Regionalism and Intergovernmental Relations. The student team answered an array of questions within each of these categories while considering the full set of policies outlined in the 2030 Comprehensive Guide Plan, 2013 Capital Improvement Plan, the Minnetonka city ordinances, and other Minnetonka land-use regulations.

The analysis resulting from our audit identifies specific policies that may act as barriers to achieving a diversity and range of housing options within the context of Smart Growth, along with policies that should continue to be used and developed. Further recommendations for increasing the diversity and range of housing options in Minnetonka are based on best practices in inclusionary housing, mixed land use, and senior housing. The Smart Growth audit complements these best practices by grounding our recommendations within a framework that will allow increases in housing diversity and density while still working toward achieving other goals of the 2030 City of Minnetonka Comprehensive Guide Plan as previously outlined.

Smart Growth Audit Results

Smart Growth Context: Existing Conditions

As noted above, Minnetonka's planning documents express a vision and goals that are compatible on many levels with the Smart Growth framework. While this report will touch on many of those goals as they relate to specific policies within the context of Smart Growth, the focus remains primarily on the aspects of the Smart Growth audit that relate specifically to increasing housing density and diversity. Given that Minnetonka is nearly completely built out, most future development will have to take place via infill and redevelopment. This reality is recognized by the community in the 2030 Comprehensive Guide Plan.¹⁰ It is important to note, however, that based on personal communication with city staff members it is highly unlikely that the community is willing to accept much infill development within established neighborhoods at this time, particularly those that are low-density single-family residential in character.¹¹ The authors are sensitive to this dynamic, but nevertheless point out potentially exclusionary aspects of policies that are designed to protect the character of these neighborhoods, especially when taking a Smart Growth approach may lead to better outcomes for all residents. These recommendations are meant to foster discussion and debate, and are not meant in any way to be accusatory.

Urban Form and Efficient Land Consumption

Smart Growth requires a compact urban form that is mixed-use in nature, provides interconnectedness, and accommodates anticipated future growth contiguous to existing development.¹² Such development patterns allow for a diversity of housing opportunities that are situated in an environment that is walkable, easily connected to transit, and connects residential areas to commercial or mixed-use centers. Minnetonka's 2030 Comprehensive Guide Plan performs well in establishing a framework for the efficient consumption of land by providing realistic projections of population, employment, and housing needs derived from Metropolitan Council targets and connecting these with future needs for housing units and land consumption.¹³

The recognized need for infill establishes a firm foundation for an inward direction of growth and compact development with a few exceptions. First, the Plan indicates that almost all future population and household growth will take place through infill development of existing areas. There are four policies mentioned in the Plan that should encourage an inward direction of growth: (1) rezoning to different land use categories including mixed-use, (2) rezoning to allow for greater intensities of development, (3) the strategic delivery of city services and programs to encourage desirable development, and (4) the periodic review of comprehensive plan implementation strategies. Although these policies address a qualitative identification of underutilized land that might be redeveloped, there is no quantitative analysis of the redevelopment potential of existing lands. This is a major shortcoming that could be addressed by conducting a detailed analysis of potential redevelopment and infill sites and identifying specific growth and development targets for those areas.

It is important to recognize that Minnetonka has identified several potential growth centers throughout the city and that these centers represent a hierarchy of intensity and density of uses.¹⁴ Specifically, the concept of village centers permeates several sections of the Plan and the city ordinances. The purpose of the village center is to “provide development and redevelopment opportunities that encourage enhanced vitality within commercial areas by allowing well-planned mixed uses where additional higher density housing opportunities can coexist with retail and service uses.”¹⁵

The hierarchical network of village centers and larger regional shopping centers fits well within the Smart Growth framework, but still offers several areas for improvement. While village centers do indeed encourage a mixture of uses and increased densities, conversations with city staff indicate that they would be developed through a Planned Unit Development (PUD) process that does not provide specific exemption from Minnetonka’s suburban-style design regulations including large set-backs, expansive right of way widths, height restrictions, parking requirements, and building footprints.¹⁶ This also indicates that mixed-use development is not permitted by right within Village Centers, even though mixed uses are called for in the Plan within the village center areas. Furthermore, village centers and commercial areas have no required pedestrian or other non-vehicular connectivity to surrounding land uses, which is a critical component of Smart Growth. Instead, screens and buffers are permitted and encouraged between land uses, effectively separating village centers from the surrounding neighborhoods that they serve.¹⁷ Although city staff indicated that exceptions could be made with regard to these requirements in practice through the PUD process, the PUD ordinance does not explicitly mention these types of allowances and is at best ambiguous.¹⁸ While the PUD ordinance may allow higher density and the horizontal mixture of uses, it is our opinion that the ordinance does not adequately encourage the mixed use, high-quality design, pedestrian amenities, and interconnectedness that would lead to the vibrant community advocated by Smart Growth and by the Plan itself. Providing a zoning designation and design guidelines that allow mixed use development by right within village centers would streamline the development process and provide enhanced connectivity with the neighborhoods that the centers serve.

Policy Recommendations

1. *Maintain Policies for Inward Direction of Growth:* Maintain the current framework of broad policies that encourage redevelopment, mixed use rezoning, and greater intensity of development, and neighborhood centers.

2. *Analysis of Redevelopment and Infill Potential*: Conduct a detailed quantitative and qualitative analysis of the redevelopment potential of land within Minnetonka and identify specific growth and development targets and strategies for those areas. At the very least, perform this analysis for the eight identified village centers and identify the quantity of population growth that will take place within and around these targeted growth areas.
3. *Mixed Use By Right*: For areas that are targeted for Mixed Use development (i.e. village centers), provide specific design guidelines via a mixed use zoning designation (or a hierarchy of mixed use zoning designations). Doing so will permit desirable mixed-use development by right rather than only via the PUD process.

Density and Compact Development

There are several opportunities to encourage higher density by making development decisions with regard to density predictable and fair, especially when they would affect affordability. A predictable, fair, and cost-effective development policy framework is important in order to make Smart Growth a viable alternative for developers who may otherwise prefer to pursue more traditional suburban development projects due to their past experience and ease of permitting. Private developers have been able to create successful Smart Growth developments, but local governments must provide a framework that makes this type of development straightforward and profitable.

Foremost among our concerns is that there are not clear targets or incentives for increased housing diversity, density, and affordability within designated growth areas (village and regional centers). Medium and High Density Residential zoning designations occupy only 1.43% and 1.89% of net acres in Minnetonka, respectively, lagging far behind low density residential uses at 42.37% of net acres.¹⁹ Given that Minnetonka is almost completely built out, it is important to identify specific goals for increasing density in areas where infill development is appropriate. Chapter V of the Comprehensive Plan indicates that developers could work for small density bonuses in medium-and-high-density areas, but there is no information presented on specifically how this would be implemented or any indication that such bonuses have been used in the past. The incentives are not specified in more detail in the city ordinances either. The Planned Unit Development ordinance, which guides development in mixed use areas, indicates that the city “may utilize incentives to encourage construction of projects which are consistent with the city’s housing goals.”²⁰ However, no specific incentives are indicated and developers must get any incentives approved by the city prior to development.

Density requirements within the various residential zoning categories could be construed as relatively weak because they are primarily based on density maximums and discourage development at the upper range of density limitations. While there is a four and twelve unit per acre minimum specified for R4 and R5 zoning designations, respectively, the zoning ordinance states that in order to build on the higher end of density maximums it is the burden of the developer to prove that the density is appropriate.²¹ If developers are uncertain that they will be able to build at a high density due to a negotiation process that must take place with the city, they may choose not to fight the battle and may not include high density, affordable housing. Instead, it would be beneficial to the goal of increasing density and housing diversity to explicitly allow development above a minimum and to encourage higher densities with specific, measurable, and understandable incentives. The ambiguous set of incentives currently in place

serves to increase the costs of pursuing Smart Growth development, acting as a barrier rather than a true incentive.

Policy Recommendations

1. *Density Bonuses and Incentives*: Clarify existing policies surrounding density bonuses for developers by clearly indicating areas where density bonuses may be used and specifying a more formulaic approach to granting the bonuses. Utilize bonuses to encourage specific policy objectives such as the provision of affordable and life-cycle housing. Clearly indicate what incentives and bonuses are available in a pre-negotiated form within the Planned Unit Development ordinance (and other zoning regulations)
2. *Implement Density Minimums*: Consider removing density maximums in targeted areas, especially around village centers. Within medium and high density residential areas, allow all densities within the permitted range rather than relying on the developer to prove that densities at the high end of the range are appropriate.

Housing Affordability and Diversity

Affordability

The housing portion of the 2030 Comprehensive Guide Plan provides a discussion of including affordable housing in the mix of new development, but there is a need for clearer policies that will ensure that affordability targets are met. The Plan includes specific affordable housing goals and progress made toward them. The goals, objectives, and policies of the comprehensive plan include a qualitative understanding that density should increase and that more senior and affordable housing should be included in the housing mix in the future. The specific recommendation in the Comprehensive Plan is that 10-20% of new housing units be affordable.²² This policy was implemented as the city worked toward the 1995-2010 affordability targets established by the Metropolitan Council.²³ However, the city's revised targets are based on Metropolitan Council estimates showing that 47% of the anticipated 811 new households between 2011 and 2020 need to be affordable in order to meet the city's regional share of affordable housing. The discrepancy between the city's affordability targets and policy should be addressed. Furthermore, the plan does not address a crucial difference in the definition of *affordable* used by Minnetonka and by the Metropolitan Council. While the Minnetonka comprehensive plan designates a housing unit as affordable if it is affordable to a family earning 80% of the Area Median Income (AMI), the Metropolitan Council indicates that a unit is affordable if it is affordable for a family earning 60% of AMI.²⁴

There exist relatively untargeted recommendations for utilizing existing programs to maintain the affordability and quality of existing homes and multi-family units. Specific incentives or requirements to encourage or coerce the development of an adequate number of affordable units could help to clarify targets and policies surrounding affordability. This would make the development process more transparent both for existing community members and for developers who would be providing new affordable units.

Lot Size

The Smart Growth Audit published by Jerry Weitz & Associates indicates that zoning ordinances should provide a significant portion of single-family zoning devoted to development on lots of 5,000 to 6,000 square feet (or roughly 7.5 units per acre) in order to promote low and moderate income home ownership.²⁵ The minimum lot size for single family zoning in Minnetonka is 15,000 square feet, although smaller lot sizes down to 11,000 square feet are allowed through the PUD process. While it is difficult to determine an appropriate lot size for affordability, past developments, including the Pulte Homes development at Lone Lake Highlands, have shown that higher densities are needed in Minnetonka in order to meet affordability targets on this type of land use.²⁶ Implementing maximum lot sizes, rather than minimum lot sizes, in combination with appropriate incentives or requirements for affordable new construction, could allow a natural lot size that meets affordability targets to emerge via market forces. An interview with one single family home developer in Minnetonka indicates that developers may not want to build at excessively high densities in the city and it is unlikely that they would build any more densely than is absolutely necessary to meet affordability targets in the single family home context.²⁷ If maximum lot sizes are not feasible, there are a variety of communities around the country to look to that have pursued small lot zoning ordinances to promote affordability. While there is a range of lot sizes, the Department of Housing and Urban Development indicates that affordable lots tend to be 2,000-4,000 square feet, have smaller set-backs, zero lot-lines on at least one side of homes, and up to 70 percent lot coverage.²⁸

Diversity

Minnetonka has recognized the need for increasing diversity of housing types within all neighborhoods and residential zoning categories in Minnetonka. However, there are many opportunities for increasing housing diversity within the current policy framework. Because all residential land use categories are based on maximum densities, there exist many housing types that are not allowed within much of Minnetonka yet may be appropriate within the context of some existing neighborhoods. An alternative approach might be to alter some of the zoning designations so that they are at least partially form-based. The pursuit of form-based zoning could change the conversation with the community from one that focuses on density to a conversation about which urban forms are appropriate within the context of various neighborhoods. Although this approach should be used with care, and could be considered radical within a suburban context, it could allow Minnetonkans to reconcile their goal of preserving the character of existing neighborhoods with the goal of increasing the diversity of housing opportunities and affordability within all neighborhoods.

Policy Recommendations

1. *Clarify Affordable Housing Targets:* The targets for new affordable housing units are based upon Metropolitan Council estimates but use a different threshold for affordability than the one used by the Metropolitan Council. This discrepancy should be addressed within the Comprehensive Plan.
2. *Match Affordability Policy to Targets:* While the projected need for affordable housing requires 47% of new housing units to be affordable between 2011 and 2020, the Comprehensive Plan policy indicates that 10-20% of new units should be affordable and serves as a guideline rather than a requirement. It would be more transparent to match the policy to the target and provide specific steps and strategies for achievement of the target.

3. *Reduce Single Family Lot Sizes*: Implement a maximum lot size or significantly smaller lot sizes (3,000-7,000 sq. ft.) in targeted areas, especially in or near village centers. This will promote low and moderate income home ownership.
4. *Utilize Form Based Code*: Although not appropriate in all areas of Minnetonka, a form-based approach could allow a greater diversity of housing types and increased affordability, especially in neighborhoods within or near village centers.

Jobs-Housing Balance

Achieving an appropriate balance between housing and access to jobs is an important component of Smart Growth to the extent that it fosters walkable and transit-friendly neighborhoods that have a sense of place and enhance access and mobility for diverse groups of people.²⁹ Although the City of Minnetonka recognizes the importance of this balance within its 2030 Comprehensive Guide Plan, there are several important opportunities to make the Plan stronger in connecting housing to employment within the Smart Growth framework.³⁰

The Comprehensive Plan does not include specific jobs-housing balance related targets or policies that guide the jobs-housing balance as it relates to neighborhood and regional mobility. The city acknowledges a variation in income levels and notes a connection to the need for affordable housing and transit, but no specific mention of the appropriate ratio of housing units to jobs is made, and there is no connection made to existing land use plans or to ordinances.³¹ The land use area plans for the village centers tend to encourage a mixing of residential uses with uses that could be sources of employment, but there is not any discussion of the appropriate mixture of jobs, housing, and incomes within those targeted areas of growth. Furthermore, there is generally no detailed definition provided for what constitutes an adequate mixture of uses, and there is no requirement that a mixed use development include both residential and other (jobs-related) uses unless the Comprehensive Plan specifically designates such a mixture within a given village center or other special growth area.

Furthermore, the Planned Unit Development regulations, which guide mixed-use development in village centers, do not specifically address jobs-housing balance.³² Given that the PUD ordinance guides the development of mixed use and transit-oriented centers, specific policies are needed to encourage an appropriate mix of jobs and housing within and near population centers, and access to transit to increase connectivity to regional job centers. Overall, the focus of Minnetonka's jobs-housing balance policies is on working toward increasing the availability of affordable housing. While this is certainly an important component, a stronger policy framework would include specific targets for both jobs and housing within certain income ranges and would include some indication of where affordable housing would be located in proximity to jobs and transit.

Policy Recommendations

1. *Create Specific Targets*: Include specific policy objectives and targets within the Comprehensive Plan, the Planned Unit Development regulations, and transit line overlay districts such that jobs-housing balance is addressed as it relates to mobility within neighborhoods and between residential and job centers.

Open Space/Green Space

The Planned Unit Development Ordinance and multi-family residential zoning categories indicate that residential areas of mixed-use PUDs must provide a minimum of 10 percent of the gross project area for the use of project residents.³³ To the extent that this requirement takes the place of dedicated public space for the enjoyment of the community, it could be exclusive of families and individuals who are not able to afford to live within the project. Such requirements could increase the cost of development and lead to higher rents if there are not affordability requirements in the PUD. This is not *necessarily* exclusionary, but could be depending on how the requirement affects individual projects and how it is implemented in practice. A possible recommendation would be to either require a certain amount of affordable housing within each residential portion of a PUD or to incentivize it, potentially by reducing the amount of common space required on site.

Transportation and Pedestrian Orientation

Minnetonka's transportation plans provide for a well-maintained network of hierarchical, automobile-oriented streets that match capacity with demand. The city includes some efforts to decrease vehicular travel demand through their efforts to fund trail improvements, acknowledgement of multi-modal transportation as a goal within village centers, and Transportation Demand Management. However, the trail system seems primarily recreation-based and the policy framework does not adequately support the multi-modal connection of village centers to surrounding neighborhoods. Although efforts made to keep roadway infrastructure concurrent with growth are admirable, many opportunities exist within transportation and land-use related policies that could better connect residential neighborhoods with other land uses, village centers, and create vibrant, walkable communities. Walkability within village centers that are adequately connected to surrounding neighborhoods by multiple transportation modes is a critical component of ensuring that the centers develop in a manner consistent with the vibrancy called for in the 2030 Comprehensive Guide Plan and by the Smart Growth framework. By connecting neighborhoods with village centers and providing a pedestrian-friendly environment within the centers the city will enhance the viability of diverse and affordable housing opportunities, especially for seniors, low-income residents, or those who choose not to drive.

Policy Recommendations

1. *Provide policies that encourage an interconnected network of local streets* (rather than a hierarchical street system), especially in areas within and immediately surrounding village centers.
2. *Require pedestrian-friendly block-lengths* even within residential areas.³⁴
3. *Reduce right of way widths*, especially in areas within and surrounding village centers. The current right of way width for a local street is 50-80 feet, well above what would be required for the 24 foot pavement width recommended by Jerry Weitz & Associates for a pedestrian-friendly neighborhood street.³⁵
4. *Relax off street parking requirements*. Currently, space for a two car connected garage is required for all single-family residential areas, even for single-family homes developed at a higher density through the PUD ordinance.³⁶ This could be considered exclusionary to the extent that it increases the land cost of development. By altering the set-back and height requirements

for accessory structures slightly, and by reducing alley widths (currently 20-24 feet), detached rear garages and other, more flexible, arrangements could become possible.³⁷

5. *Relax set-back requirements*, especially within and near village centers. This will lead to a more compact form of development and create a more walkable environment by incentivizing compact development within specific areas that are targeted for growth. Currently, the PUD ordinance does not specifically allow for deviation from the suburban design standards that apply to all land uses.³⁸
6. *Require sidewalks and pedestrian infrastructure*, especially within, near, and connecting to village centers.
7. *Use maximum parking ratios*, especially when used in combination with an effective Transportation Demand Management program, and particularly near proposed transit lines and village and regional centers that are targeted for mixed-use infill.

NOTES

See Works Cited for complete references

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¹⁵ City of Minnetonka (2008, IV-7)

¹⁶ City of Minnetonka. (2013). *City of Minnetonka, Minnesota Code of Ordinances*. Retrieved 20 April 2013 from

[http://www.amlegal.com/nxt/gateway.dll/Minnesota/minneton/cityofminnetonkaminnesotacodeofordinance?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:minnetonka_mn\\$anc=\(\\$300.22\)](http://www.amlegal.com/nxt/gateway.dll/Minnesota/minneton/cityofminnetonkaminnesotacodeofordinance?f=templates$fn=default.htm$3.0$vid=amlegal:minnetonka_mn$anc=($300.22))

¹⁷ City of Minnetonka (2013, §300)

¹⁸ Personal Communication, L. Gordon (11 April 2013)

¹⁹ City of Minnetonka (2008, IV-4)

²⁰ City of Minnetonka (2013, §300.22)

²¹ City of Minnetonka (2013, §300.12.1; §300.13.1; §300.14.1)

²² City of Minnetonka (2008, V-19)

²³ City of Minnetonka (2008, V-16)

²⁴ Metropolitan Council. (2006). *Summary Report: Determining Affordable Housing Need in the Twin Cities 2011-2020*. Retrieved 20 April 2013 from www.metrocouncil.org/getattachment/1cd40188-df91-4563-8f4e-adae1d69c1fb.aspx

²⁵ Jerry Weitz & Associates, Inc. (2001). *Comprehensive Smart Growth Audit Checklist*. Provided 14 February 2013 by E. Goetz, University of Minnesota-Twin Cities Humphrey School of Public Affairs.

²⁶ Creed, J., J. Giant, W. Johnson, K. Nesse, B. Oltz. (2012). *Housing and Density Options Study: City of Minnetonka – University of Minnesota 2012-2013 Resilient Communities Project*. Retrieved 20 April 2013 from <http://rcp.umn.edu/wp-content/uploads/2012/08/PA-8203-Housing-and-Density-Options-Final-Report-copy.pdf>

²⁷ Creed et al (2012)

²⁸ Regulatory Barriers Clearinghouse. (2008). *Zoning for Affordability*. Breakthroughs 7:6. Retrieved 20 April 2013 from http://www.huduser.org/rbc/newsletter/vol7iss6_1.html

²⁹ Smart Growth Network (2006)

³⁰ City of Minnetonka (2008, V20-24)

³¹ City of Minnetonka (2008, V20-24)

³² City of Minnetonka (2013, §300.22)

³³ City of Minnetonka (2013, §300.22; §300.14.5)

³⁴ Blocks of a specified maximum length are not currently required in residential areas per City of Minnetonka (2013, §400.025)

³⁵ City of Minnetonka (2013, §400.025.2b)

³⁶ City of Minnetonka (2013, §300.15.7; §300.22.4)

³⁷ City of Minnetonka (2013, §400.025)

³⁸ City of Minnetonka (2013, §300.22)

Inclusionary Policies to Facilitate Affordable Housing

Summary

Inclusionary housing is a broad term that describes housing policies that “require or encourage developers to include a modest share of homes for low- or moderate-income households in otherwise market-rate developments.”¹ Inclusionary housing policies are an effective way to provide affordable units in an economically integrated and socially inclusive manner. Among the policies that fall under the inclusionary housing umbrella term, this report looks at PUD with smaller lots or density bonuses, zoning variances for low-to-moderate income housing, density bonuses, adjusted fees for low-to-moderate income housing, adjusted lot sizes for low-to-moderate income housing, the allowance of accessory apartments, set asides for low-to-moderate income housing, local tax abatements, incentives for new construction technologies, and manufactured homes. These policies were among those included in Goetz and Vesota’s 2007 survey on new affordable housing goals in the Twin Cities. The Goetz and Vesota study found that many cities were familiar with the policies, had used several of them with some frequency, and would most likely use them again in the future. However, the study also illustrated the lack of use, whether stemming from unfamiliarity or negative perceptions, of a number of other inclusionary policies included in this report. This is troubling in that it limits the approaches being taken to pursue the development of affordable housing at a point in time when the need for new affordable housing as well as innovation in its development is particularly acute. As a result, it is advisable for cities such as Minnetonka to consider a broader approach to affordable housing development that includes some of the policies highlighted here. Such an approach could enable the city to reach its new Metropolitan Council affordable housing goals while also serving as a leader among regional cities in affordable housing solutions. This report demonstrates the variety of approaches available to municipalities and developer alike, all that is lacking in their implementation is the initiative and leadership of communities.

Introduction

Inclusionary housing is a broad term that describes housing policies that “require or encourage developers to include a modest share of homes for low- or moderate-income households in otherwise

market-rate developments.”³⁹ The term “inclusionary” is meant to serve as the alternative choice to “exclusionary policies” that have either the direct “intention of discouraging low-end housing proposals” or “are imposed to achieve valid public policy goals but the added costs have the incidental effect of making the rent or purchase price on the new development no longer affordable.”⁴⁰ In the Twin Cities Metropolitan Area, the Metropolitan Council, through the Metropolitan Land Use Planning Act, requires cities zone “sufficient land at high density multi-family to meet [their] affordability goals.” The Housing Preservation Project (HPP) suggests that when affordable project proposals are submitted, a city “should review lot size requirements, setback requirements, parking requirements, building standards, development fees, and any other conditions that would drive up costs or make the project more difficult.”⁴¹

Following the announcement that the Metropolitan Council would be reworking its affordable housing policy, many communities expressed concern over their ability to comply.⁴² In a 2006 survey, the Center for Urban and Regional Affairs (CURA) at the University of Minnesota’s Humphrey Institute asked local officials from 39 cities their thoughts on “the Met Council’s affordable housing planning goals, their view of the feasibility of those goals, perceived barriers to affordable housing development, and tools the city had tried to promote affordable housing development.”⁴³ Whereas in the past the Council relied on “procedures set up in the Livable Communities Act” and participation was voluntary, the new system requires the Council calculate “housing needs for all cities in the core and developing areas of the metropolitan area.” According to Goetz and Vesota, “the new formula system reveals that that the new system redistributes affordable housing effort away from the northern and southeastern suburbs of the metro area and toward the western and southwestern suburbs (see Figure 1).” While most cities saw “a relative decline in their affordable housing obligation under the new system...., most of the suburban officials... interviewed expressed significant pessimism about their ability to meet the goals.” The survey asked the city officials “to name the chief obstacles to meeting affordable housing goals.” The most common response at 62 percent was land costs followed by a “lack of available land for multi-family and low-cost housing” at 42 percent. Minnetonka was a city included in the survey and city officials there indicated “that minimum lot sizes discourage or prevent adding to the supply of low- and moderate income housing.” City officials also indicated that “Minnetonka does not have any undeveloped land that is zoned residential and allows ten or more units per acre.” Because of this, city officials felt that “Minnetonka needs private developers to request rezoning changes to allow for greater density.”⁴⁴

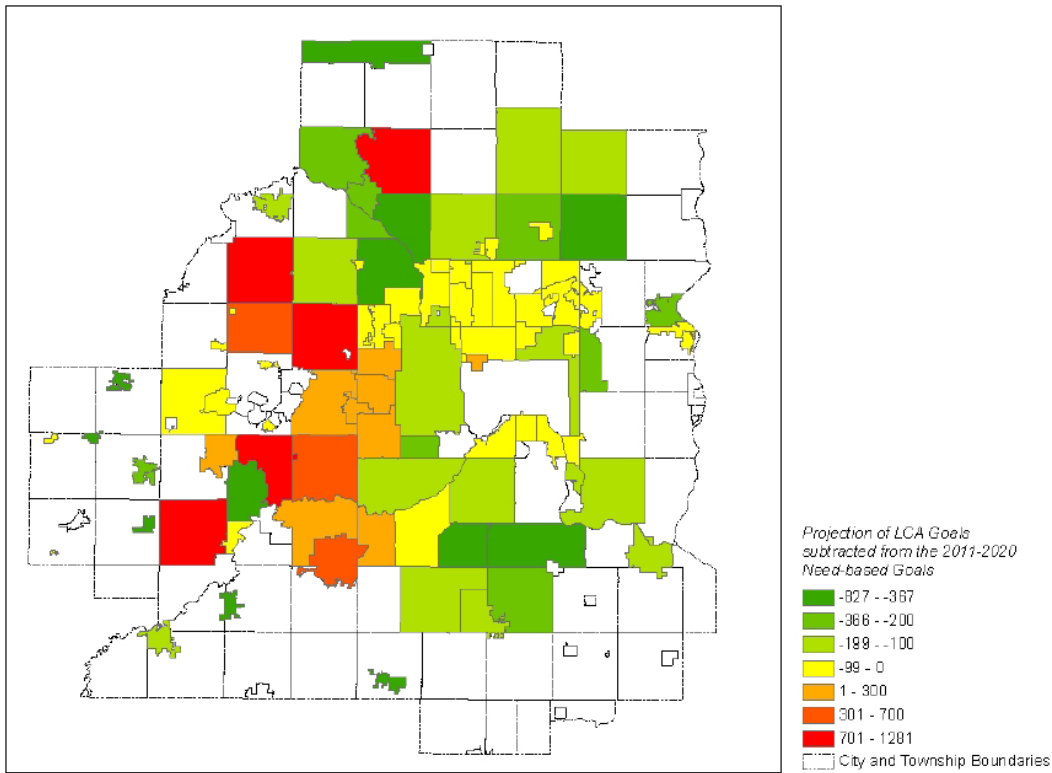


Figure 1: Change in Affordable Housing Targets, Note that municipalities appearing in white did not participate in the LCA program⁴⁵

The idea that a city’s role in providing affordable housing should be passive is quite common both in the Twin Cities and other regions. Many cities believe “it all depends on the market... and all they can do is wait for a proposal to come to them.” This often results in the community failing to meet its obligation for meeting affordable housing needs. Cities that take a more proactive, inclusionary approach often see their efforts “pay off with more and better affordable housing, and with more community buy-in.” While details on what constitutes such a policy may vary by jurisdiction, “the essential concept is that developers are encouraged to make a certain percentage of units in new developments affordable, generally in return for city incentives to make the affordable component feasible.”⁴⁶

Legality of Inclusionary Housing in Minnesota

In 2007 the City of Forest Lake, Minnesota was considering inclusionary policies to promote affordable housing. Following the League of Minnesota Cities Insurance Trust’s issuance of its opinion against the legality of inclusionary housing policies in the state, Forest Lake reached out to Attorney General Lori Swanson for an opinion on the issue.⁴⁷ The Attorney General responded by stating that “we adhere to our previous opinion that municipalities have authority... to require that subdivision developments include affordable housing and that developers agree to reasonable measures of the type... designed to aid in achieving affordable housing goals.”⁴⁸ The Housing Preservation Project stresses that “Legally, it is important that cities adopt policies which apply generally to particular types of development rather than trying to negotiate individualized deals with each developer on an ad hoc basis.” This is due to the fact that “General policies are far less likely to attract constitutional challenges.”⁴⁹

Examples of Inclusionary Housing Policies

There are many different kinds of policies that fall under the umbrella term “inclusionary housing.” Inclusionary housing can be used to describe “policies that either require developers to offer lower-priced units in otherwise market-rate developments, or encourage their inclusion through incentives.” Sometimes discerning the difference between what constitutes a mandate versus an incentive can also be a challenge. This is because one can find “‘voluntary’ policies effectively acting as requirements” and even “some ‘mandatory’ policies applying only to special districts or certain development types, essentially giving developers a choice of whether to opt in.” Despite the differences, the policies are united in that they “strive to achieve the same general outcomes” and can thus be compiled into the broader category of “inclusionary housing.”⁵⁰ This report discusses the eleven inclusionary policies included in the Goetz and Vesota survey as these constitute some of the more common examples, particularly here in the Twin Cities.

Planned Unit Developments (PUDs)

When cities are confronted with proposals that include or could include an affordable housing component, Planned Unit Developments, or PUDs, are often cited as “One means of adopting the flexibility to make sure these proposals can be realized.”⁵¹ PUDs may occur when local governments “add provisions to the zoning ordinance that allow land to be developed in a more flexible fashion, generally leaving the underlying zoning of that land in place.”⁵² This flexibility is often provided “in exchange for fulfilling an established set of planning criteria” that may provide some sort of public good.⁵³ PUDs derive their strength from their flexibility, allowing developers to forgo restrictions that may otherwise be in place for the site. Whether small or large, PUDs have a common objective of “designing and developing tracts of land in a manner which benefits the entire community.”⁵⁴ The PUD concept of “exchanging affordability for expanded development potential” is ideal in jurisdictions featuring stricter restrictions on densities or that may have adopted form-based codes. Policies like form-based codes or “by-right” densities may “lack the extra zoning privileges to offer” through PUD.⁵⁵

The Housing Preservation Project warns of the tendency for affordable PUDs to be “watered down” from the original concepts. This may occur through “initial informal conversations with city staff, or at the city planning commission, or before the city council.” Often “city officials ask the developer to rework the proposal, by reducing the density, decreasing the number of units, changing family housing into less controversial senior housing, turning an apartment proposal into condominiums, or making the development higher end.” Changes such as these “tend to reduce or eliminate the affordability and number of units available to those households most in need.”⁵⁶

Zoning Variances

Zoning variances are very similar to PUDs, but differ in that they follow the more conventional approach of requesting and receiving a change in zoning through the planning commission and city council. This concept, also known as “upzoning,” can be applied in a similar manner to PUDs by exchanging the variance for an affordable housing component. In Washington State, municipalities may apply “mandatory inclusionary housing in situations where a change in zoning or other requirements increases the development capacity of an area... even if developers don’t take full advantage of the larger building envelope/greater development potential.” San Francisco recently “increased its

affordability requirements for newly upzoned industrial areas beyond the typical requirements of its inclusionary policy.” Both of these are examples of communities utilizing zoning variances as an incentive for providing affordable housing. This approach is particularly effective “where major zoning changes or transit investments have created significant new value for developers.”⁵⁷

Density Bonuses

Density bonuses are granted to developers by cities in order to allow more units on the site than it is otherwise zoned for.⁵ They are usually granted in exchange for a contribution from the developer that benefits the public good, such as making a portion of the units affordable.⁵⁸ Lower density limits, such as those that may be found in greenfield or suburban settings, create the opportunity to allow “a developer to produce more housing units without having to acquire additional land.”⁵⁹ Density bonuses “can substantially reduce infrastructure costs, allow more efficient construction, and, are flexible enough to permit more cost-efficient design.” Density bonuses can create cost savings in design by allowing building types “such as accessory units, townhouses instead of single family homes, or flat-townhouse combinations.” The cost savings can then “be applied disproportionately to affordable units, resulting in dramatic cost reductions.” Nationally, density bonuses as incentives for affordable units comprise the most common form of inclusionary housing policy.⁶⁰ They can be applied in a wide array of manners and geographies, ranging from rural to highly urban settings. One prominent example policy from New York City grants city officials the ability to offer “density bonuses of up to 33 percent in newly redeveloping areas in exchange for 20 percent affordability.”⁶¹

Expedited Zoning and Approval

Expedited zoning and approval processes for developments that include affordable units are another common form of policy incentive under inclusionary housing.⁶² This is particularly helpful when the developer is exclusively providing affordable housing, such as a non-profit, since “Affordable homes are often built on a tight budget, and unexpected costs or lengthy delays can drain available resources and even affect project feasibility.” There are several actions communities can take to expedite the zoning and approval process for affordable developments. City officials can start “By identifying and resolving inefficiencies in local permitting and review processes” in order to “significantly shorten the amount of time needed to process applications.” This enables “developers to deliver homes more quickly and at a lower cost.” In addition, “Efforts to improve training and coordination among reviewers and to ease administrative workloads can help avoid unnecessary delays and keep new development on track and on budget.” Finally, zoning ordinances can also be revised “to minimize the need for individual variances.” In essence, “By thinking ahead about the type of development desired in each location and providing for that development to be built ‘as of right,’ communities can substantially streamline the approvals process and stimulate production of more affordable homes.”⁶³

Adjusted Fees

Fees associated with the development of affordable housing typically refer to impact fees or “one-time charges applied to new development.... to assure that communities maintain adequate levels of public facilities in the face of growth.” These fees are “dedicated principally for the provision of additional water and sewer systems, schools, libraries, parks and recreation facilities, and other infrastructure made

necessary by the presence of new residents in the area.” In a 2008 study, the Department of Housing and Urban Affairs stated that “impact fees are not the best way in which to finance most public facilities from a variety of theoretical perspectives and instead taxes are.” Despite this, most communities continue to use impact fees due to their pragmatic nature relative to raising taxes. Applying Fees drives up the cost of development and developers often have no choice but to pass these costs onto consumers, reducing the affordability of their product.⁶⁴ According to the development regulation consulting firm Duncan Associates, nationally in 2012, development impact fees averaged over \$11,500 per unit for single-family homes and over \$6,700 per unit for homes in multi-family structures (Figure 2 and Table 1).⁶⁵ While a shift away from impact fees to a tax-based system does not look plausible in the near future, municipalities can adjust or waive impact fees for developments consisting entirely or partially of affordable housing.⁶⁶ Given the narrow margins of affordability and limited resources affordable developers have to work with, this approach can have a dramatic impact on the feasibility of affordable development in a community.

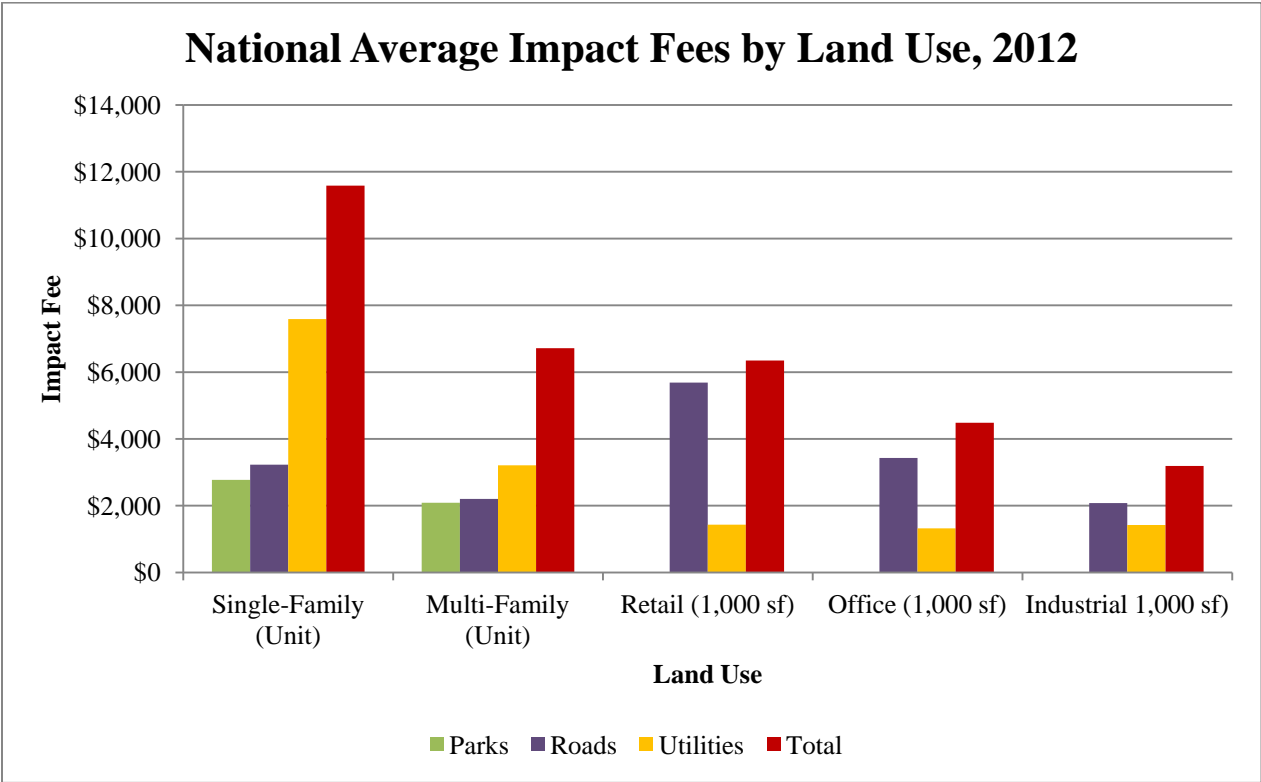


Figure 2¹²

Facility Type	Single-Family (Unit)	Multi-Family (Unit)	Retail (1,000 sf)	Office (1,000 sf)	Industrial 1,000 sf)
Roads	\$3,228	\$2,202	\$5,685	\$3,430	\$2,076
Water	\$3,863	\$1,440	\$690	\$629	\$656
Wastewater	\$3,725	\$1,771	\$741	\$690	\$765
Drainage	\$1,476	\$790	\$1,013	\$868	\$983
Parks	\$2,774	\$2,086	**	**	**
Library	\$402	\$305	**	**	**
Fire	\$512	\$376	\$402	\$358	\$248
Police	\$372	\$295	\$401	\$260	\$180
General Government	\$1,699	\$1,285	\$618	\$607	\$385
Schools	\$4,677	\$2,494	**	**	**
Total Non-Utility*	\$8,111	\$5,359	\$6,174	\$4,172	\$2,763
Total*	\$11,583	\$6,718	\$6,347	\$4,483	\$3,190
* Average of total charged, not sum of averages by facility type (excludes water & wastewater)					
** rarely charged to nonresidential land uses, with the exception of school fees in California					

Table 1: National Average Impact Fees by Land Use⁶⁷

Adjusted Lot Sizes

Land costs are often the most cited obstacle to affordable housing, particularly in the Twin Cities.¹³ Because of this, affordable housing advocates suggest “Allowing a reduction in minimum lot sizes for single-family detached or attached housing” as a “basic technique for reducing residential development costs.” Small lots are typically defined as those between 2,500 to 6,000 square feet, comprising densities of seven to seventeen units per acre. Benefits of this approach are seen as “The lower land and development costs associated with higher densities in small lot developments can result in significant savings, and therefore, lower cost housing.”⁶⁸ Lot sizes and densities such as these are often part and parcel of smart growth developments, such as the Clover Ridge subdivision in Chaska, Minnesota. The greenfield “smart growth” suburban development is planned to be 30 to 35 percent affordable with residences “selling for between \$80,000 and \$600,000.” The mixed-income nature of this development is made possible by the range in densities, from “five units per acre on some blocks, to 50-70 units per acre on others.”⁶⁹ The growing popularity of smart growth and smaller lot sizes in the Twin Cities is discussed in the following section.



7 units per acre in Hillsboro, OR¹⁵ 17 units per acre in Bridgeport, CT¹⁵



Aerial of Clover Ridge, Chaska, MN Showing Range of Densities¹⁷

Accessory Apartments

Accessory apartments or accessory dwelling units are “a technique for providing affordable housing which uses surplus space in existing single-family homes.” An accessory unit is typically defined as “an additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot.” The most common form of accessory units are attached and are often known as “mother-in-law apartments.” These units “typically involve the renovation of a garage, basement family room, attached shed, or a similar space in a single-family home.” The less common detached, or “accessory cottage,” unit are “structurally independent from the primary residence” and are “typically placed in the rear yard area, are usually constructed or installed for the purpose of providing housing for an elderly parent being cared for by their adult children living in the primary unit.” Despite their usefulness to large or multi-generational families and in providing a privatized form of affordable housing and mixing of incomes, these types of units “are less frequently allowed in zoning codes and are generally more expensive to build than accessory apartments.” Building or converting space to accessory units can be difficult because even while many municipalities allow accessory units, they “do so through a special permit or conditional use procedure which may require a

public hearing.” Affordable housing advocates suggest that, in order to “make conversions less burdensome for applicants,” the city may “require a public hearing only when requested by a certain number of neighboring property owners.”⁷⁰ Smart growth proponents also advocate for accessory units as a way for communities to accommodate growth, add density, and retain the character of their single-family neighborhoods.⁷¹



Subdivision in Longmont, CO Utilizing Accessory Units¹⁵

Set Aside Requirements

Set aside requirements, or inclusionary zoning, “is a technique applied to new housing developments in which a certain portion of the units being constructed are set aside to be affordable.” Set asides can apply to developers either on a mandatory or voluntary basis. Typically mandatory set asides require “developers to build a specified number of affordable units.” Voluntary set asides are “based on development incentives [given]... in exchange for the inclusion of a number of affordable units.” Set aside requirements based on voluntary participation almost always contain specific, pre-specified “provisions defining income eligibility requirements, criteria used for determining the pricing of affordable units, restrictions on the resale of affordable units..., and provisions for the payment of fees in-lieu of construction.” Set asides are popular because they “do not generally require the expenditure of local tax dollars to fund the construction of affordable units.” As would be expected, voluntary programs are more popular among developers because it offers developers the option “to determine for themselves whether participation will be cost effective.” Set asides are able to “avoid the problems of overconcentration, isolation, and stigmatization of affordable housing units, by integrating them into housing developments located throughout the community.” Affordable housing advocates recommend modest requirements, 10 to 15 percent, for mandatory programs if no incentives are offered to developers. Set aside programs also “require some ongoing administrative oversight to provide for the collection and management of fees paid by developers who opt to pay into a housing fund and to ensure that units that are constructed will be maintained as affordable housing.”⁷² The benefits and challenges of this approach are further explained in the following section.

Incentives for New Construction Technologies

There is a wide array of construction technologies available that can help to reduce the cost of providing affordable housing. According to Mark Skender, of Skender Construction and the Lean Construction Institute (LCI), “the keys to lowering costs of building much-needed affordable housing starts with eliminating waste, maximizing labor productivity, and creating financial incentives that stimulate innovation.” Skender cites a study by James Adrian at Bradley University, indicating that fifty percent of construction workers’ time on job sites is unproductive. Of this time, nearly thirty-five percent “is

spent waiting, redoing previously completed work, and other wasteful non-productive activities.” This has resulted in “a widening gap between construction and non-farm productivity rates,” shown below (Figure 3). Skender suggests that the industry’s “inability to exploit technology for prefabricated and modular construction is just one factor” in the decline. Other factors Skender suggests include “Waiting time, rework, corrections, double and triple handling, and quality directly impact productivity.” Ways to correct this problem include “proactive planning, trade partner engagement, collaboration, and technological advancement.” Regarding the actions to facilitate this change in the construction of affordable housing, Skender states that policymakers should allow “a highly collaborative team to develop, design, and build a project and ultimately experiment with an alternative delivery model.” This effort has the potential to “promote transparency, better define scopes, and lower the team’s risk.”⁷³ In order for new technologies to be adopted and embraced to provide affordable housing more efficiently, policymakers must allow their experimental use and, where practical, offer incentives to lower the risk associated with their initial application. There is a considerable amount of untapped promise currently lying dormant in the construction industry, particularly around affordable housing. Incentives for new technologies can help access this potential.

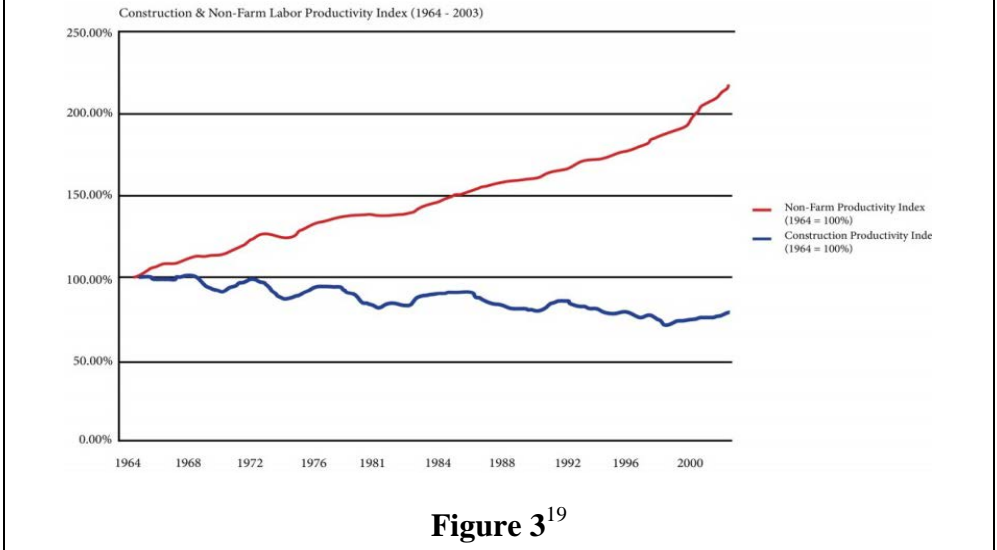


Figure 3¹⁹

Manufactured Homes

Often forgotten as a viable form of affordable housing outside of rural areas, manufactured homes typically feature “production costs substantially lower than conventional built housing” making them “a significant source of affordable housing, particularly for low- and moderate-income households.” Here manufactured homes refer specifically to the following definition:

A structure, originally designed and constructed to be transportable in one or more sections, that is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities that include plumbing, heating and electrical systems contained therein. The structure must comply with the National Mobile Home Construction and Safety Standards Act of 1974 as administered by the U.S. Department of Housing and Urban Development and as adopted in RCW 43.22, if applicable.⁷⁴

Here manufactured homes are “distinguished from ‘factory-built’ housing such as modular, panelized, prefabricated, and kit homes” that are built to the same set of codes as conventional site-built housing.¹⁴ Cities take varying approaches to manufactured housing, with some allowing manufactured homes “to be placed on single-family residential lots in the same way as conventional site-built homes” while others “have established certain zones in which mobile/manufactured homes are a permitted use, but do not permit them in all zones.” This differs still from cities which “permit mobile/manufactured homes only in mobile home parks or subdivisions, but not in other residential areas.”⁷⁵

Despite historically lacking general public acceptance, perceptions are “improving for reasons of improved appearance, better quality construction, and affordability.” Their use as an accepted, affordable alternative to conventional housing is particularly acute in regions experiencing rapidly increasing home and land prices, such as in the Western US. Their acceptance continues to grow “As manufactured housing becomes less distinguishable from stick-built housing.” This is leading manufactured housing to become a viable option in an ever-increasing number of locations.⁷⁶



Figure 4: A Subdivision of Manufacturing Housing Indistinguishable from Conventional Housing in FL⁷⁷

Effectiveness of Inclusionary Housing Policies

Inclusionary housing policies derive their strength from “their ability to harness the energy of the private market to create affordable homes while enabling economic integration and social inclusion.”

Inclusionary housing “is distinguished by its ability to locate affordable homes in neighborhoods of opportunity where other state and federal housing programs often struggle to expand affordable housing choices for lower-income households.” The RAND Corporation states that “compared to other affordable housing programs, [inclusionary housing] programs provide recipients with greater access to low-poverty neighborhoods, which are often correlated with higher-performing schools.” Many of the inclusionary housing policies active today came about in the first half of the 2000s with the rapid rise in home prices across the country. However, with the downturn in the housing market in the late 2000s, many advocates worried about the future of these programs. Despite the downturn, “most of the nation’s inclusionary housing policies survived.” This is illustrative of the strength of these policies. One possible reason for their survival is their intrinsic flexibility, which “may have provided further insulation from challenges during the downturn.” It is precisely this flexibility that, “especially when

combined with cost-offsets (such as density bonuses and relaxed zoning standards), has helped to reduce the grounds for concern with ordinances.”⁷⁸

Despite the survival of inclusionary housing through the downturn, affordable housing production was considerably reduced over the past five years. The relationship with market-rate development that brings so many advantages in economic integration and social inclusion can be a problem when private housing development stalls. Even in the aftermath of the downturn, the resumption of inclusionary housing production “has been largely confined to municipalities that apply their policy to rental development.” The market decline has also made it more difficult to pass new inclusionary housing policies. The only exception to this phenomenon is in areas “experiencing major upzonings or new transit investments,” such as along the light rail corridors here in the Twin Cities. Furthermore, a shift in development away from the fringe and toward infill settings has created a challenge for many policies “written for undeveloped, ‘greenfield’ settings in affluent suburbs.”⁷⁹ This will require policies to be adjusted to better reflect the market realities of central cities and the suburbs of the inner-rings.

Renewed attention to fair housing concerns by HUD, culminating in a plan to produce “a new rule on affirmatively furthering fair housing in 2013,” will likely “provide important opportunities for advancing affordable housing and mobility goals, but could be contentious.” With the heightened scrutiny given to fair housing objectives, “this may be a particularly strategic time to consider new inclusionary housing tools and approaches.”⁸⁰

Current State of Inclusionary Housing in the Region

Goetz and Vesota’s 2007 survey captured much of the state of housing policies in the Twin Cities. With the Metropolitan Council’s changing requirements for affordable housing planning, many cities that either opted out of the previous program or received an increase in their share of affordable housing requirements will need to implement new strategies to meet the Council’s goals. Regarding the new affordable housing targets, Goetz and Vesota found that 35 percent were satisfied with these numbers. Of the cities surveyed, 25 percent felt “they were about right,” 3 percent felt they were low, while 72 percent felt they were high. Seventy-two percent of respondents felt the goals were not feasible. In terms of programs that the cities utilized to facilitate the development of affordable housing, including inclusionary housing, 17 percent of responding cities had no programs. The most common programs were “county programs and grants” (34 percent) followed by TIF (31 percent), and community development block grants (29 percent). Regarding inclusionary housing, the most commonly used policy was planned unit developments with smaller lots or a density bonus, with 28 cities having used this approach. This was followed by adjusted lot sizes (18), zoning variances (15), and manufactured homes (15).⁸¹ The results of the survey are summarized in the following chart:

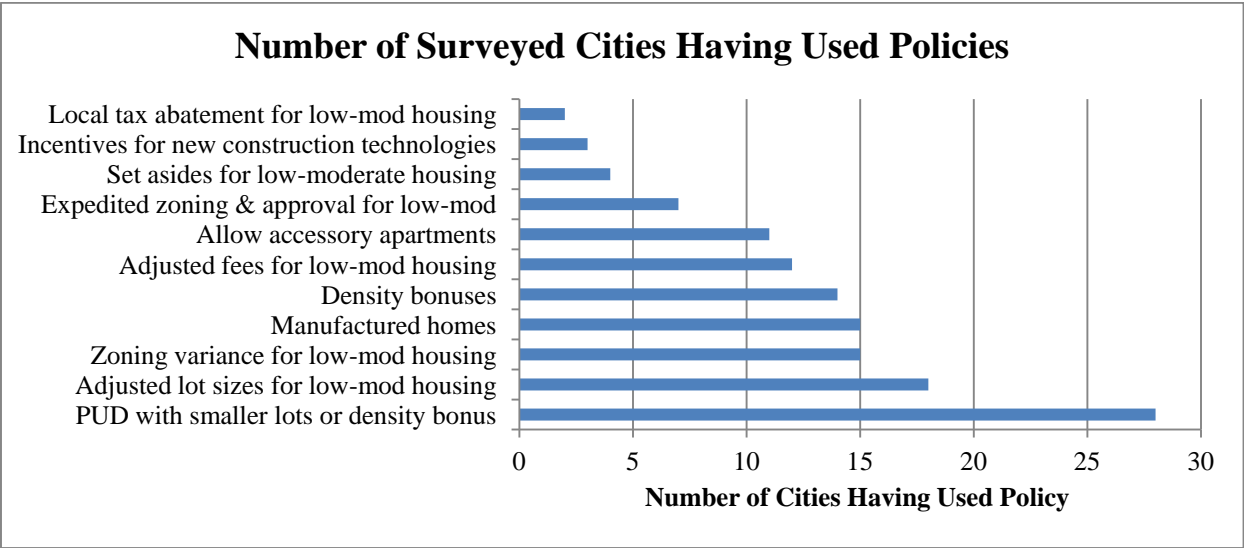


Figure 7

Regarding the frequency of use, the most frequently used policy was also PUD followed by adjusted lot sizes and zoning variances.⁸² The frequency with which each of the policies was used by the cities is shown in the following chart:

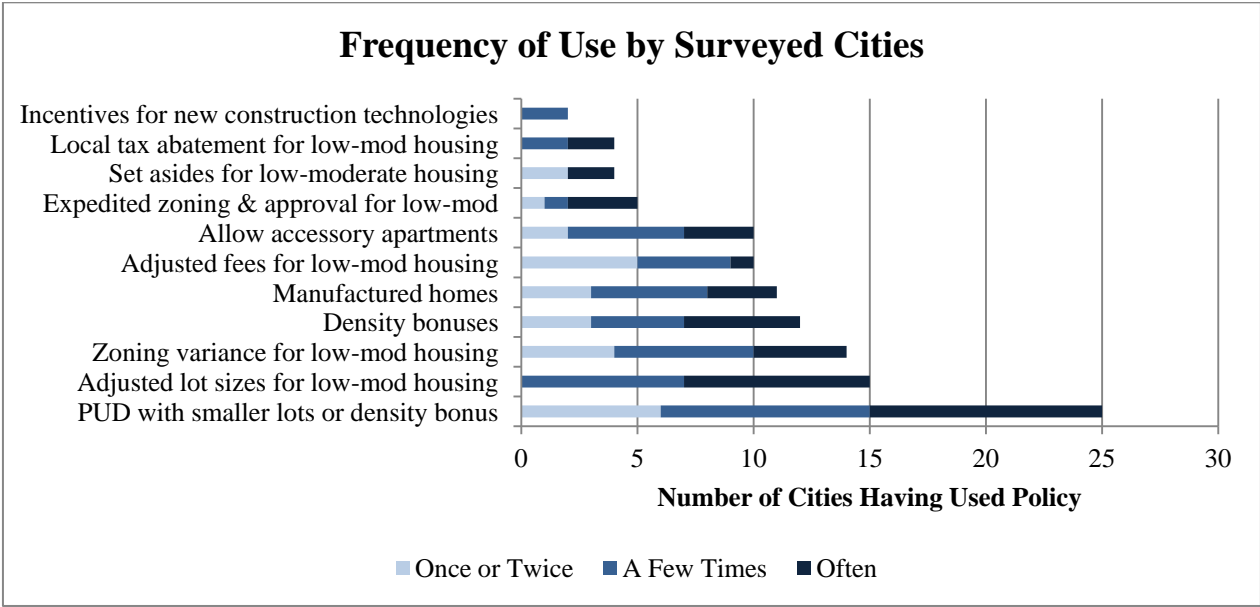


Figure 8

All of the inclusionary policies included in the survey were perceived as being “effective” or “very effective” by the officials from the responding cities. The two policies with the greatest inconsistency in their perceived effectiveness were incentives for new construction technologies and expedited zoning and approval processes. While seven policies had some cities that perceived them to be not effective, four policies, zoning variances, density bonuses, set asides for low-to-moderate income housing, and local tax abatement, received unanimously positive reviews from those officials who commented on them.⁸³ The perceived effectiveness of the inclusionary policies is displayed in the following chart:

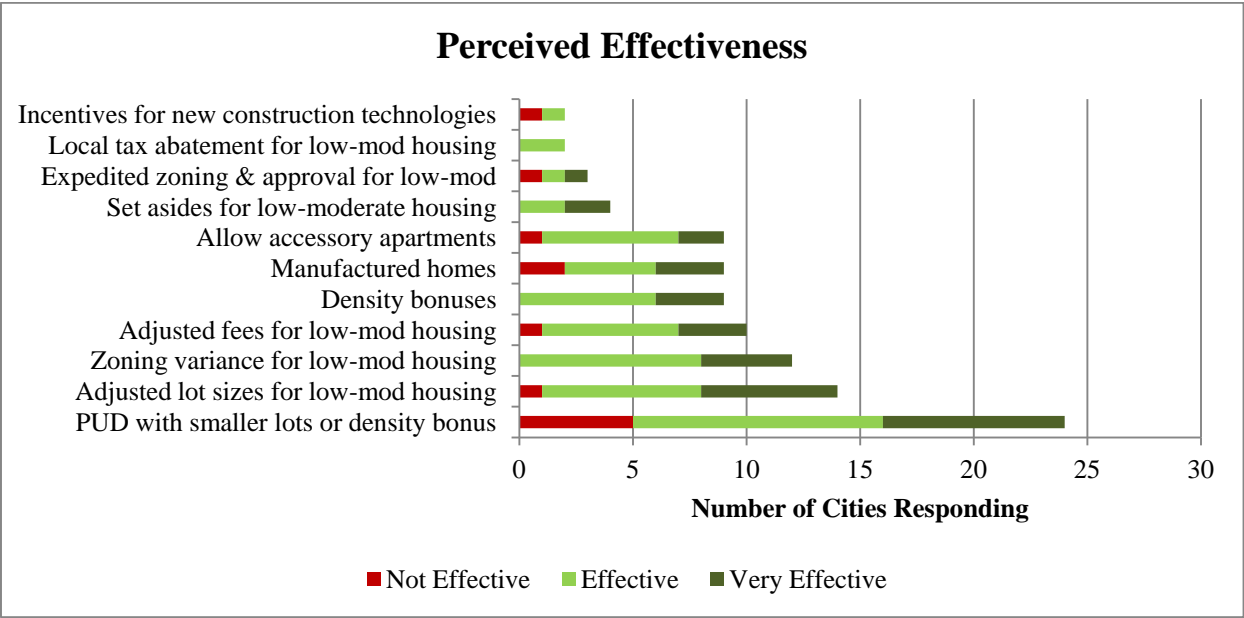


Figure 9

Finally, regarding inclusionary policies the cities would be open to using in the future, again the most popular policy was PUD with smaller lots or a density bonus (21). This was followed by density bonuses (14), adjusted lot sizes (13), zoning variances (11), and the allowance of accessory apartments (11). The least likely policy to be used in the future was local tax abatement for low-to-moderate income housing, with only three cities indicating they were open to utilizing this policy in the future.⁸⁴ The results of this survey component are summarized in the following chart:

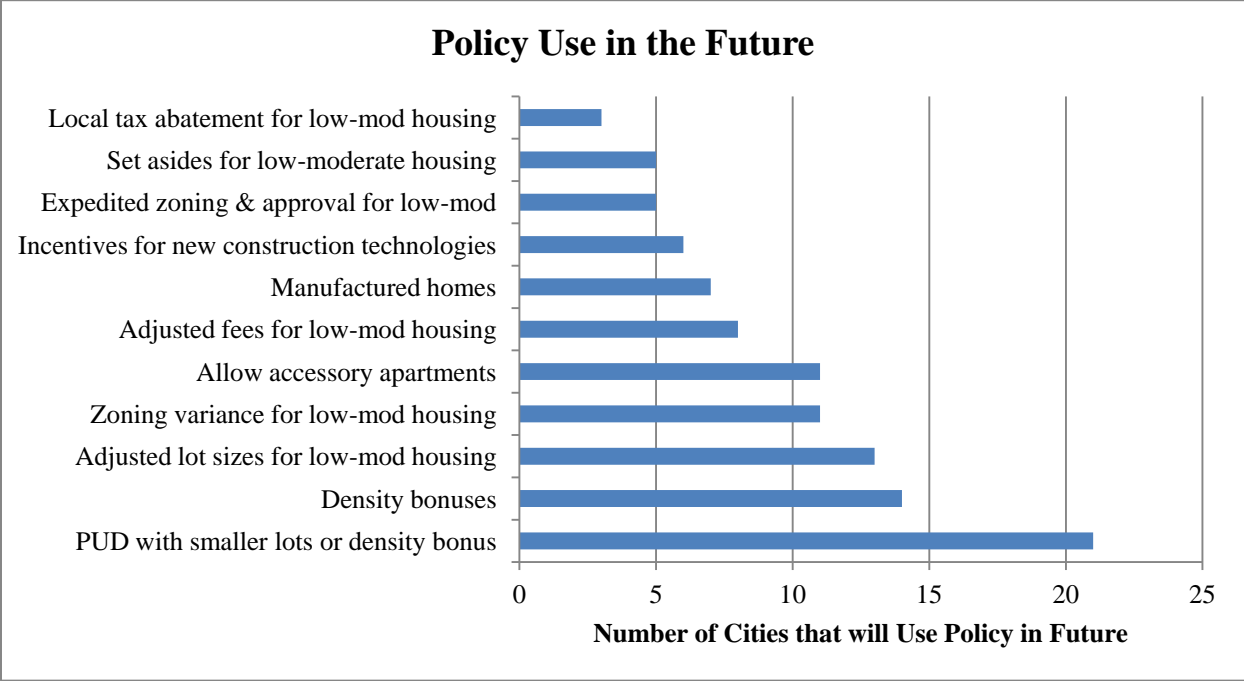


Figure 10

Conclusion and Suggestions

Inclusionary housing policies are an effective way to provide affordable units in an economically integrated and socially inclusive manner. Among the policies that fall under the inclusionary housing

umbrella term, this report has looked at PUD with smaller lots or density bonuses, zoning variances for low-to-moderate income housing, density bonuses, adjusted fees for low-to-moderate income housing, adjusted lot sizes for low-to-moderate income housing, the allowance of accessory apartments, set asides for low-to-moderate income housing, local tax abatements, incentives for new construction technologies, and manufactured homes. These policies were among those included in Goetz and Vesota's 2007 survey on new affordable housing goals in the Twin Cities. The Goetz and Vesota study found that many cities were familiar with the policies, had used several of them with some frequency, and would most likely use them again in the future. However, the study also illustrated the lack of use, whether stemming from unfamiliarity or negative perceptions, of a number of other inclusionary policies included in this report. This is troubling in that it limits the approaches being taken to pursue the development of affordable housing at a point in time when the need for new affordable housing as well as innovation in its development is particularly acute. As a result, it is advisable for cities such as Minnetonka to consider a broader approach to affordable housing development that includes some of the policies highlighted here. Such an approach could enable the city to reach its new Metropolitan Council affordable housing goals while also serving as a leader among regional cities in affordable housing solutions. This report has demonstrated the variety of approaches available to municipalities and developer alike, all that is lacking in their implementation is the initiative and leadership of communities.

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Creating Housing Diversity in Mixed-Use Developments

Though traditionally associated with large, central cities, mixed-use developments that contain a variety of housing types and commercial/office space are increasingly being built in suburban environments. In Minnetonka, village centers and transit oriented developments (TODs) identified in the 2030 Comprehensive Guide Plan represent prime opportunities for providing a variety of housing options at differing prices points. By concentrating resources in village centers and transit station areas, Minnetonka can provide walkable, mixed-use environments close to transit that will meet the needs of the city's changing demographics. At the same time these developments, if well designed, will be amenities for Minnetonka's neighboring single-family subdivisions.

These new nodes of development are prime locations for the City of Minnetonka to focus its affordable housing so that the city can meet all of its affordable housing targets. The village centers, especially the new Southwest Corridor Light Rail Transit (SWLRT) stations, provide opportunities for lower income persons to access all of the amenities that Minnetonka has to offer even if they do not have access to a car.

Legal Models for Mixed-Use Developments

According to the Atlanta Regional Commission's Growth toolkit, mixed-use developments can be created with one of three legal methods:

1. Planned Unit Developments (PUD)⁸⁵
2. Overlay zoning
3. By right districts

Minnetonka does not currently have a mixed-used zoning designation. In the past, the city has used its Planned Unit Development (PUD) ordinance in order to create mixed-use developments.

As previously pointed out in this report, while the PUD ordinance provides flexibility, it contains few specific provisions related to mixed-use and could be too vague to entice developers to pursue mixed use developments, especially since mixed-use is largely uncharted territory for Minnetonka. At the same time, PUDs can be the least politically threatening of the methods and can allow the most upfront participation by the largest number of stakeholders.⁸⁶ Especially since vertical mixed-use projects are relatively new to Minnetonka, using a PUD process could be a way to educate existing residents about how the process works and in turn build support for more dense developments with more housing diversity.

Alternately, overlay zones are more difficult to enforce legally and require a tight legal nexus between the purpose of the overlay zone and its requirements.⁸⁷ Also they are generally created to mitigate a specific concern without changing the underlying land-use pattern of the district. Since Minnetonka lacks a mixed-use ordinance, it would be difficult to craft an overlay zone that could alter the underlying uses and be legally enforceable. It is normally more effective for very precise redevelopment efforts as well as for watershed and environmental concerns.⁸⁸

By right zoning districts like the (M-X) district used by St. Louis Park (described below), have the advantage of containing specific design requirements and providing a faster permitting process for developers than a PUD since differing building types and uses do not require any extra permits.⁸⁹ A mixed-use district also has the distinction of allowing the land-use mix to be set largely by the market rather than city officials.

Case Studies

In the following section we detail a few examples of suburban communities taking advantage of a variety of regulatory as well as fiduciary models to change traditionally single-family, auto-dependent areas into mixed-use, mixed-income community assets.

City Walk in Woodbury, MN



Much like Minnetonka, Woodbury is a growing suburb hoping to diversify its housing options.⁹⁰ Smaller household sizes and aging populations are now giving city officials and the development community cause to re-evaluate the type of housing that will accommodate the new demographics. The current development pattern is dominated by single-family homes, but much of the new demand will be for multifamily and senior housing, a trend anticipated in the recently adopted Woodbury 2030 Comprehensive Plan.

In 2004, the city of Woodbury approved the “City Walk” development. It includes 529 multifamily units (including 41 affordable units), and 650,000 square feet of retail, office and commercial space.

This development does a great job of combining a variety of housing options at differing price points, using quality construction combined with appropriate transitions to ensure that the development is an amenity for both the residents of the development and for the surrounding low-density single-family development.

Excelsior and Grand in St. Louis Park, MN



LIVABLE COMMUNITY FEATURES Excelsior & Grand in St. Louis Park

- | | |
|---|--|
| 1. Sidewalks provide safe, pleasant ways to reach destinations | 7. Well-designed medians help people move around safely |
| 2. Bike racks are a convenient place to park, and they help prevent theft | 8. Staggered parking helps calm traffic, which lowers driving speeds |
| 3. Planters help define spaces | 9. Bollards protect pedestrians at busy intersections |
| 4. Pleasant and safe lighting is necessary for both drivers and pedestrians | 10. Street trees look great and help slow traffic |
| 5. Clearly marked crosswalks allow residents to safely cross | 11. Mixed-use buildings are transit and pedestrian friendly |
| 6. Public art enhances the identity of a community | 12. Bus stops make commuting easier |

In the late 1990s, St. Louis Park sought to revitalize a struggling area along Excelsior Boulevard. At the time, the area consisted largely of dilapidated strip malls.⁹¹ Through a collaborative effort of city residents and city officials, the “Vision St. Louis Park” process determined that a signature mixed-use development would create a strong identity for the community and turn underutilized land into an asset.

To help ensure a timely approval process, the city created a new mixed-use zoning ordinance (MX)⁹². It allows a mixture of commercial, office and residential uses. It also contains a summary of the mixed-use ordinance as follows:

Mixed-Use District (M-X)⁹³

The purposes of the M-X mixed-use district is to:

1. Provide areas for mixed use development that are carefully planned to promote efficient use of the land and roadway system;
2. Ensure sensitivity to the surrounding neighborhood;
3. Provide appropriate transitions between uses;
4. Encourage reductions in impervious surface by minimizing surface parking
5. Retain open space by encouraging taller building for high-density uses;
6. Ensure high quality architectural design and materials;
7. Promote good pedestrian, bicycle and transit access; and
8. Promote innovative site design.

The total project area was 125 acres in the center of the city with the focal point being Wolfe Park. It was funded with a mixture of public and private funding including city sponsored Tax Increment Financing (TIF) and Livable Communities Grant funding through the Met Council. The city was also able to leverage 80% of the funding from private sources.

The completed project contains 338 apartments, 322 condominiums (including affordable units) as well as 91,000 square feet of commercial space. The initial development was completed in 2007 and has spurred reinvestment and more development around the site. “Vision St. Louis Park” continues with the goal of creating a “community so special that people will make a conscious choice to make St. Louis Park their lifelong home.”⁹⁴ St. Louis Park used its mixed-use ordinance to simplify the approval process for the developer.

Project Incentives

One of the major challenges with focusing housing choices (especially affordable units) around mixed-use and TODs is the potential for a long-term increase in land and property values. The Government Accountability Office (GAO) released a report in 2009 showing that land around TOD tends to rise over time, which decreases the number of naturally occurring affordable units and can increase the costs to keep subsidized units affordable.⁹⁵

This being the case, such a strategy to provide affordable housing with good access to transit (SWLRT) and amenities requires a coordinated effort by the city. In the previous sections of the report, we detailed ways that Minnetonka could use inclusive zoning techniques to achieve a more balanced housing mix. There are incentives as well as funding programs that can help ensure housing diversity in price and form within the village centers and TOD areas.

It is no secret that affordable housing quotas are not well liked by developers. However, the commercial element with mixed-use projects can allow developers to make up lost revenue from housing with commercial rental income.⁹⁶ In the same vein as density bonuses, municipalities can offer commercial bonuses for developers who provide affordable housing. Lancaster, PA provides developers with higher floor to area ratios as well as greater than allowable commercial square footage if they provide affordable units.⁹⁷

Mandatory parking requirement reductions

Mixed-Use developments generally require less parking than individual use zoning districts (quality growth toolkit). Many municipalities (like St. Louis Park) reduce or eliminate minimum street parking requirements, which permit more area to be used as building space thus increasing revenue for the developer.⁹⁸

Expedited Permitting

The city can create a fast-track review process for developments within village centers that meet particular requirements such as: a mixture of uses, housing types, and affordable units. This has the advantage of lowering carrying costs for developers. As with the other previous policies, they do not have any upfront costs to the city besides small administrative costs. Lancaster, PA has an expedited permit review program.⁹⁹ Without lowering the standards for any of the review processes, on select projects, all regulatory entities agree on a concurrent review process.

Government Financing

There are also options for government sponsored grants and financing many of which Minnetonka has used in the past, and could utilize in future mixed-use developments.

Low Income Housing Tax Credits (LIHTC)

Low Income Housing Tax Credits (LIHTC) provide tax credit to in the construction or acquisition of affordable rental housing. Tax credits are awarded in a competitive allocation process held each year concurrent with the Minnesota Housing Consolidated Request for Proposals. The award of LIHTCs is a highly competitive process with requests totaling 3:1 or 4:1 for each available credit dollar.¹⁰⁰ These could be particularly applicable for Minnetonka because due its high-value real estate market, it should not be difficult to find large amounts of matching capital in the private market.

Economic Development and Housing/Challenge Program (EDHC)

The Economic Development and Housing/Challenge Program¹⁰¹ (EDHC) provides grants or loans for the purposes of construction, acquisition, rehabilitation, construction or permanent financing, interest rate reduction, refinancing and gap financing. The program is designed to provide housing affordable to the local workforce based upon the wages of the jobs being created or retained in the area. EDHC loans may be made to cities, private developers or non-profits.

HOME Investment Partnership Program (HOME)

HOME is primarily focused on increasing supply of rental housing for low and very low-income people.¹⁰² Funding generally needs to be matched by non-federal sources.

Tax Increment Financing

Tax Increment Financing (TIF) is an economic development tool cities the ability to promote development “by earmarking property tax revenue increases in assessed values within a designated TIF district.” The earmarked tax revenue is used to finance the new development over a designated period of time, enabling economic development that “would not take place ‘but for’ the public expenditure or subsidy”.¹⁰³

An example of a successful Affordable Housing TIF (AHTIF) project locally is the East Village project in Minneapolis.¹⁰⁴ The East Village “is a mixed-use development with 139 market-rate and 40 affordable units, as well as commercial/retail spaces” all located southeast of Eliot Park in Downtown Minneapolis¹⁰⁵. The project utilized TIF “leveraged with HOME funding, housing revenue bonds, low income housing tax credits” and a multitude of other public funding sources to bring the project to fruition.

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Senior Housing

Introduction

With Minnetonka's total land area almost completely built out, further complicated by low residential turnover and certain impending demographic challenges, the city will need to implement a combination of creative housing solutions for aging seniors and young families if it hopes to maintain its tax base and current level of services. Not only must the city maintain the current level and variety of services, but it must also be prepared for increased demand of existing services and the expansion of new services to meet the needs of aging seniors. The failure to provide increased senior housing options and meet the demand of growing families could have adverse economic costs for the city in the near future by stagnating property values, destabilizing school enrollment, and shifting consumer demand for local goods and services.

Creative senior housing solutions include a wider range of housing options with diversity in respect to size, type, and pricing. These solutions must also be sensitive to the great variation of needs and wants among older adults according to physical ability and mobility, mental agility, and user-friendly design as some adults are mostly independent while others require assisted living. This section details specific demographic challenges; current practices in neighboring cities, and provides an overview of possible policy solutions.

Summary of Housing Profile

Of its approximately 22,500 housing units, single-family homes represent the largest share of Minnetonka's existing housing stock at 57%. Condominiums and townhouses comprise 20% while rental units include another 18% of the overall share of units. Only 5% of the existing housing units are classified as senior housing, which includes both "independent and assisted living facilities."¹⁰⁶

The majority of the city's single-family housing was built between 1950 and 1970. Although reports indicate that most of these housing units are in good condition, the aging housing stock will require continued maintenance, rehabilitation and, in some cases, complete redevelopment.¹⁰⁷ For those residents who decide to age in place, additional redesign programs and improvements will be necessary to facilitate the ease of living and aid physical ailments developed in later age.

Current Demographic Trends

The oldest members of the "baby boomer" generation, born between 1946 and 1964, are now transitioning into senior citizen status (generally defined as age 65 years and older). Between 2000 and 2012, Minnetonka's number of residents aged between 65 and 74 years increased by more than 25% with the population of younger baby boomers between the ages of 55 and 64 increasing by nearly 57%.¹⁰⁸ In fact, there was a decline in all age categories under 55 years in Minnetonka between 2000 and 2012 except for a reasonable increase in 18 to 24 year olds (see Table 1).

The median age of householders in Minnetonka in 2007 was 52 years with 44% of all householders aged 55 years and older.¹⁰⁹ While homeowners represent more than two-thirds of all households, ownership is largely concentrated in hands of those aged 35 years and older. Less than one-third of householders under the age of 35 years own their home while more than three-quarters of those between 35 and 74 years are homeowners (see Figure 1).¹¹⁰

Since 2004, the proportion of householders aged 45 years and younger has been steadily declining.¹¹¹ The Urban Land Institute's (ULI) 2009 City of Minnetonka Demographic Change Report shows that much of this trend is due to more residents aging in place by remaining in their homes, resulting in a low housing turnover rate (see Figure 2).

**Population Age Distribution
(1990, 2000, 2007 & 2012)**

Age	Population				Change			
	1990	2000	2007	2012	1990-2000		2000-2012	
					No.	Percentage	No.	Percentage
17 & under	11,691	11,873	11,050	10,670	182	1.6	-1,203	-10.1
18-24	3,806	3,078	3,350	3,435	-728	-19.1	357	11.6
25-34	8,314	5,994	5,360	5,285	-2,320	-27.9	-709	-11.8
35-44	9,132	8,637	6,940	5,950	-495	-5.4	-2,687	-31.1
45-54	6,108	9,274	9,810	9,185	3,166	51.8	-89	-1.0
55-64	4,558	5,280	7,230	8,285	722	15.8	3,005	56.9
65-74	3,104	3,694	3,790	4,630	590	19.0	936	25.3
75+	1,657	3,471	3,930	4,060	1,814	109.5	589	17.0
Total	48,370	51,301	51,460	51,500	2,931	6.1	199	0.4

Source: Census Bureau, Claritas Inc, Maxfield Research, Inc.

Table 1. Population age distribution¹¹²

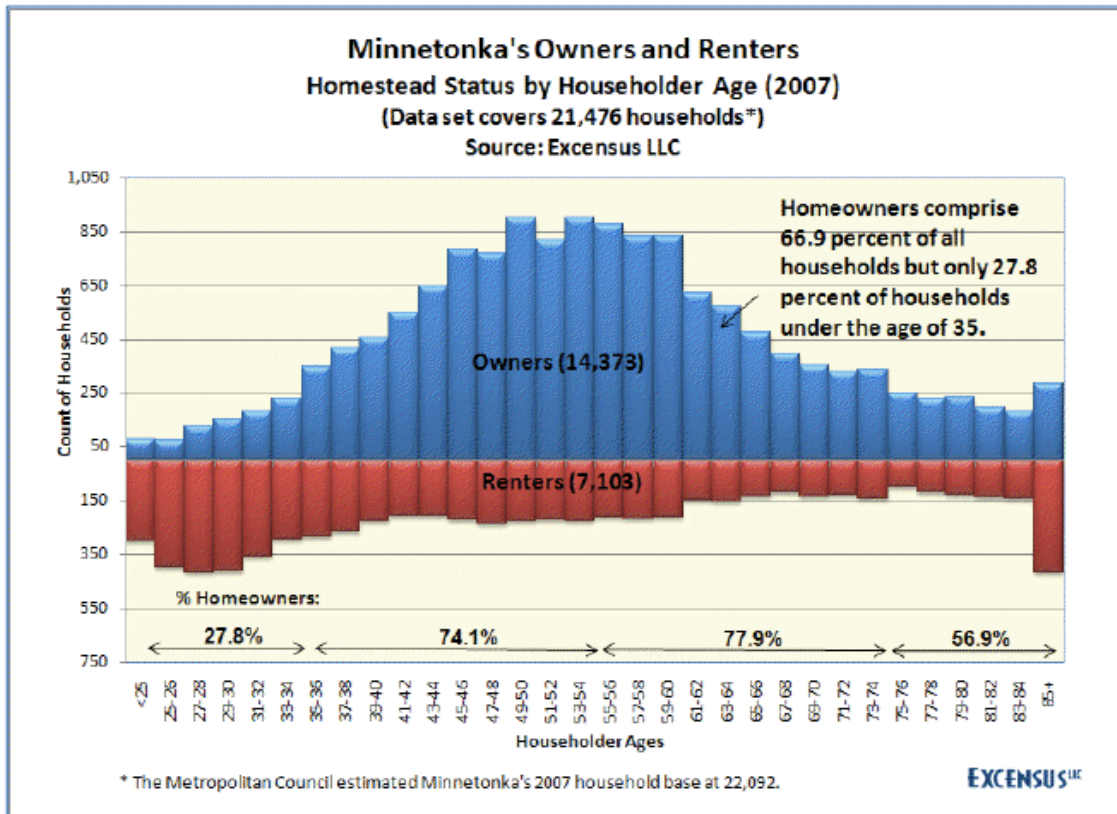


Figure 1. Homestead status by householder age¹¹³

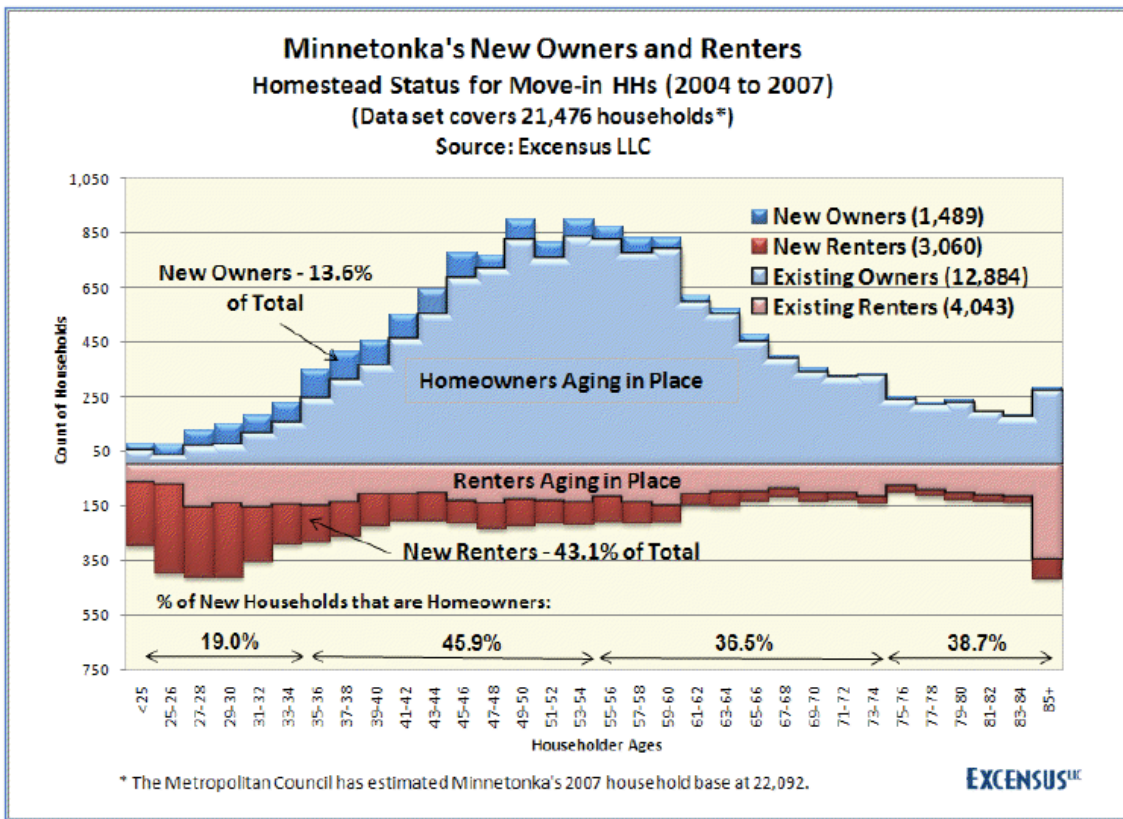


Figure 2. Homestead status from move-in HHs between 2004 to 2007¹¹⁴

As can be seen from Figure 2, virtually all homeowners aged 75 years and older are aging in place with a slightly smaller proportion of those aged between 55 and 74 years doing the same. Overall, 80% of the younger baby boomer homeowners between 45 and 64 years expect to age in place over the next few decades.¹¹⁵

Low Housing Turnover Rate as a Result of Limited Alternatives

According to the ULI Report, the low turnover rate is “a reflection of the satisfaction with the community and desire to live in [Minnetonka], but this may also be an indication of a limited supply of housing types available and desirable to older households.”¹¹⁶ The idea that the low housing turnover rate among older residents is due to limited senior housing alternatives is supported by feedback obtained at focus groups held by the city.¹¹⁷

The term “senior citizen” represents a broad age category that spans roughly 40 years and ignores the variation of resident needs according to age.¹¹⁸ Participants in the focus groups included “younger baby boomers (many of whom do not label themselves as “senior”) older adults, and the elderly.”¹¹⁹

Three descriptions of older adults were derived from the focus group and include “go-go,” “slow-go,” and “no-go.” “Go-go” adults are those who are “active, healthy, vigorous independent adults”; “slow-go” adults are “more passive, [take] life at a slower pace, may have a few physical ailments that require

some limited help, but still live independently”; and “no-go” adults are those who are “frail, older adults with failing health [that require] assisted living.”¹²⁰

Because there is a low rate of housing turnover among older adults, the rest of this section focuses on the need to diversify senior housing alternatives. The provision of more diverse senior housing alternatives may also increase the housing turnover rate and allow younger families housing infill opportunities that are presently barred to them.

Need for Diverse Senior Housing Options

In order to meet the diverse desires and needs of older adults, a variety of creating housing policies should be implemented to avoid the adverse effects of aging in place. Currently, the city of Minnetonka does not provide a wide range of senior housing alternatives and nearly all of its existing senior housing units are targeted to “slow-go” and “no-go” boomers.¹²¹ Without housing infill opportunities for younger families with children, the “aging in place” phenomenon has the potential to “destabilize school enrollment levels, shift demand for local commercial goods and services and reshape the need for community-based programs and services.”¹²² Additionally, although retaining even aging households may “keep the social fabric and volunteer base of the community vibrant,” the “lack of neighborhood regeneration can stifle home values” and the overall tax base.¹²³

At just 5% of the city’s housing stock, there is a high demand for increased senior housing in general. While the city of Minnetonka provides the greatest number of congregate, assisted living, and memory care units compared to its neighboring cities, these units provide services that are marketed to and intended for older and frailer seniors.^{124,125}

Meanwhile, there is a particularly acute lack of senior units without services targeted to younger boomers.¹²⁶ Younger “go-go” boomers are largely without alternative senior housing options and represent great unmet demand.¹²⁷ In 2007, Minnetonka did not have any market rate owner-occupied or rental senior units (see Table 2). While Minnetonka provides a greater number of subsidized senior units as a percentage of its senior population compared to Eden Prairie and Plymouth, these latter two cities best meet the needs of younger baby boomers through the greatest number of owner-occupied and rental senior units as a percentage of their respective senior populations.

Housing Comparison-Edina, Eden Prairie, Plymouth & St. Louis Park

	Minnetonka	Edina	Eden Prairie	Plymouth	St. Louis Park
Number of subsidized senior units in 2007	229	391	60	144	304
<i>As % of senior population</i>	4.7%	5.4%	2.5%	3.7%	7.6%
Number of owner-occupied senior units in 2007	0	338	142	210	166
<i>As % of senior population</i>	0.0%	4.7%	6.0%	5.4%	4.2%
Number of adult rental units in 2007	0	0	66	193	0
<i>As % of senior population</i>	0.0%	0.0%	2.8%	5.0%	0.0%
Number of congregate, assisted living, & memory care units in 2007	882	795	537	278	526
<i>As % of senior population</i>	18.3%	10.9%	22.7%	7.2%	13.2%
Senior units added from 2000 to 2006	61	6	458	482	265

Source: Regional MLS, GVA Marquette Advisors, Maxfield Research, Inc.

Table 2. Senior Housing Comparisons¹²⁸

Selected Policies and Programs

As indicated in Chapter 5 of the 2030 Comprehensive Plan, Minnetonka should create “age-restricted owner-occupied and rental units (e.g. condominiums, townhomes, apartments, co-ops); assistance for seniors who want to remain in their single-family homes; subsidized, affordable senior units; congregate buildings; and assisted living and memory care.”¹²⁹ Since the vast majority of Minnetonka’s existing senior housing is targeted to “no-go” seniors as congregate and assisted living, the city should instead focus on the provision of owner-occupied and rental units for younger boomers.¹³⁰ Examples from Eden Prairie and Plymouth are explored below to address these needs. Additionally, while Minnetonka relies heavily on the Household and Outside Maintenance for the Elderly (H.O.M.E.) program, the city may want to encourage older adults to relocate to newly-created senior co-ops, multifamily housing units, and even accessory dwellings to ease the burden of costs and services provided through Community Development Block Grants (CDBG).¹³¹ The city may also rehabilitate existing single-family housing currently in the hands of senior residents to be attractive to younger families through the Senior Housing Regeneration Program (SHRP) used in Roseville.

Eden Prairie

The city of Eden Prairie has several policies outlined in its Comprehensive Plan Update concerning the provision of diverse senior housing options. Of the cities compared in Table 2, Eden Prairie had the greatest number of owner-occupied senior units in 2007 as a percentage of its senior population. To meet the unmet demand for senior housing, Eden Prairie has a housing policy to promote mixed-use development that is supportive of and accommodates senior housing units.¹³² Housing preservation policies include “innovate senior housing such as single family share housing for small groups of

seniors, shared housing matching seniors with young people to provide certain services in lieu of rent; large lots with three to six small cottages that share a central green space.”¹³³

There exist several policies specific to the provision of senior housing in Eden Prairie, but only those more directly aiding the addition of senior rental and owner-occupied units are included in this discussion. As mentioned before, the city promotes the mixing of land uses and suggests the utilization of the Planned Unit Development (PUD) process. It also promotes higher residential density through the PUD process as well as density bonuses for the city’s remaining undeveloped land. Another policy encourages the practice of lot clustering and the reduction of lot sizes. The city also encourages senior housing co-ops, accessory apartments, “smaller homes for single-person households and larger attached or stacked homes for families.”¹³⁴

Although Eden Prairie has a smaller senior population than Minnetonka, Eden Prairie is able to meet more of its demand for senior rental and owner-occupied units. All of the above policies combined have influenced the creation of 208 such units, which serves 8.8% of the city’s older adult population. 142 of these units are owner-occupied and 66 units are renter-occupied. The city provides 146 senior apartment units across three senior housing communities, which are mostly affordable and age-restricted, and all of these units are renter or owner-occupied.¹³⁵

Since Eden Prairie does not classify households that participate in the H.O.M.E. program (discussed later) as subsidized ownership units, these units do not contribute to the above 142 senior owner-occupied units. The remaining 62 senior rental and owner-occupied units not provided by the city’s three senior apartment complexes are provided through “innovative senior housing,” such as group homes and some accessory dwellings.

Plymouth

The city of Plymouth faces similar challenges to Minnetonka with respect to the provision of higher density housing, including limited land resources and high unmet demand. However, the city has 403 total rental and owner-occupied units for seniors, serving over 10% of its total senior population. Presently, the city has two large senior apartment complexes, which provide 195 rental and owner-occupied units, nearly half its available units, for low- and moderate-income seniors.¹³⁶ Both of these properties are zoned as public land instead of high density residential. Unfortunately, the city’s comprehensive plan does not include specific policy recommendations for senior housing provision.

Household and Outside Maintenance for the Elderly (H.O.M.E.)

The Household and Outside Maintenance for the Elderly (H.O.M.E.)¹ program provides services householders that are 60 years and older or those households with disabilities. Services include “house cleaning, food preparation, grocery, shopping, window washing, lawn care and other maintenance and homemaker services.”¹³⁷ The program is funded through Community Development Block (CDBG)

¹ The Household and Outside Maintenance for the Elderly (H.O.M.E.) program is not to be confused with the HOME Investment Partnership Program outlined in the section detailing mixed-use development.

grants but may not be sustainable long term with an expanded older adult population in the near future as Minnetonka relies heavily upon this program, having served 348 units over a three-year period.¹³⁸

Senior Housing Regeneration Program (SHRP)

The Senior Housing Regeneration Program (SHRP) operates by purchasing homes from seniors who wish to or are in the process of relocating or downsizing. The program supports the ease of transactions by eliminating relator fees and even managing of the disposal and sale furniture items that older sellers wish to leave behind. Using a mix of public financing sources, the homes are then renovated and resold to younger households. This program could be effective in increasing housing turnover rates and can be utilized in the provision of more affordable housing.¹³⁹

Models of Aging in Place

Although aging in place has potential adverse economic impacts, the dignity of existing older residents and younger but aging boomers warrants a quick look at some effective models across the nation. These include Tiger Place in Missouri, Fairview Village in Oregon, and Beacon Hill Village in Boston. However, aging in place programs and models should not be used exclusively as a substitute for other expanded senior housing options discussed later in this document.

Tiger Place in Columbia, Missouri is described as an “innovative concept in aging in place/community living for older adults” that collaborates with the University of Missouri and the Sinclair School of Nursing. Tiger Place provides independent living units with available services according to resident desires.¹⁴⁰ These units consist of one and two-bedroom private apartments and offer amenities, such as “24/7 nurse on-call, exercise classes, access to an on-site wellness center, wellness assessments, [and] volunteer involvement in ongoing successful aging research” with the nearby university staff, students, and facilities.¹⁴¹

Fairview Village in Oregon is described as new urbanism development focused on “a mix of houses, rowhouses, and apartments built among retail, office, and other civic amenities.”¹⁴² The development is the recipient of numerous livability awards, including the National Association of Home Builders – “Best Smart Growth Community in the U.S.” Gold Award in 2001.¹⁴³ The multi-use zoning of the development provides 600 residential units, including “single-family homes, rowhouses, townhomes, flats above garages, apartments over shops, garden apartments, and senior living opportunities” within walking distance to local amenities and jobs, including pedestrian-friendly design for those without access to vehicles.¹⁴⁴ This development “means freedom for our elders who need not fear being isolated and dependent on others for transportation when they can no longer drive.”¹⁴⁵

Beacon Hill Village Boston, Massachusetts, described as an “aging-in-community,” is a nonprofit organization run by residents in the neighborhood. The original group of residents who started the organization planned “the country’s first ‘virtual’ retirement community.”¹⁴⁶ Residents in the village and from nearby neighborhoods age in place and are eligible purchase memberships for services that would normally be provided in a traditional retirement community. These membership fees pool the senior community’s resources to provide additional services and amenities to meet their aging needs.

Accessory Apartments & Universal Design

Although the feasibility of accessory apartments was discussed earlier, there are several key points that justify an expanded discussion here. In addition to utilizing scarce land resources and freeing up the supply of single-family housing, accessory apartments are affordable alternatives that have the potential to meet unmet senior housing demand and could be better designed to meet the specific needs of different older adult categories, especially for those who want to age in place.

Since there is an acute lack of both available developable land and affordable single-family housing, the construction of attached and detached accessory housing on underutilized lots could make available existing single-family homes. Older residents could retain their properties and continue to age in place in an accessory apartment downsized and designed to meet their specific needs. Meanwhile, younger families and even the families of the original resident's children and grandchildren could rent or lease the original home at an affordable rate.

Especially important is the design of accessory apartments and cottages. As mentioned before, there are different categories of older adults, all with their own range of specific needs and wants. For younger, more independent boomers, detached apartments may be more desirable and feasible. For older, frailer seniors, attached apartments may facilitate the ease of living, a sense of security, and the social capital developed with the single-family tenants. Because the construction of accessory apartments would be at the behest of the current property owner, older residents could design their apartments to meet their age specific needs and wants instead of relying on the market to provide palatable and attractive senior housing apartments concentrated in retirement communities.

Regardless of where one falls on the older adult spectrum, all residents should plan accordingly to meet their changing physical needs as they may develop mobility issues later in life. Universal design is intended to be just that – universal – seniors have tremendous potential to benefit from universally designed accessory apartments and cottages. Universal design is described as “the creation of environments and products which are meant to be usable by all people to the greatest extent possible, without the need for adaptation or specialization.”¹⁴⁷ Universal design best balances the mobility needs of seniors with the desire for non-stigmatizing living environments that feel “hospital-like.” Finally, Universal design also has the potential to be energy efficiency and utilize green technologies.

There are also many economic and social benefits to older residents downsizing to accessory apartments. Some senior residents in accessory dwelling will earn additional income from the leasing of the larger single-family home. However, others may choose to open their home to their children or other family members for a reduced cost or no cost at all. Some of the fears of aging seniors are the loss of independent living as well as isolation from social contacts including family members. In both scenarios, whether the renters are family members or not, seniors aging in place onsite have added security and access to goods and services. Tenants may check in with the senior resident(s) to access their health and any other aging needs. Tenants, especially family members, may simply provide good company, reduce social isolation, and allow their older family member(s) to interact with younger generations, particularly children. In other instances, tenants could also perform services for older residents, such as grocery shopping, laundry, transportation, and household and outdoor maintenance. This type of relationship could also be used to strengthen communities ties of newer families to the neighborhood while maintaining the vibrant community created by older residents.

Senior Housing Co-ops

Although Beacon Hill Village pools resources to provide services, it differs from a traditional senior cooperative, or “co-op” in two distinct ways. First, members of the Beacon Hill Village do not have to reside in the Village. Second, many Beacon Hill Village residents are renters. However, senior co-ops consist of units owned by all the residents, hence cooperatively owned. The benefits of membership include retained ownership, the choice to age in place, and access to goods and services provided through pooled resources.

However, senior co-ops may be difficult to utilize in Minnetonka. With limited available land and single-family housing, this alternative would have to be implemented in existing neighborhoods and may not address the low housing turnover rate. While senior residents in existing neighborhoods might be able to form co-ops with their current properties, there may be resistance to neighborhood fragmentation from other households in that neighborhood (see below).

Community Opposition to Additional Senior Housing Projects

As the city is already aware of the wants of the community, city officials must continue to try to balance the projected *needs* of residents. Recent proposed senior housing developments have been met with much opposition from existing residents in single-family neighborhoods, even when such opposition has not always been warranted or justified with concrete facts and figures. Opponents of the proposed Gianna Homes expansion have cited increased traffic, noise, and garbage from facilities.¹⁴⁸ Yet, Gianna Homes accommodates “no-go” seniors and the addition of a single senior resident would likely not result in any noticeable impact on the community.

Opponents of another senior housing project, proposed by Doran Companies, cite opposition not to the nature of the 2½-story facility slated for redevelopment, but to the design and upzoning of the existing property.¹⁴⁹ While these residents may have valid concerns about the initial, three-story proposed design near a single-family residential area, residents must be informed about the severe absence of senior rental and owner-occupied units in Minnetonka, especially in light of the city’s projected demographic trends. Additionally, many of these residents will age and require similar facilities and/or senior programs in the upcoming decades. Although this report does not make any recommendations to increase widespread community acceptance of higher density developments, it is important to reiterate the challenge community opposition present to any proposed redevelopment in the city.

Recommendations

This section recommends that the city support a combination of the selected programs discussed above, particularly accessory housing and the SHRP using Fairview Village and Beacon Hill Villages as models. Citing community opposition to large redevelopment projects that increase residential density and the need for senior housing for younger boomers, the Tiger Place model is not highly recommended for the city of Minnetonka.

As reported earlier, accessory apartments are both an effective and preferred alternative by cities surveyed in Goetz and Vesota’s survey for creating inclusionary housing. Accessory apartments also

allow the greatest degree of freedom for older residents wanting to age in place while downsizing into units specifically designed to meet their specific aging needs. This practice could be used to gradually increase residential density without potential, outright community opposition. Additionally, the greater use of accessory apartments could reduce reliance on the H.O.M.E. program and alleviate increased future demand. Utilized in conjunction with a few modifications to the SHRP, seniors could rehabilitate their homes to lease to younger families while aging in place on their property in an accessory unit. To meet their needs, seniors could also form a nonprofit organization in a manner similar to that of Beacon Hill Village. For higher density senior housing projects, this section recommends the co-location of such projects with mixed-used development. This recommendation is consistent with policies recommended earlier in this document, such as the encouragement of inward direction of growth, mixed use by right, matching affordability policy to targets, the indirect reduction of single-family lot sizes by allowing accessory dwellings, and relaxing set-back requirements.

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¹⁰⁷ City of Minnetonka. (2008, V-4).

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¹⁰⁹ Urban Land Institute Minnesota & Regional Council of Mayors. (2009). *Opportunity City Pilot Program Summary Report*. Retrieved 20 April 2013 from <http://minnesota.uli.org/wp-content/uploads/2012/04/Housing-Audit-Summary-Minnetonka.pdf>

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¹¹¹ Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

¹¹² Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

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¹²⁰ City of Minnetonka. (2008, V-12).

¹²¹ Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

¹²² Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

¹²³ Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

¹²⁴ City of Minnetonka. (2008, V-13).

¹²⁵ Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

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¹³⁰ City of Minnetonka. (2008, V-13).

¹³¹ Urban Land Institute Minnesota & Regional Council of Mayors. (2009).

¹³² City of Eden Prairie (2009). *Comprehensive Plan Guide*. Retrieved April 20 from [http://www.ci.eden-prairie.mn.us/\(4-5\)](http://www.ci.eden-prairie.mn.us/(4-5))

¹³³ City of Eden Prairie (2009, 4-8)

¹³⁴ City of Eden Prairie (2009, 4-10)

¹³⁵ City of Eden Prairie (2009, 4-12)

¹³⁶ City of Plymouth (2009). *2030 Comprehensive Plan*. Retrieved April 20 from <http://www.plymouthmn.gov/index.aspx?page=93>

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- ¹⁴² Fairview Village. Retrieved from <http://www.fairviewvillage.com/main.html>
- ¹⁴³ Fairview Village. Retrieved from <http://www.fairviewvillage.com/main.html>
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Comprehensive Smart Growth Audit Checklist

(Jerry Weitz & Associates, Inc. 2001)

Name of community: **Minnetonka, Minnesota**

Name of auditor: **David White, Wesley Johnson, Kadence Hampton, Tony Damiano**

Date: **20 April 2013**

I. Efficient Land Consumption	Document	Yes	No	Reviewer comments
A. Are population and employment projections realistic in terms of regional & state projections?	Comp Plan	Yes		The comprehensive plan indicates population increases through 2030 derived from Metropolitan Council figures. The growth rate projections are comparable to those of other nearby, developed communities such as Saint Louis Park and Edina (City of Minnetonka, 2008, II-17).
B. Are housing unit projections based on a housing needs assessment?	Comp Plan	Yes		Affordable housing need is derived from the Metropolitan Council affordable housing targets while market-rate “need” is based on the Metropolitan Council demographic projections (City of Minnetonka, 2008, II-17; V-16). However, the definition of affordable differs from the one used by the Metropolitan Council. This is okay, but needs to be addressed in the Comprehensive Plan (Metropolitan Council, 2006)
C. Is the amount of future residential land use shown on the land-use plan based on calculations of the number of acres needed for each type of residential land use category and prevailing or planned densities, based on reasonable projections of housing units by type?	Comp Plan		No	The comprehensive plan indicates that Minnetonka is projected to see a 4.7% increase in population and a 12.9% increase in households between 2000 and 2030 (City of Minnetonka, 2008, II-17). The plan also indicates that the built out nature of the community means much of this growth will have to be accommodated through infill development and redevelopment. The plan calls for more mixed-use and medium-to-high density residential infill development in eight identified “village centers” throughout the community. The plan does not consider the demand for this type of development or the feasibility of providing sufficient housing units to meet demand over the next decades given the current land use patterns and political context.
D. Is the land-use plan efficient in terms of the amount of undeveloped land devoted to residential uses when compared with the	Comp Plan	Yes		The plan calls for residential and mixed-use redevelopment of developed but underutilized parcels such as large surface parking lots and automobile-oriented small retail. If feasible, this will result in increased densities throughout the community with particular change in the eight identified village centers.

projections of residential land needed?¹⁵⁰

II. Inward Direction of Growth	Document	Yes	No	Reviewer comments
<p>A. Do land-use policies favor an inward “direction of growth” toward existing developed areas (where such areas exist), instead of favoring new development on the fringe of developed areas (i.e., “greenfield”)</p>	Comp Plan	Yes		<p>The comprehensive plan indicates that Minnetonka intends to meet almost all of its future population and household growth through infill development of existing areas due to the built-out nature of the community (Chapter IV). There really is not much choice here, though, given that the boundaries of the city are inelastic and Minnetonka is surrounded on all sides by other communities.</p>
<p>B. Does the land-use analysis identify in quantitative terms (i.e., number of acres and preferable buildout potential in numbers of units) what the potential is for residential infill development?</p>	Comp Plan		No	<p>The plan does not quantitatively identify number of acres or potential redevelopment acres. Instead, the plan qualitatively identifies underutilized parcels devoted to very low-densities or surface parking as locations for future redevelopment to meet housing needs.</p>
<p>C. Are there specific policies that pro-mote and encourage infill develop-ment (where such areas exist)?¹⁵¹</p>	Comp Plan	Yes		<p>The city identifies four policies it will use to encourage desirable development. These policies are 1) rezoning to different land use categories including mixed-use, 2) rezoning to allow for greater intensities of development, 3) the strategic delivery of city services and programs to encourage desirable development, and 4) the periodic review of comprehensive plan implementation strategies. (City of Minnetonka, 2008, IV)</p>
<p>D. Does the land-use plan contain an analysis of redevelopment potential? If it finds there is redevelopment potential, does the land-use analysis identify what the redevelopment potential means in terms of new housing units and square footage of nonresidential development?</p>	Comp Plan		No	<p>The plan identifies areas where redevelopment is desirable and encouraged, but does not quantitatively analyze the potential for that redevelopment. The plan also does not support its conclusions with third-party research into the likelihood or feasibility of redeveloping these sites in the near future to accommodate projected growth.</p>
<p>E. Does the plan recognize the need to reclaim and reuse any temporarily obsolete or abandoned sites (TOADs) and to clean up</p>	Comp Plan		No	<p>The plan does not identify or recognize any obsolete or abandoned sites in need of cleanup or redevelopment. Though the EPA lists several Minnetonka sites in its “ACRES” or brownfields category, Minnetonka does not refer to these locations as redevelopment, reclamation, or other cleanup opportunities.</p>

and reclaim for future use any “brownfields”?

III. Density	Document	Yes	No	Reviewer comments
<p>A. Does the land-use element contain an analysis of developed residential densities and how they relate to planned densities and densities permitted by zoning districts?¹⁵²</p>	<p>Comp Plan</p>		<p>No</p>	<p>There is no quantitative analysis of this in the comprehensive plan. This would be difficult to do, given that there really are no specific density targets mentioned in the plan. Gross increase in projected density could be extrapolated from the anticipated population growth, but no work has been done to determine the percentage of this growth that will be directed to specific areas.</p>
<p>B. Do land-use policies encourage the establishment of minimum (not just maximum) densities to promote the efficient use of land designated for higher densities? Alternatively, does the plan address any findings that density allowances in the land-use plan and zoning district have been underutilized?</p>	<p>Comp Plan</p>		<p>No</p>	<p>Residential land use designations are based on maximum density, not minimum density. There is a note that states that developers could work for small bonuses in medium density/ high density areas. There is no specific information on implementation or examples (City of Minnetonka, 2008, V-23). There is not mention of underutilization of density allowances in medium and high density residential areas.</p>
<p>C. Do land-use regulations establish minimum densities to promote efficient use of lands designated for higher densities?¹⁵³</p>	<p>Zoning Ordinance</p>		<p>No</p>	<p>There are no provisions for minimum densities for R1, R2 and R3. There is a 4 unit/acre minimum for R4 and a 12 unit/acre minimum for R5. Though these The zoning code specifically states that in order to build on the higher end of the density maximum is <i>the burden of the developer</i> to prove that density is appropriate (Code §300.12.1, §300.13.1, §300.14.1). See note 4 for more justification</p>
<p>D. Do minimum lot sizes allow for urban-sized lots?¹⁵⁴</p>	<p>Zoning Ordinance</p>		<p>No</p>	<p>Generally no. In 2030 only 5.2% of residential land is expected for densities greater than 4 units/acre and only 1.8% above 12 units/acre (Comp Plan Ch. 4 p. 41). Current higher density zoning is even lower (2007- 3.95%) City of Minnetonka, 2008, IV-5)</p>
<p>E. Is at least some of the residential land in the community planned and zoned for densities between eight and 15 units per acre, with</p>	<p>Comp Plan and zoning</p>		<p>No</p>	<p>There is there is a zoning classification for over 12 units per acre and a small portion of land (1.89% of existing net acres in current zoning). However, the amount of land zoned for over 12 units per acre is projected to decrease in 2030 to 1.6% of net acres. This decrease is slightly misleading because the amount of land zoned for Mixed Use will increase from almost zero to around 5% of net acres in 2030. Mixed Use land would be developed through a PUD, which allows higher densities (City of Minnetonka,</p>

even higher densities provided for in urban centers? ordinance

2008, IV). Although there is no classification for an urban center, there are Village Centers. The Village Centers could be improved by specifically designating how much growth should occur within and near them.

IV. Urban Form	Document	Yes	No	Reviewer comments
A. Does the land-use plan propose a sequential, phased pattern of future development in areas contiguous to developed areas so that a compact urban (or suburban) form can be obtained? ¹⁵⁵	Comp Plan		No	Where the plan calls for more intensity in redevelopment, the need for continuity and compatibility with the existing urban form is almost always met with “screening” and “buffering” requirements as opposed to phasing (§300).
B. Does the zoning ordinance zone much of the fringe land as exclusively agricultural (i.e., a holding category) or with a substantial minimum lot size that discourages single-family tract housing and preserves large sites for viable farm use? ¹⁵⁶	Zoning ordinance	Yes		Where open space does exist in this built-out community, the plan calls for preservation of this space through its zoning requirements and the designation of protected natural lands such as wetlands. In all fairness, there really is not any significant land available for farm use because the city is nearly completely built out and surrounded by existing communities. This question is therefore not relevant except in that we may say something about the preservation of existing small tracts of natural land and wetlands within the city.

V. Land Use	Document	Yes	No	Reviewer comments
A. Does the land-use plan designate areas for mixed-use development?	Comp Plan	Yes		The plan identifies extensive areas of mixed-use zoning, especially in and around Village Centers. However, as previously mentioned, an analysis of the feasibility of this redevelopment is not included in the plan.
B. Do plan policies discuss opportunities, and encourage the mixing of land uses at the building, site, and neighborhood levels?	Comp Plan	Yes		The plan qualitatively identifies areas where mixed use could be implemented. However, no incentive for this land use appears to be offered beyond rezoning the land to this category.
C. Does the local zoning ordinance provide at least one or more zoning districts that allow	Zoning Ordinance	Yes		All of the eight village centers include at least some mixed-use zoning and all include the provision of commercial and residential within close proximity to one another.

mixes of residential and commercial uses?

D. If the community has a downtown, are residential uses allowed in the central business zoning district?	Zoning Ordinance	Yes	While Minnetonka lacks an identifiable center and instead opts for a polycentric network of “villages,” each of these villages includes zoning for residential uses.
E. Does the future land-use plan and zoning ordinance allow for compatible, small-scale neighbor-hood commercial uses (e.g., corner stores) adjacent to or within residential neighborhoods?	Comp Plan and zoning ordinance	No	Outside of the commercial village centers, the provision of small-scale commercial redevelopment within existing neighborhoods is not identified. Furthermore, this type of development seems to be discouraged through numerous and repetitive calls for preservation of existing neighborhood character as well as buffering and screening requirements between existing neighborhoods and redevelopment sites (City of Minnetonka, 2008, IV; §300).
F. Does the local zoning ordinance provide for traditional neighborhood development (TND)?	Zoning Ordinance	No	Traditional neighborhood development or TND is not identified or discussed in either the comprehensive plan or the zoning ordinances. TND may be possible through the PUD application process, but this is unlikely because TND-style development is not called for in the comprehensive plan.
G. Are home occupation regulations flexible enough to allow a wide variety of telework activities while maintaining the peace and quiet of the neighborhoods?¹⁵⁷	Zoning Ordinance	Yes	The zoning ordinance does allow for home occupations that comply with other city regulations to ensure the peace and quiet of residential neighborhoods (§300).

VI. Jobs-Housing Balance **Document** **Yes** **No** **Reviewer comments**

A. Does the comprehensive plan consider the appropriateness of balancing jobs and housing, both qualitatively and quantitatively?	Comp Plan	No	There is some mention jobs and housing (City of Minnetonka, 2008, V-21) and the Comp Plan includes a policy for encouragement of employer assisted housing (V-24). However there is no consideration of the current ratio or what a desirable relationship would be. There is no quantitatively index that shows the distribution and segregation of jobs, housing, or income levels. So while there is a qualitative acknowledgement that there may be insufficient housing for those who earn lower incomes in the community, the magnitude of this dynamic is not discussed, specific targets are not present, and the policy framework could be considered relatively weak.
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B. Do any small area plans or corridor plans for the community consider and integrate the notion of jobs- housing balance?	Subarea Plans	Yes	The Opus Business Park Regional Area plan mentions TOD and a mixture of uses around the proposed Southwest Light Rail Transit station. (City of Minnetonka, 2008, IV-33)
C. Do planned unit development (PUD) regulations provide for an appropriate mixture of housing and jobs, or do they result in predominantly single-family residential developments with no jobs nearby?¹⁵⁸	Zoning Ordinance	No	No specific targets, policies, or incentives exist in the PUD for workforce housing (nor are there specific plans for it within the comprehensive plan)

VII. Open Space / Green Space

	Document	Yes	No	Reviewer comments
A. Does the plan establish a goal, policies, and implementation measures to set aside a certain percentage of total land area in the community as open or green space?	Comp Plan	Yes		The community mentions the goal of preserving natural resources in many places in the comprehensive plan. Despite growth in population, there is a slight decrease in park space projected between 2007 and 2030, and the amount of wetland and floodplain land is projected to decrease from approximately 16% of net acres to 11.3% of net acres (City of Minnetonka, 2008, IV-4). The decrease in park space may reflect changing demographics (an aging population), but the quantitative figures presented in the land use plan are not specifically discussed or justified in the Parks, Open Space, and Trails Plan. The decrease in wetland area is not addressed or justified, although the resource management chapter does designate wetland areas and types that are a priority for preservation (City of Minnetonka, 2008, III). Selected community values: “facilitate open space preservation” III-7. Policies include: “Shift to conservation development...preservation strategies were developed...ranging from the negotiation of easements to outright purchase” (City of Minnetonka, 2008, VII-7. It is somewhat understandable that Minnetonka is not setting aside further space for parks and open space given that there really isn’t much undeveloped land available for acquisition. There seems to be an adequate acknowledgment of the need for preservation of existing open space land, justification for doing so, and priorities and policies that will lead to that continued preservation.
B. Do all (or most) zoning districts require a minimum open-space ratio (i.e., percentage of land area for each development to be open space)?	Zoning Ordinance		No	Most residential zoning districts do not have this requirement. However, PUDs do have such a requirement. In the PUD, however, the requirement is for private recreational space, and could likely be either indoor or outdoor. §300.22 “Each residential P.U.D. or residential area of a mixed use P.U.D. shall provide a minimum of <u>10 percent of the gross project area in private recreational uses for project residents</u> . Such area shall be for active or passive recreational uses suited to the needs of the residents of the project, including swimming pools, trails, nature areas, picnic areas, tot lots and saunas” and 20% for

PUDs near the shoreline

<p>C. Do land-use regulations require developers to consider connecting open spaces and greenways to existing destinations and open space reservations?</p>	<p>Zoning Ordinance</p>	<p>No</p>	<p>Transportation Policy No. 7: “Plan for trails and pedestrian ways as a transportation mode and provide a network of trails and pathways connections to schools, commercial areas, parks, activity centers and access to transit services” III-17; There is no requirement in development related ordinances for connecting to open spaces and greenways, nor are there requirements for sidewalks.</p>
<p>D. Are open spaces and green spaces accessible to all or most of the residents of the community?¹⁵⁹</p>	<p>Parks and Recreation or Green Space Master Plan</p>	<p>Yes</p>	<p>Attract, Support and Retain Residents and Families Policy No. 4: “Provide access to services, parks and open space facilities, and natural resources” (City of Minnetonka, 2008, III-7). There is also a focus on expanding the network of recreational trails, which will continue to expand access to open spaces among residential areas.</p>
<p>E. Has the community considered funding measures, such as a special local option sales tax or a general obligation bond referendum for acquisition of green space?</p>	<p>Comp Plan; funding components</p>	<p>Yes</p>	<p>There was a 2001 bond referendum, conservation easements to outright purchase by city of land, (Capital Improvement Plan VII-16)</p>
<p>F. Do local land-use regulations provide for “conservation sub-divisions” or “cluster subdivisions” as a matter of right (versus requiring a conditional use permit)?¹⁶⁰</p>	<p>Zoning Ordinance and Subdivision Regulations</p>	<p>No</p>	<p>Although these are possible via the PUD, there is no outright provision for conservation subdivisions or cluster developments. There are likely not significant tracts of undeveloped land where this strategy would be particularly effective anyway.</p>

VIII. Energy Conservation **Document** **Yes** **No** **Reviewer comments**

<p>A. Does the comprehensive plan identify energy conservation as a goal, and do policies exist to promote energy conservation?</p>	<p>Comp Plan</p>	<p>Yes</p>	<p>Policies to <i>encourage</i> renewable energy and energy conservation exist but this is not explicitly stated as a goal. This may just be a difference in semantics and the goal may be inferred from the existence of energy conservation policies. Green Technology Policy No. 6 and indirectly, Municipal Utilities and Facilities Policy No. 1 (City of Minnetonka, 2008, III).</p>
<p>B. Do land-use regulations require the planting</p>	<p>Zoning</p>	<p>No</p>	<p>There do exist requirements for planting trees in parking lots, but there is not a requirement for planting street trees on subdivision roads. There is encouragement of the preservation of mature trees in both the</p>

of shade trees along new subdivision roads and within parking lots?

Ordinance and Subdivision Regulations

zoning and subdivision regulations (§300; §400).

C. Does the community have guidelines for designing development sites and buildings for energy efficiency?

Design Guidelines

Yes

Land Use, Development and Redevelopment community values: “promote use of green technology & sustainable development” III-7; Policy No. 4: “Encourage land uses and development that incorporate conservation-oriented and sustainability principles”, Policy No. 6: “Require the use of conservation-oriented design in new development and redevelopment projects, as appropriate...” III-9. **Natural Environment** Policy No. 6: “Encourage the use of technologies, including solar access and other or new forms of renewable energy, oriented towards energy conservation and efficiency” III-14. **Solar Access Protection** “The city will consider appropriate amendments to exempt active and passive solar energy systems from lot coverage and setback provisions. The city will consider appropriate amendments to require swimming pools and hot tubs to be heated using solar or some other form of renewable energy resource, where possible. Within Planned Unit Developments, the City will consider varying setback requirements in residential zoning districts as a means of protecting solar access” IV-9.

D. Does the local zoning code provide an option for encouraging subdivisions to use solar power?¹⁶¹

Zoning Ordinance

No

There are no incentives for the use of solar power within subdivisions or neighborhoods.

IX. Water Quality

Document Yes No Reviewer comments

A. Do local land-use regulations prohibit development within, and the filling of, floodways and floodplains?

Zoning Ordinance; Other Regulations

No

Development within floodplains is allowed so long as it does not result in net fill of the floodplain; prohibits filling but not development within the floodplain

B. Do the community’s development regulations encourage or require best management practices for water quality?

Various land-use regulations

Yes

“Incentives and programs will be used to protect, enhance and improve natural resources. Emphasis will be placed on the preservation and enhancement of water quality and quantity, water resources and significant vegetation. They city will be an advocate/facilitator in the education, use and incentives for “green” technology” III-13 with “green” technologies that include “recycling, use of solar energy, and non-toxic cleaning methods” III-14. **Natural Environment** Policy No. 5: “Require land uses, development and redevelopment to 1) comply and be consistent with the City of Minnetonka Water Resources Management Plan 2) comply with existing and new city and watershed requirements for nondegradation of water quality” III-14. **Municipal Utilites and Facilities** values include “protect & improve water resources & woodlands” III-17; Policy No. 3: “Provide a responsible water conservation program to reduce impacts on the city and regional public water supply” and Policy No. 4: “Provide education to residents and businesses aimed at reducing water consumption” III-18. Must adhere to Met Council’s best management water

practices

C. Does the local jurisdiction have water-quality ordinances in place?	Various land-use regulations	Yes	There exist provisions in the zoning ordinance that require water resources and water quality to be protected in accordance with the provisions of the ordinance and the city's water resources management plan (§300.01).
D. Has the community instituted programs of water-quality monitoring and other related programs to ensure total maximum daily loads (TMDLs) are not exceeded?	Various land-use regulations	Yes	There is a water quality protection system designed to preserve beneficial uses of water bodies and wetlands. The citywide water quality management program is based on sampling, classification, and water quality modeling. It includes a management system, management standards, and educational programs. This section of the comprehensive plan could be improved by providing details of the extent of this program and the specific standards which apply. For example, it is unclear whether or not this program addresses TMDLs. (City of Minnetonka, 2008, VI-23)

X. Air Quality	Document	Yes	No	Reviewer comments
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A. Does the comprehensive plan discuss air quality and identify policies and implementation measures to protect it?	Comp Plan		No	The only mention of air quality standards that we found was briefly within the transportation chapter (City of Minnetonka, 2008, VIII-52). This just indicates that local, state, and federal rules and regulations exist. The zoning ordinance does provide air quality protection measures as they relate to the protection of trees and provides standards for monitoring air quality and particulates in industrial districts (§300.22)
B. If the community is in a "non-attainment" area, is the local plan consistent with, and does it reference regional and state goals for air-quality management?	Comp Plan		N/A	There really isn't much discussion of air quality standards.

XI. Housing	Document	Yes	No	Reviewer comments
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A. Does the housing element of the comprehensive plan contain a housing needs assessment?¹⁶²	Comp Plan	Yes		Comp Plan includes affordable housing goals and progress made (City of Minnetonka, 2008, V-16). Includes qualitative understanding that needs include more density, more senior housing and more affordable housing. Includes EDA recommendation for 10-20% of new units be affordable (City of Minnetonka, 2008, V-19). There are no concrete numbers for desired number of new units. There is also a discrepancy between the 10-20% policy and the amount of affordable housing the Metropolitan Council believes needs to be provided (Minnetonka's policy is lower than the Metropolitan Council estimate).
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<p>B. Does the comprehensive plan provide for a wide range of housing types (detached single-family, duplex, manufactured homes, apartment, etc.)?</p>	<p>Comp Plan</p>	<p>No</p>	<p>Because the higher density zoning categories make up such a small portion of Minnetonka’s residential land area, it is arguable that a wide range of housing types are not permitted because most of the residential land area is single-family residential and low density in nature. It should be noted that attached accessory apartments and manufactured homes are allowed within certain parameters.</p>
<p>C. Do the use provisions within at least some of the residential zoning districts allow for a wide range of housing types by right (versus requiring a conditional use permit)?</p>	<p>Zoning Ordinance</p>	<p>Yes</p>	<p>R4 and R5 allow for higher density housing by right.</p>
<p>D. Does the comprehensive plan meet the housing needs of all income levels, as determined by a housing needs assessment?</p>	<p>Comp Plan</p>	<p>No</p>	<p>There is an understanding that housing prices are high in Minnetonka and that a diversified housing stock is needed. There are some strategies that address housing affordability. However, the policies may be inadequate in terms of their ability to yield a sufficient number of new affordable units as a proportion of all new housing units that are projected. There is a significant mismatch between the proportion of new units Minnetonka’s policy indicates should be affordable (10-20%) and the projected need identified by the Metropolitan Council (47%). Furthermore, the Metropolitan Council’s figures are based on housing that is affordable at 60% of Area Median Income (AMI), while Minnetonka’s are based on affordability at 80% of AMI (City of Minnetonka, 2008, V-16; Metropolitan Council, 2006)</p>
<p>E. If the regional planning agency has established a fair-share allocation for the city or county that mandates a specific number of affordable housing units, does the comprehensive plan reflect that goals and provide for its implementation?</p>	<p>Comp Plan</p>	<p>No</p>	<p>See above discussion in part D. Furthermore, the policy of the City of Minnetonka for 10-20% of new units to be affordable is not a mandate, but a flexible guideline.</p>
<p>F. Does the local plan call for mixed income housing developments?</p>	<p>Comp Plan</p>	<p>No</p>	<p>While there is no explicit mention of mixed income housing developments in the comprehensive plan, the Economic Development Authority does have a policy for 10-20% of new units to be affordable, and this policy is incorporated into the plan as discussed above.</p>

G. If the housing needs assessment identifies a need for multiple-family residences, does the zoning ordinance provide sufficient vacant land to meet future needs?	Zoning Ordinance	No	The amount of land set aside for multi-family, high density residential is set to decrease by 2030. However, the comprehensive plan does set aside a large amount of land within Village Centers as re-developable at higher densities via PUD mixed-use development. In fairness, there is not really any 'vacant' land in Minnetonka.
H. Does the zoning ordinance allow for "accessory apartments" within single family residential zoning districts?	Zoning Ordinance	Yes	Allowed in R-1 and R-2 single family residential. Must be attached to the house, though. (§300.10, §300.20)
I. Are manufactured homes a use permitted outright in at least one residential zoning district?	Zoning Ordinance	Yes	
J. Are minimum lot sizes set low enough in at least one residential zoning district to provide for home-ownership for all income classes?	Zoning Ordinance	No	The lowest single-family lot size is 15,000 sq. ft. in the R-2 district. Lot sizes as small as 11,000 sq. ft. are permitted through the P.U.D. ordinance, and likely smaller lots could be negotiated through that process as well. Past efforts to provide higher density single-family housing have not taken place at densities high enough to create true affordability for low and middle income families (Personal Communication, L. Gordon, 11 April 2013).
K. Does the local zoning ordinance provide flexibility for house sizes (e.g., does it allow small units versus establishing large minimum floor areas for all dwelling units)?¹⁶³	Zoning Ordinance	Yes	There are not minimum floor areas. One thing to note, however, is that there are requirements that sufficient space for a two car attached garage be available in single-family residential areas.

XII. Transportation	Document	Yes	No	Reviewer comments
A. Does the comprehensive plan include a	Comp Plan	Yes		- The transportation portion of the comprehensive plan includes the following: Roadway System Plan, Transit System Plan, Bicycle and Trail System Plan, Aviation Plan, Implementation Plan. Goals include

transportation element that addresses long-range needs for roads, sidewalks, bicycle paths, transit, freight movement, and water and air travel (where appropriate)?¹⁶⁴

priorities for multi-modal transportation, and these goals have action steps within the Capital Improvements Plan, especially for recreational trails and roadways. True multi-modal transportation goals seem to only be centered around the “Village Centers” that the city has identified and the Opus area. It is unlikely that neighborhoods that are not proximate to these areas will ever see multi-modal transportation unless some of the mixed-use land use and transportation goals are altered. (City of Minnetonka, 2008, VIII)
 - Roadway plan has detailed traffic congestion forecasts to guide future expansion of the system. This is validated in CIP. Part I of the roadway plan indicates that detailed traffic studies are conducted as part of the development review process.
 - Zoning ordinance - includes requirement for estimate of anticipated traffic not to exceed designated threshold for new developments.

B. Do local transportation policies provide for the maintenance of current roads and existing transportation systems before spending money on new ones?

Comp Plan

Yes

Comprehensive Plan Transportation Policy No. 4: Manage impact of new development on local transportation system and encourage Transportation Demand Management. The Comprehensive Plan lists a host of roadway projects included in the CIP. Further policies and ordinances addressing TDM, as well as the Capital Improvements Plan, identify maintenance or increased efficiency of existing transportation systems as a priority over the expansion of those systems.

C. Do transportation policies and the future transportation system provide for local street networks (as opposed to the conventional hierarchical system of arterials, collectors, and local streets)?

Comp Plan

No

Comprehensive Plan Transportation Policy #8: explicitly encourages the maintenance of the hierarchical street system that prevents penetration by through traffic on residential streets with the goal of directing traffic to collector or arterial streets. The Plan supports regional roadway improvements that reduce local roadway traffic levels. This seems to be at odds with Policy No. 2, which encourages pedestrian friendly and Transit-Oriented Development. It also may contradict Policy No. 1 which calls for a safe and integrated transportation system (although this depends on the definition of integrated). Policy 8 also contradicts language in the land use section of transportation plan, which calls for additional connections between neighborhoods and village centers, etc. (City of Minnetonka, 2008, VIII).

D. Do development regulations have some requirement to consider and if appropriate provide for new local streets at designated intervals (e.g., every 1,500 feet)?¹⁶⁵

Various land-use regulations

No

Minnetonka has a hierarchical street system outlined in both the comprehensive plan and zoning ordinances. Efforts are made to minimize through traffic on neighborhood local streets and increase the capacity of collector roads of various levels to handle any increases in traffic generation.

Although ordinance §400.025 indicates that blocks should not exceed 1800 feet and pedestrian right of way should be provided approximately at the center of the block if it is longer than 900 feet, the block standards do not apply to residential areas.

E. Does the comprehensive plan provide for an analysis of local street standards and recommendations for reducing excessive right-of-way and pavement widths?

Comp Plan

No

Local streets have a minimum right of way width of 50 feet (§400.025.2b). The pavement width could be less than 50 feet, but not likely to meet the 24 foot standard for smart growth.

On a related note, Ordinance Section §300.15.7.a requires off street parking for at least two vehicles for every single family dwelling, as well as a suitable location for a 2 car garage on each new homesite. While this doesn't necessarily have to do with right of way width, it certainly encourages automobile dependence and uses more land than may be absolutely necessary. This holds true in section 300.22.4, which designates standards for PUDs with single family detached housing at higher densities. To the extent that off-street

parking is required on each home-site, it may be reasonable to minimize roadway widths since roads are not expected to accommodate significant on-street parking. The policy for requiring off street parking and garages could also be considered an exclusionary housing policy to the extent that it increases land consumption and housing costs.

F. Have street standards been revised to low any excessive requirements for local subdivision streets?¹⁶⁶

Various land-use regulations

No See previous

G. Are sidewalks required within new residential subdivisions?

Subdivision regulations

No The Comprehensive Plan and subdivision regulations indicate that sidewalks are required only “where applicable,” especially near village centers and commercialized areas, but certainly not in all new subdivisions (City of Minnetonka, 2008, VIII). In fairness to Minnetonka, sidewalks may not necessarily be needed on all subdivision streets due to the low traffic volume caused by the hierarchical street system. If the city enhances the connectivity of local street systems, new sidewalks would be necessary.

H. Do land-use regulations encourage or require the provision of bike paths in accordance with a bikeway master plan?

Various land-use regulations

No The Comprehensive Plan has a bike transit plan with planned bike trail development, policies for encouraging increased bicycle connectivity, etc. I wouldn’t say that this constitutes a bikeway “master plan.” as it merely lists current trail connections, some future planned connections, and offers very few specific recommendations. There are no ordinances that require the provision of bike paths in accordance with the plan. (City of Minnetonka, 2008, VIII)

I. Do development regulations require the installation of a sidewalk along existing public streets abutting the development, where such sidewalk does not already exist?

Various land-use regulations

No Sidewalks are not explicitly required. However, the TDM plan requires developers to provide a sidewalk/trail alignment plan.

J. Do subdivision regulations allow the planning commission or local governing body to require the connection of subdivision streets to existing streets and the stubbing of streets to allow connections to future subdivision developments?

Subdivision regulations

No “Half” streets are prohibited unless they are essential to the development of the subdivision. However, cul-de-sacs are preferred. Furthermore, “minor streets shall be so aligned that their use by through traffic will be discouraged.” Block standards do not apply to single family residential areas (§400.025)

K. Do land-use regulations encourage, if not mandate, the provision of inter-parcel connections between individual developments, where compatible? ¹⁶⁷	Subdivision regulations	No	Again, the focus is on preserving a hierarchical street system with minimal connections between local streets in order to discourage their use by through traffic.
L. Are land-use regulations “transit-friendly” or “transit-supportive”? ¹⁶⁸	Various land-use regulations	No	There are very few policies and no ordinances that directly address transit-friendly or supportive land use or development. (City of Minnetonka, 2008, VIII)

XIII. Parking **Document** **Yes** **No** **Reviewer comments**

A. Do parking regulations require excessive on-site parking requirements?	Zoning Ordinance	Yes	<p>Ordinance §300.15 General Regulations for Residential Districts: Subdivision and zoning regulations require off-street parking for two vehicles for all residential developments designations require adequate space for a two car garage to be built on site without a variance. Multi-family units require two parking spaces for each dwelling, one of which must be completely enclosed. In the case of two-family attached dwellings space for a single-car garage is sufficient.</p> <p>There exist relatively inflexible minimum standards for commercial and other uses which tend to rest on a number of parking spaces per square foot or other measurable physical attribute of the building. 5.5 spaces per 1,000 square feet of gross area are required for regional shopping centers, and 4.5 spaces for neighborhood or community shopping centers. These ratios are based on the Institute of Transportation Engineers (ITE) requirements and are likely to be considered excessive by advocates of Smart Growth. There are no maximum parking ratios. Some reduction in parking is possible through Transportation Demand Management.</p>
B. Do land-use regulations include maximum parking ratios (i.e., a cap on the number of parking spaces that can be built in a particular development) in addition to minimum parking requirements?	Zoning Ordinance	No	There are no maximum parking ratios, only minimum
C. Do parking regulations provide for reductions of on-site spaces in places where	Zoning Ordinance	No	There is a Transportation Demand Management plan, although nothing is mentioned regarding this plan in the zoning ordinance (City of Minnetonka, 2008, VIII). The zoning ordinance §300.28.12 indicates that off-site parking may be approved if reasonable access is provided from the off-site facilities. It is not clear

transit is available?

whether or not transit could serve to meet requirements for adequate connection to “off-site” parking.

The Southwest Light Rail Transit Overlay District does not include any special provisions for reductions in on-site parking spaces (§300.36).

D. Is on-street parking allowed in places where it can be safely provided, such as in downtown areas and pedestrian-retail districts?¹⁶⁹

Zoning Ordinance

No

On-street parking is not explicitly allowed anywhere. There may be some flexibility through the P.U.D. ordinance (§300.22) but any flexibility is at the discretion of the city council and planning commission.

E. Do engineering construction specifications for parking lots allow for porous pavements where appropriate?¹⁷⁰

Constr Specs

No

The building and construction ordinances do not specifically allow porous pavements. “All parking, loading and driveway areas shall be surfaced with asphalt, concrete, or equivalent material approved by the city.” It is unclear whether or not porous surfaces would be approved, and they are not explicitly allowed. (§300.28)

XIV. Water, Sewer and Other Infrastructure

Document Yes No Reviewer comments

A. Does the comprehensive plan provide clear discussions of how water and sewer infrastructure policies are tied to the goals and objectives of the land-use plan? Or to the transportation plan?

Comp Plan

Yes

The Water/Sewer section of the comprehensive plan specifically ties the water/sewer plans to the expected needs that arise from current and future land uses and the land use plan. There are specific relationships to the Land Use plan defined on page X-9 of the Water/Sewer section of the comprehensive plan (City of Minnetonka, 2008, X-9).

B. Do water and sewer facility master plans provide for the systematic extension of future trunk water and sewer extensions into areas designated for development in the short-term, versus allowing such lines to be extended without restraint anywhere in the

Comp Plan

Yes

The Water/Sewer plan identifies maintenance of the existing system as the priority over future improvements, which will be identified in the CIP. The Implementation Tools section indicates that development regulations are provided in the zoning regulations that require utilities to be adequate to accommodate the use and development intensity of any proposed development. Property to be developed must be served by the municipal sewer system.

community?¹⁷¹

C. Are comprehensive plan policies consistent with the local school system’s school-siting policies?	Comp Plan	Yes	The Overall Policies section indicates that the city collaborates closely with all three school systems within Minnetonka to provide “appropriate services and activities” in “consideration of each district’s specific needs.” (19) The plan provides specific policies for engaging in this kind of coordination (City of Minnetonka, 2008, III-19).
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XV. Permitting Processes	Document	Yes	No	Reviewer comments
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A. Do land development permitting processes avoid duplication, unfairness, excessive and unnecessary requirements, etc.?	Special study; various land-use regulations		No	Permitting processes seem straightforward with the exception of the Planned Unit Development ordinance. The team had difficulty understanding the parameters of the PUD, and communication with staff planners indicated that it is indeed a confusing ordinance and process. In essence, the PUD process appears to be a negotiation with developers. Although the PUD is a common element in many communities, the PUD is the default process for any mixed-use development in Minnetonka, and thus also is the process for most high density housing development. A clearer process would be to explicitly zone for mixed-use development “by right” and indicate clear design standards for those areas that lead to the goals indicated in the comprehensive plan for village center areas. While the PUD could still be utilized if developers wish for an exception to the designated standards, this approach would reduce the risk that a developer must undertake in order to provide Minnetonka with the type and mix of development that the community desires for the Village Center areas. (Personal Communication, L. Gordon, 11 April 2013)
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B. Does the community’s building code provide flexibility in restoring historic structures as opposed to rigid requirements that discourage such restoration?	Building code	Yes		There is no mention of any special requirements for historic structures within the building code
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XVI. Regionalism and Inter-governmental Relations	Document	Yes	No	Reviewer comments
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A. Does the comprehensive plan place the community within the context of the region in which it is located?	Comp Plan	Yes		The comprehensive plan situates Minnetonka within its regional setting and acknowledges the different but complementary roles of the Metropolitan Council and the city government. The public process that led to development of the 2030 Comprehensive Guide Plan indicates that community members believe it is
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important for Minnetonkans to be “responsible metropolitan citizens.” (City of Minnetonka, 2008, III).

B. Does the comprehensive plan recommend intergovernmental agreements where needed to foster cooperation aimed at attaining mutual goals of community building?

Comp Plan **Yes**

There are specific collaborative efforts mentioned regarding transportation, transit, education, housing, and environmental preservation. There are intergovernmental agreements, especially surrounding roadway improvements, that are highlighted in the comprehensive plan. There are specific policies identifying that the city will work with the school districts to ensure that development and the provision of education are in synch.

C. Do comprehensive plan policies reflect notions of social equity and environmental justice?

Comp Plan **Yes**

The Comprehensive Plan indicates that preserving natural resources by managing stormwater and using green technologies is both a local and regional concern. The water and sewer plan further recognizes specific points of coordination for managing the regional collection and treatment system. (City of Minnetonka, 2008, III; X).

NOTES

¹⁵⁰ “Efficient” is defined here to mean that the amount of vacant acreage devoted to residential uses in the future land-use plan should be approximately equal to the projections of land needed for residential use based on the housing needs assessment. A smart growth land-use plan does not designate excessive amounts of future residential land use when they are not needed. Exceeding the projected residential acreage needs by more than 15 percent in the land-use plan (which can be shown by calculating the difference between existing residential land-use acreage and future residential land-use acreage shown on the plan) would probably be grounds for a finding that the plan is not achieving smart growth. Excessive residential acreage in a plan will encourage consumption of more land than is needed for residential uses and encourage residential development to spread out at lower densities than those suggested in the land-use plan.

¹⁵¹ Efficient land use, or smart growth, means that undeveloped land within built-up areas should be used rather than left vacant because infill development saves on the consumption of land at the urban fringe and often can make use of existing infrastructure (e.g., roads, water and sewer line capacity, etc.). Local governments cannot be smart about infill development unless they have made an inventory of vacant lands that can serve as infill development sites. A land-use plan is smart when it studies the capacity of residential infill land (currently vacant or underused), determines the capacity of that land for new residential units, and poses policies, strategies, and regulations supportive of development on infill sites.

¹⁵² Cities and counties should calculate the built residential densities (i.e., number of units per acre) of recent developments to determine the average or prevailing densities being constructed. These figures on existing densities should be compared to the land-use plan for differences or inconsistencies. They should also be compared to allowable densities according to the various zoning districts in which the recent development is located. If actual (built) densities are much less than planned densities, or if actual densities are much lower than the maximum densities permitted by the zoning district, residential development is not occurring efficiently with regard to land consumption and use of planned infrastructure. Smart plans bring actual (developed) densities in line with densities recommended in plans and allowed by zoning ordinances. In other words, if the number of residential acres consumed vastly exceeds the number of acres projected to be used during a given time period, residential growth has occurred inefficiently, counter to accepted principles of smart growth.

¹⁵³ Underuse of residential lands, due to building at lower densities than planned and zoned, results in the land consumption for residential use that is faster than planned. Therefore more land is needed for residential uses, which probably means that land needs will be satisfied by removing more land from productive agricultural use at the urban fringe. One way to achieve more efficient land use for residential development is to establish minimum densities in areas where it is very important that planned densities be achieved (e.g., around transit stations or in areas master planned for sewer service).

¹⁵⁴ City zoning ordinances should provide a significant portion of single-family zoning devoted to single-family development on lots of 5,000-6,000 square feet. Cities that provide zoning for urban lots should receive higher scores in a smart growth audit.

¹⁵⁵ Smart growth means that urban areas are expanded efficiently (only as much land is used as is needed) and in a pattern where new growth is contiguous to existing developed areas. To develop in a contiguous and compact form means that scattered development and sprawl can be avoided. Sequential development also provides for a better return on the public investment in public facilities, and it reduces the linear footage that facilities must be extended.

¹⁵⁶ Smart growth means that land-use controls inhibit the scattering of low-density residential uses at the urban fringe – a condition that constitutes the epitome of sprawl. Many local governments have “agricultural” districts, but they allow a minimum lot size of one acre. Minimum lot sizes need to be much higher (i.e., 10 acres is probably the smallest land area that can function effectively as a farm; preferably 25–40 acres) to discourage “exurban” development, “hobby” farms that are really residential tracts, “ranchettes,” and other forms of low-density suburban sprawl. In cases where large agricultural minimum lot sizes are not feasible, the smart growth auditor should look for other ways that comprehensive plan and regulations discourage the consumption of agricultural lands on the urban fringe, such as a greenbelt or taxation policies.

¹⁵⁷ Mixing of land uses is a major tenet of smart growth. Plan policies and land-use regulations should provide for – and even encourage – mixed land uses, especially residential and commercial. Such mixtures allow people to work and reside in the same area, sometimes even in the same building. It is generally accepted that mixing land uses allows for walking more and reduces vehicle miles traveled, which can help to improve air quality and relieve traffic congestion.

¹⁵⁸ The concept of jobs-housing balance holds that communities should plan for a rough match between the number of jobs and the number of housing units. A desirable range is approximately 1.5 housing units for every job in the community. Plans should also investigate whether the characteristics of housing in the community match the needs of workers resident in the community and whether the types of jobs in the community match the skills of the resident work force (i.e., consider the “qualitative” aspects of balance). A quantitative balance of jobs and housing does not necessarily signal smart growth, especially if there are qualitative mismatches between jobs and housing.

¹⁵⁹ Many cities and counties develop green space plans which establish the goals of maintaining a minimum of 20 percent of the jurisdiction’s land area as green space. Smart growth plans establish a goal for green space acquisition and permanent protection, provide an inventory of obstacles to attaining the goal, and establish specific programs of implementation to meet the goal. Counties and cities that are not eligible to participate in a state’s green space program should nonetheless have goals, policies, and programs in place to acquire and preserve green space.

¹⁶⁰ Open space, conservation, and cluster subdivision practices are effective ways of setting aside green space and open space. Local regulations are not smart unless they provide for – and even encourage – these types of subdivisions. When clustering or conservation design are not allowed, developers subdivide land into individual lots that rarely preserve natural features and open space.

¹⁶¹ There are multiple ways a local plan can promote energy conservation. For instance, tree protection ordinances help retain and enhance shade, which reduces cooling costs. Shade tree requirements along streets and parking lots provide aesthetic benefits in addition to helping to attain energy conservation objectives. Local governments can adopt design guidelines for energy efficient buildings and site designs. Though more popular in the 1970s than today, changing local codes to facilitate efficient energy use can promote the design of subdivisions with solar access, which then facilitates solar panels and cells for domestic energy use.

¹⁶² Many planning rules require a housing element and an assessment of future housing needs. However, most local government have not completed rigorous, detailed assessments of housing needs by type of unit and income. A local plan cannot be smart unless it has forecast the future housing needs of the community and ensured that land-use regulations provide for development practices to meet those forecasts.

¹⁶³ Exclusionary zoning is the opposite of smart growth. A community’s zoning regulations are smart only if they provide reasonable and fair opportunities for diverse housing types and price ranges. Local governments can accomplish smart growth by reducing minimum lot sizes, eliminating or lowering minimum house sizes, providing for manufactured homes in one or more residential districts, allowing accessory apartments, and encouraging apartment development where needed.

¹⁶⁴ “Smart” comprehensive plans provide detailed assessments of travel needs via multiple modes.

¹⁶⁵ Over time, planners have learned that in addition to overreliance on automobile travel, a major cause of traffic congestion is the design of road systems. Conventional thinking, which is not considered smart growth, calls for local roads to empty onto collector roads that often empty onto a single (or a few) arterials. Because so few major routes of travel are available, traffic is concentrated on these few roads, resulting in congestion. Smart growth demands a road network with more than one means of through travel in any given area.

¹⁶⁶ Many suburban street standards require excessive pavement widths for streets (e.g., from 29 to 36 feet). Smart growth means local streets are placed on a “diet” so that “skinny” streets result. Narrowing require pavement width (e.g., to 24 feet) reduces development costs and impervious surfaces, and may increase safety by lowering vehicle speeds.

¹⁶⁷ Smart growth includes the objective of reducing reliance on major thoroughfares. Requiring driveways to connect with adjacent store parking lots, for example, is one way to reduce traffic on nearby thoroughfares.

¹⁶⁸ Developments near rail stations and along bus routes need to be planned for the transit user. Smart growth here means requirements that pedestrian facilities connect from the transit corridor or rail station to nearby developments. It also means that businesses should be oriented to the transit user rather than the automobile. Various design changes are needed to make developments friendly to the transit user who will always approach a bus stop or train station on foot. For instance, large building setbacks from the major thoroughfare with parking lots in front and no designated pathways on-site make for a “pedestrian hostile” environment which is counter to the principles of smart growth. Land-use plans and regulations also need to ensure a certain density threshold in the area of rail stations and bus routes to ensure they have minimum ridership levels.

¹⁶⁹ Planners and policy makers now realize that minimum parking requirements in land-use codes have been excessive, as evidenced by the vast numbers of unused parking spaces in many parking lots. Smart growth means the reduction of excessive parking requirements and the creation of maximum parking thresholds for commercial, residential, and other developments.

¹⁷⁰ Porous pavements are environmentally smart because they allow the flow of stormwater into the ground, rather than as polluted runoff into streams and/or detention structures. There has been little research, however, to show that these pavements are viable alternatives to impervious surfaces. Generally, porous pavements are not designed to handle heavy load such as garbage trucks. Practices today generally limit porous paving materials to overflow parking and areas that are not heavily used. Porous pavements also require provisions for cleaning or vacuuming the “pores”; without regulate maintenance they will become clogged and will no longer function as designed. Pavement engineers should be consulted when considering regulations allowing porous pavements.

¹⁷¹ Some communities designate “urban service boundaries” beyond which the local government will not extend public water and sewer lines. Smart growth means tying facility planning and land use together. Controlling infrastructure is one of the most powerful means of guiding the urban form of a community.