Washington County 2040 Comprehensive Plan

Arbors 4 Apartments in Oakdale

Chapter 8 - Housing

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Executive Summary

A critical component to a healthy and vibrant community is a diverse and balanced housing supply in good physical condition that includes a variety of price levels, housing types, and sizes. A mix of housing tenures, types, and rent and sales prices provides residents with a range of choices so that they can continue living in their community as their housing needs change through their lifetimes. The affordability of housing is especially important for all residents because it provides a stable foundation on which to build one's life. A diverse housing supply can also better adapt to future environmental, social, and economic changes than one that is largely based on just one of these types. A full range of housing options also enables communities to address the housing needs of employers and a diverse workforce.

The existing housing market in Washington County consists of 96,709 units. The number of households, a direct reflection of the number of housing units, is forecasted to increase to 116,210 households by 2030 and 130,090 households by 2040. The private market will likely build housing stock to accommodate a majority of this anticipated growth. The production of affordable, special needs, and senior housing, however, will require assistance from Washington County and the Washington County Community Development Agency (CDA), as well as other public funding partners. A spectrum of programs and initiatives are provided by the Washington County Community Services Department and the CDA. Community Services provides programming to assist persons with disabilities and to stabilize households in crisis and at risk of homelessness. The CDA provides programming to assist and promote the development of affordable owner-occupied and rental housing options including its ownership of affordable rental units. In addition, the CDA assists cities and townships with a variety of community development efforts, including public facility financing and redevelopment initiatives.

Washington County encourages housing choices that provide residents the opportunity to remain a part of the community while moving through their stages of life. A variety of housing ensures single-family homes and multifamily homes, and senior living developments are available in all price ranges throughout Washington County. Residents at the low end of the income spectrum are not easily serviced by the conventional housing market. Washington County and CDA programs are aimed at helping housing providers to develop new and preserve existing housing, thus creating diverse housing choices in all communities. Funding from these programs can create opportunities for providers to develop diverse housing choices in all communities.

Existing Housing Needs

The existing housing market in Washington County consists of 96,709 households, according to Metropolitan Council 2015 estimates. Washington County has a diverse housing stock with a good mix of owner-occupied and rental units. Housing units are more concentrated in the western half of the county due to growth and development patterns. An unmet need exists for greater affordability in home prices and rents to ease the housing needs of people who work in the county. This is a result of home and apartment prices increasing faster than incomes.

The CDA commissioned Maxfield Research & Consulting, LLC to prepare a *2017 Comprehensive Housing Needs Assessment for Washington County*. This assessment forms the basis for much of the additional data presented in this Housing Chapter. The Needs Assessment analyzed housing needs by defined "market areas" (see Figure 1).

Housing Tenure

With a rate of 80.5 percent, Washington County's 2015 homeownership rate is more than 10 percent higher than Minnesota (70.1 percent) and over 16 percent higher than the United States (63.7 percent). Of all households, 77,821 owned and occupied their home and 18,888 households rented (see Table 1). The homeownership rate decreased slightly from 83 percent in 2010. The county's portion of rental housing increased from 17 percent in 2010 to 19 percent in 2014, after being relatively constant since 1990 (see Table 2).

Figure 1: Washington County Market Areas

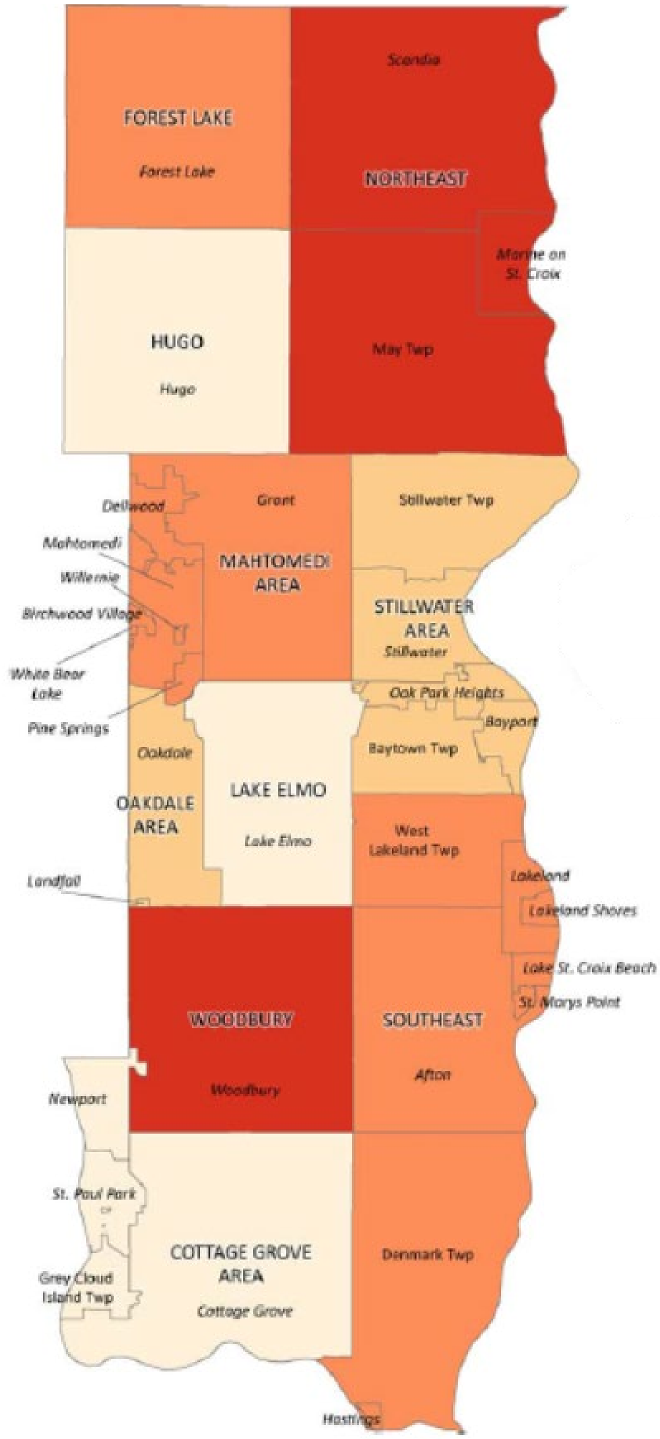


Table 1: Washington County Household Tenure – 2015

Owner-Occupied Units	Rental Units
77,821	18,888

Source: U.S. Census Bureau, 2011-2015 American Community Survey five-year estimates; counts adjusted to better match the Council's 2015 housing stock estimates

Most residences are located in the western half of the county. Households are concentrated (55.9 percent) in the Cottage Grove Area, Oakdale Area, and Woodbury markets. In the eastern half of the county, the majority of housing units are located in the Stillwater Area. The homeownership rates are highest in the Northeast Area, Southeast Area and Lake Elmo markets (92 percent) while the Stillwater Area market area has the lowest homeownership rate (72 percent) (see Table 2).

Table 2: Washington County Household Tenure Trends by Market Area – 2010 and 2014

Market Areas	Owner-Occupied Units			Rental Units		
	2010	2014	Percent Change	2010	2014	Percent Change
Cottage Grove Area	13,032	13,242	2%	2,125	2,192	3%
Forest Lake	5,362	5,238	-2%	1,652	1,761	7%
Hugo	4,539	4,505	-1%	451	546	21%
Lake Elmo	2,648	2,639	0%	131	218	66%
Mahtomedi Area	4,891	4,967	2%	683	812	19%
Northeast Area	2,670	2,644	-1%	214	242	13%
Oakdale Area	8,704	8,443	-3%	2,509	2,710	8%
Southeast Area	4,135	4,034	-2%	249	345	39%
Stillwater Area	8,447	8,394	-1%	2,823	3,298	17%
Woodbury	18,290	18,425	1%	4,304	5,234	22%
Washington County	**72,718**	**72,531**	**0%**	**15,141**	**17,358**	**15%**
Percent of Housing Stock	83%	81%	-2%	17%	19%	12%

Source: U.S. Census; Maxfield Research & Consulting, LLC

Householder age is one factor that impacts housing tenure. Age groups utilize housing differently as their housing needs change through their lifetime. The youngest age group, ages 15 to 24 years, are typically not in a financial position to purchase a home. The proportion of those renting is much higher than those who own by a 3 to 1 margin (see Table 3). As residents move toward middle age, many are able to afford to own and the homeownership rate climbs to 89 percent in the 45 to 54 age group. The rate declines to 81 percent after age 65 when residents begin to utilize senior rental and assisted living housing options.

Table 3: Washington County Housing Tenure Units by Age Group and Type – 2014

Age Group	Rental		Owner-Occupied	
	Units	Percent	Unit	Percent
15-24	1,345	74%	473	26%
25-34	4,635	36%	8,349	64%
35-44	3,490	20%	14,064	80%
45-54	2,518	11%	19,664	89%
55-64	2,067	11%	16,713	89%
65+	3,303	19%	14,227	81%
Total	**17,358**	**19%**	**73,540**	**81%**

Source: U.S. Census, Maxfield Research & Consulting, LLC

Homeownership attainment is not distributed evenly. Minnesota has one of the greatest disparities in homeownership rates between white and non-white households in the nation. In Washington County, this disparity, known as the homeownership gap, is 18.2 percent (see Table 4). The homeownership gap has many causes including historic discriminatory housing polices, income disparities, and differences in the ability to attain wealth. While the county's homeownership gap is lower than the Metro Region and homeownership rates for households of color have continued to rise since the 1990s, more work is needed to ensure all households have equitable access to homeownership.

Table 4: Metro Counties Homeownership Rates by Race – 2010-2014

County	Share of White, non-Latino households who own their home	Share of Households of Color who own their home	Homeownership Gap (difference)
Anoka	83.7%	56.2%	27.5%
Carver	82.0%	68.8%	13.2%
Dakota	79.5%	48.6%	30.9%
Hennepin	71.6%	32.8%	38.8%
Ramsey	68.7%	30.2%	38.5%
Scott	85.9%	67.2%	18.7%
Washington	82.5%	64.3%	18.2%
Metro Region	**75.6%**	**37.8%**	**37.8%**

Source: Metropolitan Council/Mosaic Community Planning analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2010-2014

Housing Type

Washington County's housing stock is primarily comprised of single family homes (see Table 5). Multifamily units, both owner-occupied and rental, account for 16 percent of the county's housing stock. There are eight manufactured home parks located in Washington County, with one park in each of the following cities: Forest Lake, Landfall, Lake Elmo, Cottage Grove, Oakdale, St. Paul Park, Hugo, and Stillwater.

Table 5: Washington County Housing Types – 2015

Single Family Units	Multifamily Units	Manufactured Homes	Other Housing Units
79,545	15,781	1,335	48

Source: Metropolitan Council, 2015 housing stock estimates

Compared to other suburban counties, Washington County has a similar proportion of multifamily homes to single family homes; except in Dakota County where multifamily units make up a greater proportion of the housing stock than single family units (see Table 6).

Table 6: Single Family & Multifamily Housing Type – 2015

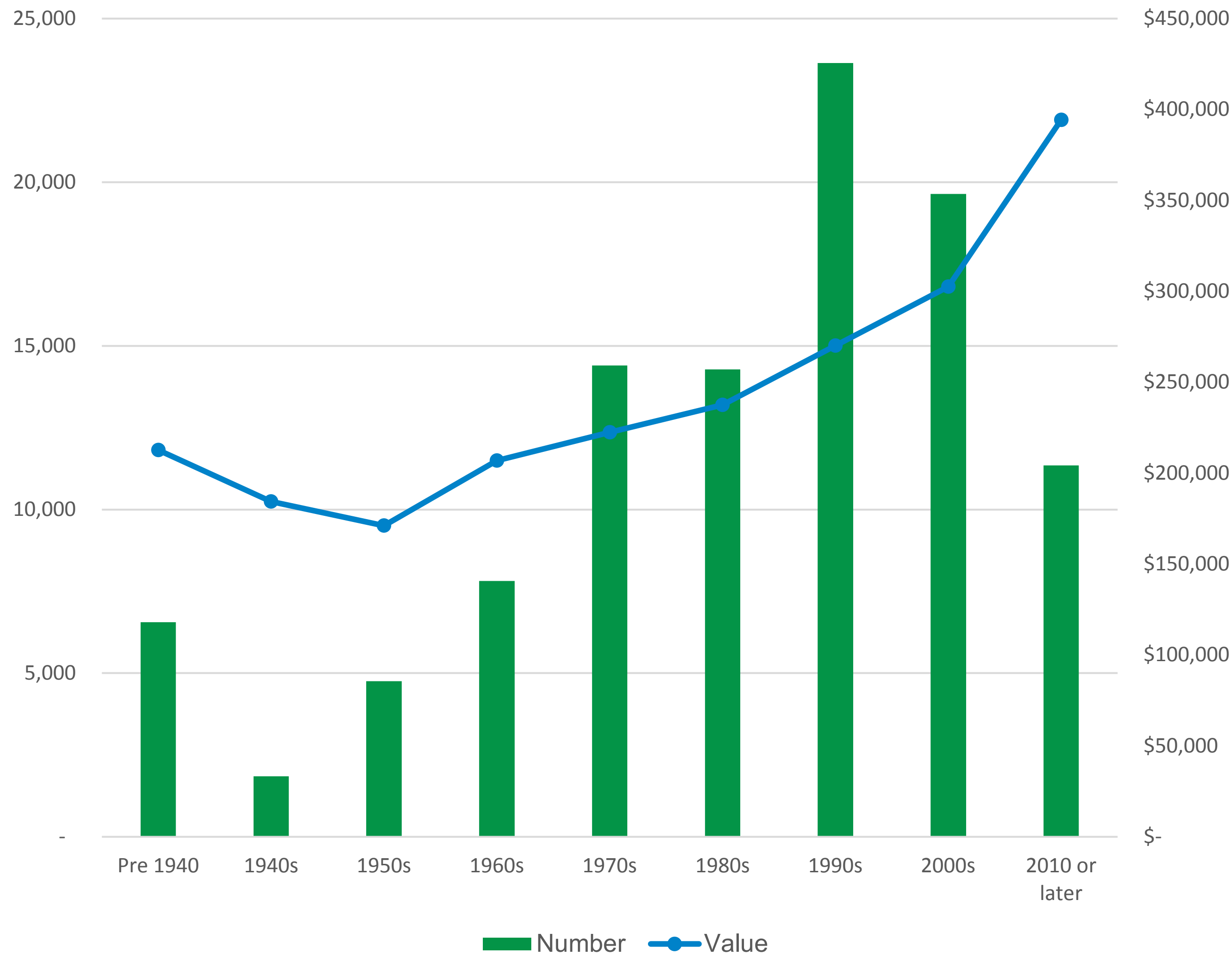
County	Single Family		Multifamily		Total
	Number	Percent	Number	Percent	
Anoka	107,045	82%	19,56	15%	131,046
Carver	30,634	83%	5,481	15%	37,005
Dakota	122,676	74%	38,851	24%	164,956
Hennepin	324,659	61%	203,911	39%	529,474
Ramsey	130,576	59%	87,487	40%	220,954
Scott	43,118	86%	6,267	13%	50,129
Washington	79,545	82%	15,781	16%	96,709
Twin Cities Region	838,253	68%	377,346	31%	1,230,273

Source: Metropolitan Council, 2015 housing stock estimates

Much of Washington County's housing stock is less than 30 years old. The county's median year built is 1986 with the greatest proportion of housing (23 percent) built in the 1990s (see Figure 2). By comparison, the proportion of homes built in the 1990s in the Minneapolis/St. Paul metro area is only 14 percent. Suburbs such as Oakdale, Woodbury, and Cottage Grove developed newer housing stock as these communities captured a large amount of the Twin Cities metropolitan area's recent growth. Over half of all the homes built in Washington County are in these three cities, with 58 percent built after 1990. Hugo has the newest housing stock of all the markets with 70 percent of its housing units built after 2000. Generally, the older housing stock is more affordable. According to the U.S. Census, the median value for homes built in the county in the 1980s was $237,500, while the median value for new homes built since 2010 is nearly 40 percent higher at $394,300.

The economic life of housing when not maintained or renovated is typically 45 to 60 years. Approximately one-quarter of the county's housing stock (20,979 units) was built prior to 1970 and those units that have not been maintained or renovated will be reaching the end of their economic life. As homes age, investments to retain quality, update amenities, and maintain market viability are needed.

Figure 2: Housing Stock Age & Value by Decade – 2015



Source: U.S. Census, American Community Survey; Maxfield Research & Consulting, LLC

Housing Affordability

Housing affordability is measured by dividing a household's housing costs by its gross income. If housing costs are 30 percent or less than a household's income, the housing is considered affordable. Housing costs include mortgage or rent payments, utilities, homeowners or renters insurance, and association or other fees. Metropolitan Council estimates that 51,433 units in Washington County are affordable to the low and moderate income individuals (see Table 7); however, these homes are not necessarily occupied by or available to households with those incomes. Fewer homes are affordable to Washington County households with the lowest, and usually fixed, incomes. Of the 96,709 total housing units in the county, only a fraction (2.7 percent) are affordable to households with incomes less than 30 percent of the Area Median Income (AMI).

Table 7: Housing Affordability by Income Category – 2015

Units affordable to households with income at or below 30% AMI	Units affordable to households with income 31%-50% AMI	Units affordable to households with income 51%-80% AMI
2,642	13,245	35,546

Source: Metropolitan Council staff estimates for 2015 based on 2015 and 2016 MetroGIS Regional Parcel Datasets (ownership units), 2009-2013 Comprehensive Housing Affordability Strategy data from HUD (rental units and household income), and the Council's 2015 Manufactured Housing Parks Survey (manufactured homes)

Over 17,300 low and moderate-income households are spending more than 30 percent of their income toward housing expenses (see Table 8). Households spending more than 30 percent of income for housing costs are considered to be "housing cost burdened." Households with incomes below 50 percent of the AMI experience the greatest cost burden; 85 percent are paying a disproportionate amount toward their housing.

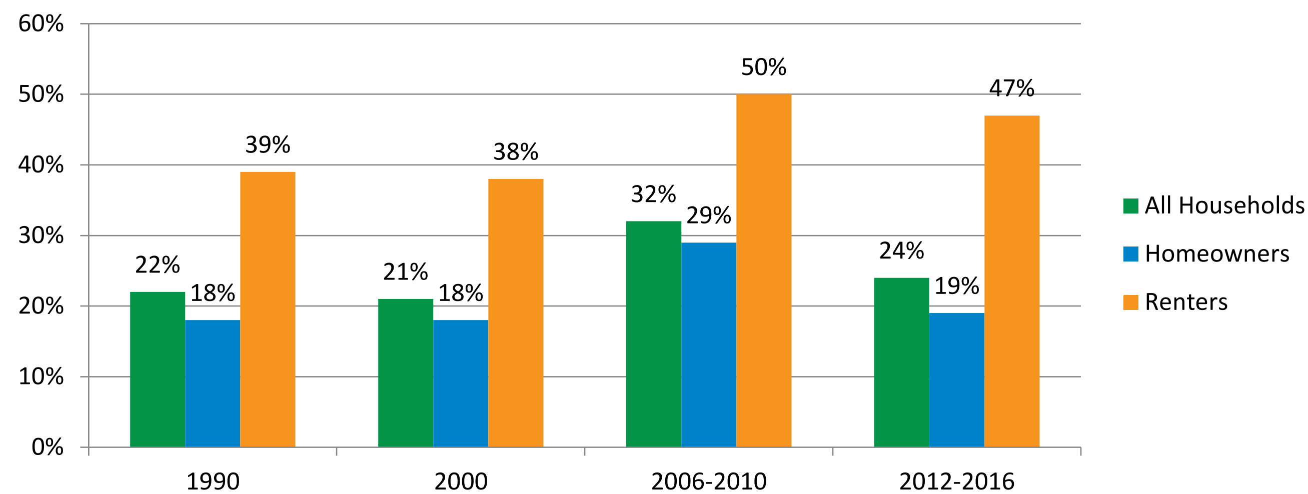
Table 8: Housing Cost Burdened Households – 2015

Income at or below 30% of AMI	Income 31% - 50% AMI	Income 51 – 80% AMI
5,161	7,776	4,392

Source: U.S. Department of Housing and Urban Development, 2009-2013 Comprehensive Housing Affordability Strategy (CHAS) data, with counts adjusted to better match Metropolitan Council 2015 household estimates

The proportion of households experiencing a housing cost burden peaked between 2006 and 2010, at the height of the Great Recession, when 32 percent of all Washington County households paid more than 30 percent of their income toward housing costs (see Figure 3). Cost burdens are more prevalent for renters than homeowners. Nearly half of all renters and one in five homeowners are cost burdened, regardless of income level.

Figure 3: Housing Cost Burden by Tenure – 1990, 2000, 2006-2010, 2012-2016



Source: U.S. Census, 2006-2010 American Community Survey, 2012-2016 American Community Survey

Owner-Occupied Market

Home values in Washington County are among the highest in the metropolitan area. In 2015, the median owner-occupied home value in Washington County was $251,160, which is 14 percent higher than the metropolitan area ($220,675). Almost half of the owner-occupied units are valued between $150,000 and $249,999 (see Table 9). The most affordable owner-occupied markets of the Cottage Grove Area and Oakdale Area have median home values much lower than the county median value; respectively, 84 percent and 90 percent of the units are valued below $250,000 (see Figure 4). The Oakdale Area includes a larger proportion of manufactured housing, usually valued lower than other housing types, which is reflected in the number and percent of homes valued less than $150,000. The most expensive owner-occupied markets of Lake Elmo, Southeast Area, Mahtomedi Area, and Northeast Area have median values exceed $335,000 with 8 percent or more of the units valued over $400,000.

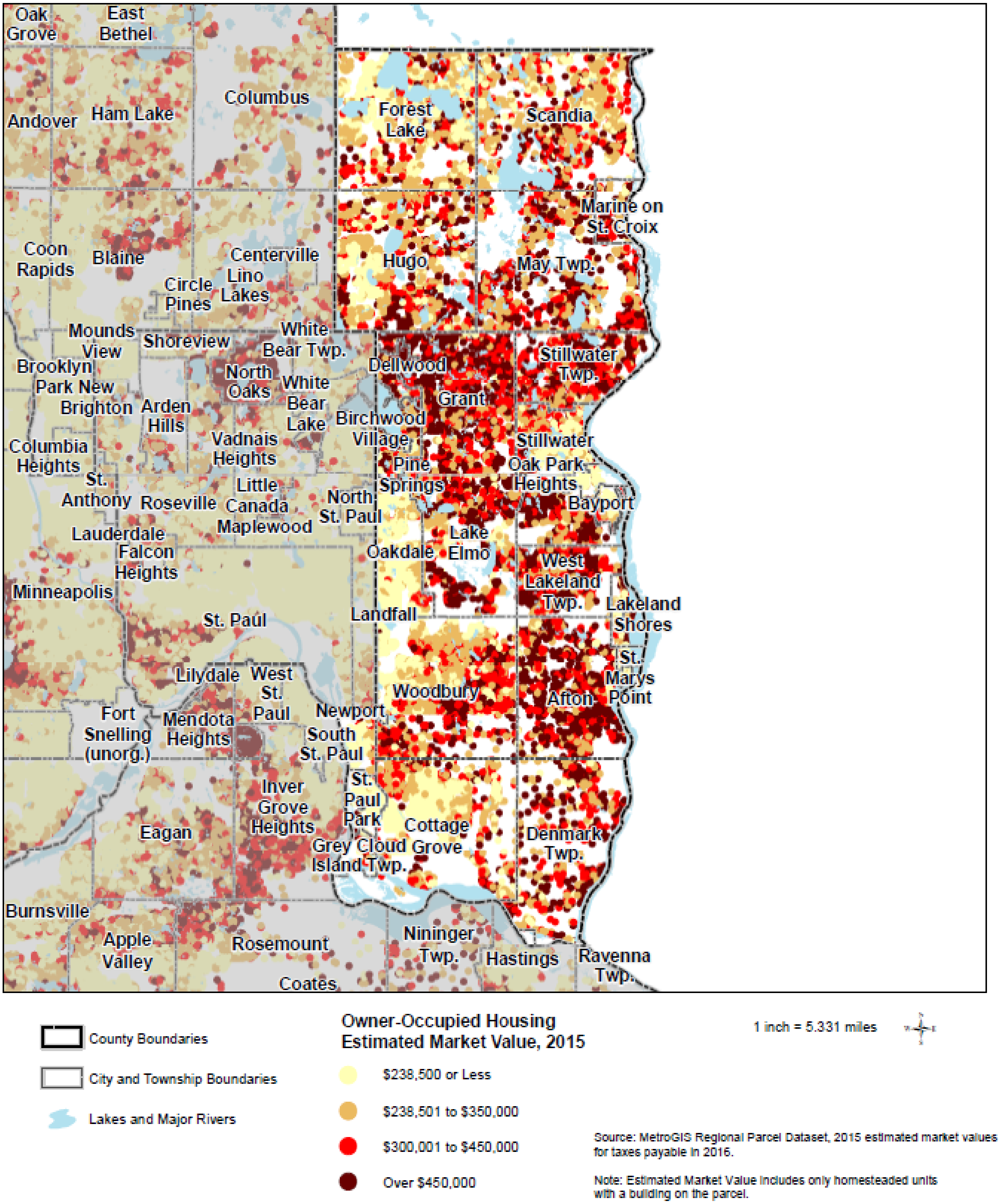
Table 9: Median Value of Owner-Occupied Units – 2015

Market Areas	Less than $149,999		$150,000 - $249,999		$250,000 - $399,999		More than $400,000		Total Units	Median Value
	Units	%	Units	%	Units	%	Units	%		
Cottage Grove Area	2,562	20%	8,232	64%	2,025	16%	30	0%	12,849	$164,115
Forest Lake	1,068	20%	2,720	52%	1,400	27%	37	1%	5,225	$230,100
Hugo	917	20%	2,331	52%	1,187	26%	49	1%	4,484	$228,700
Lake Elmo	399	15%	599	22%	1,456	54%	236	9%	2,690	$369,000
Mahtomedi Area	416	8%	1,667	34%	2,432	49%	414	8%	4,929	$345,025
Northeast Area	147	5%	970	36%	1,339	50%	226	8%	2,682	$335,320
Oakdale Area	2,804	32%	4,973	58%	830	10%	27	0%	8,634	$183,395
Southeast Area	325	8%	1,306	31%	2,223	53%	324	8%	4,178	$346,685
Stillwater Area	1,053	12%	4,253	50%	3,000	35%	175	2%	8,481	$265,310
Woodbury	2,793	15%	8,563	46%	7,157	38%	199	1%	18,712	$272,000
Washington County	**12,484**	**17%**	**35,614**	**49%**	**23,049**	**32%**	**1,717**	**2%**	**72,864**	**$251,160**

Source: U.S. Census; Maxfield Research & Consulting, LLC

The diversity and geographic distribution of owner-occupied housing values in 2015 is mapped in Figure 4.

Figure 4: Washington County Owner-Occupied Housing by Estimated Market Value – 2015



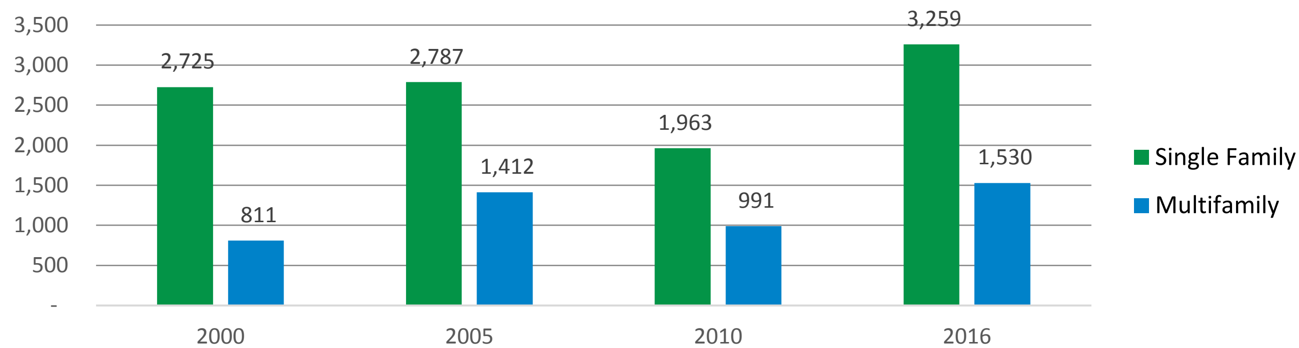
Source: MetroGIS Regional Parcel Dataset, 2015 estimated market values for taxes payable in 2016.

Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

Owner-Occupied Resales Volume

The owner-occupied housing market includes single family homes and multifamily homes (two or more connected units). Multifamily housing is playing a larger role in the county's owner-occupied housing stock than in previous decades. Generally, the number of multifamily resales has been about half that of single family resales since 2005. This proportion grew from about one third in 2000 to one half in 2005 where it has remained despite a drop in the number of resales in 2010 during the recession (see Figure 5).

Figure 5: Number of Owner-Occupied Home Resales – 2000, 2005, 2010, 2016

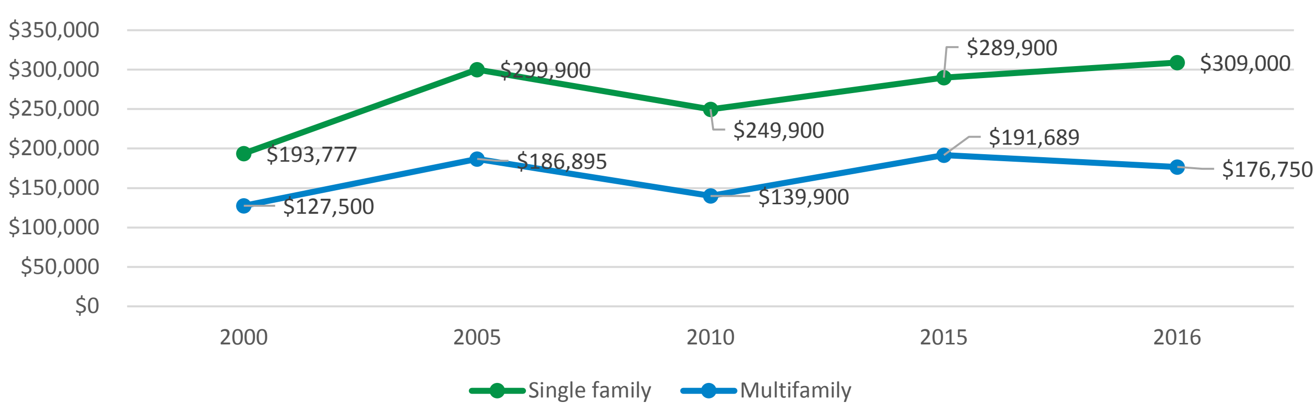


Source: Maxfield Research & Consulting, LLC

Owner-Occupied Resale Prices

The median resale price for both types of owner-occupied housing has increased substantially since 2000 in all market areas. Multifamily home resales prices have hovered at 60 percent of the price of single family homes since 2000 and the pricing trends closely mirror each other over this time period (see Figure 6). Both single family and multifamily median resale prices increased about 50 percent from 2000 to 2005, but single-family home prices declined by 17 percent and multifamily prices by 25 percent in 2010 during the recession. Since then, single family prices have recovered to exceed the 2005 level while the multifamily prices have recovered slower and are equal to the 2005 level. Washington County resale prices fared slightly better than those in the metro region during the recession. The drop in the single-family resale price from 2005 to 2010 of 17 percent is less than the metro wide decline of 23 percent.

Figure 6: Home Median Resale Price – 2000, 2005, 2010, 2015, 2016



Source: Maxfield Research & Consulting, LLC

All market areas experienced substantial increases in single family home median resale prices since 2000 ranging from 39 percent in Lake Elmo to 68 percent in Hugo (see Table 10). Since 2000, the other market areas with large median single-family price increases include Stillwater (67 percent) and Cottage Grove (63 percent). Other market areas with the smaller single-family price increases since 2000 include the Mahtomedi (44 percent) and Oakdale (42 percent) market areas.

Similarly, all market areas experienced substantial increases in multifamily median resale prices since 2000 ranging from 16 percent in Hugo to 62 percent in Stillwater and 300 percent in Southeast, which is skewed because the year 2000 had just one sale (Table 10). Since 2000, other market areas with high median prices increases include Woodbury (52%) and Cottage Grove (39%). Other market areas with lower price increases include Mahtomedi (23%) and Forest Lake (24%) market areas.

Table 10: Owner-Occupied Home Median Resale Price by Market Area – 2000, 2016

Market Areas	Single Family Units			Multifamily Units		
	2000	2016	Percent Change	2000	2016	Percent Change
Cottage Grove Area	$149,500	$243,600	63%	$111,500	$154,500	39%
Forest Lake	$169,900	$256,250	51%	$136,840	$170,000	24%
Hugo	$201,191	$338,620	68%	$143,485	$167,000	16%
Lake Elmo	$311,000	$431,545	39%	$275,000	$364,545	33%
Mahtomedi Area	$257,500	$370,000	44%	$186,985	$229,750	23%
Northeast	$285,171	$428,685	50%	--	$194,250	--
Oakdale Area	$169,900	$242,100	42%	$114,900	$150,000	31%
Southeast	$270,000	$394,120	46%	$60,000	$240,000	300%
Stillwater Area	$189,950	$317,000	67%	$133,000	$215,000	62%
Woodbury	$235,000	$359,900	53%	$127,375	$193,825	52%
Washington County	**$193,777**	**$309,000**	**59%**	**$127,500**	**$176,750**	**39%**

Source: Regional Multiple Listing Service; Maxfield Research & Consulting, LLC

Affordability of Owner-Occupied Units

The resale price for owner-occupied single-family housing in Washington County is relatively high and not affordable for many households while the resale price for multifamily homes is more affordable. The Metropolitan Council estimates that an affordable home purchase price for a household with an income at 80 percent of the AMI in 2016 was $238,500. The county median resale price for a single-family home of $309,000 puts this type of housing out of reach for many households. The county median price for a multifamily home of $176,750; however, is in the affordable ownership range for modest incomes. Of the 653 single family homes listed on the market in the county in January of 2017, only 89 (14percent) approached the $238,500 affordability level with a purchase price of $250,000 or below. Of the 150 owner-occupied multifamily units on the market, 73 homes (49 percent) had a purchase price at or below $250,000. Most of the single-family listings with affordable resale prices are found in the Forest Lake, Oakdale and Cottage Grove market areas, while most of the affordable owner-occupied multifamily listings are concentrated in the Woodbury and Oakdale submarkets.

Compared to other metro counties, Washington County has the highest median resale price after Carver and Scott counties (see Table 11). All counties saw consistent and substantial price increases during this period ranging from 22 to 45 percent with the Washington County increase of 30 percent in the middle of that range.

Table 11: Median Resale Price for Owner-Occupied Housing by Metro County – 2012-2015

County	2012	2013	2014	2015	Percent Change 2012-2015
Anoka	$152,000	$174,900	$187,825	$200,000	45%
Carver	$230,150	$250,000	$258,050	$273,490	22%
Dakota	$170,500	$200,000	$215,000	$226,900	41%
Hennepin	$182,500	$209,900	$221,000	$235,000	35%
Ramsey	$142,000	$163,000	$176,500	$187,810	41%
Scott	$197,000	$226,500	$239,900	$245,000	30%
Washington	$200,000	$220,000	$236,000	$242,300	30%
Metro Region	**$167,900**	**$192,000**	**$205,600**	**$220,000**	**38%**

Source: Regional Multiple Listing Service; Maxfield Research & Consulting, LLC

One in every five county homeowners (15,198 households) pay more than an affordable proportion (30 percent) of their income on housing expenses and are considered cost burdened. Over half (57 percent) of homeowners with incomes of $50,000 or less are cost burdened. A household income of $61,447 is required to afford an entry level single family home priced at $250,000. This is affordable to 66 percent of all Washington County households. An entry level multifamily townhome priced at $150,000 is more affordable and requires an income of $38,868. The move-up multifamily home priced at $260,000 is just above the entry level single family home price with similar affordability levels. It requires an annual income of $64,438.

For those employed in Washington County, the average weekly wage of $846, or $43,992 annually, can be enough to afford the entry level multifamily home, assuming good credit risk and minimal outstanding debts, but is well under the income needed to afford a single-family entry level home. Homeownership in Washington County is out of reach for employees in retail trade and accommodation and food services sectors, which make up over a quarter of the employment opportunities, as these sectors pay a fraction of the annual income needed to afford homeownership.

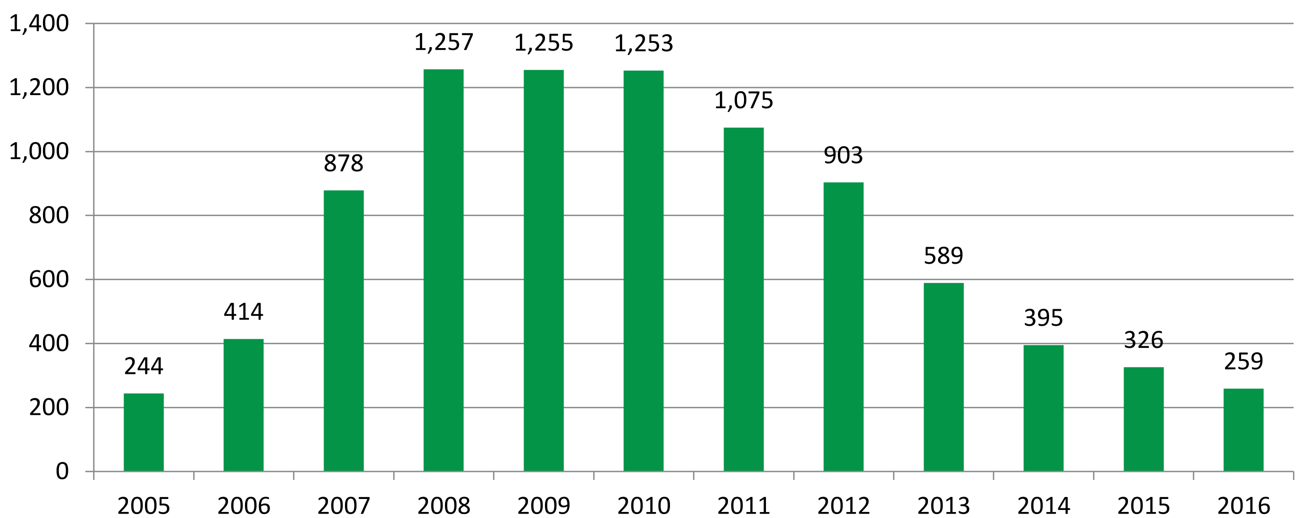
Affordable owner-occupied units have been produced, with financial assistance from Washington County and the CDA, by two local non-profit organizations. Twin Cities Habitat for Humanity has constructed or rehabilitated 150 units in the county, their largest portfolio in the metropolitan area after Minneapolis and St.

Paul. Their homes are targeted to first time homeowners with incomes between 30 and 80 of the AMI. Two Rivers Community Land Trust has constructed or rehabilitated 50 units in the county, accounting for 90 percent of their portfolio. Their homes are targeted to homeowners with incomes at or below 80 of the AMI. Long term affordability is provided through equity sharing and income requirements at resale governed by a 99-year ground lease.

Residential Foreclosures

The number of home mortgage foreclosures in Washington County peaked in 2008 with 1,257 foreclosures (see Figure 7). This represents over a 400 percent increase from 2005 which had just 244 foreclosures. The number of foreclosures remained near the 2008 level through 2010 and then steadily declined each year down to near pre-recession levels in 2016 when there were only 259 foreclosures.

Figure 7: Washington County Total Foreclosures – 2005-2016



Source: Washington County CDA, Washington County Sheriff's Department

Rental Market

In 2015, Washington County had 18,888 rental units comprised of general occupancy rental housing and age-restricted or senior rental housing. The county's general occupancy rental market remains tight, despite recent growth, with vacancy rates well below the market equilibrium rate of five percent (Table 12). The vacancy rate for market rate rental units in January 2017 was 2.3 percent, declining from 3.2 percent in 2013 and 4.2 percent in 2007. Vacancies in affordable and subsidized general occupancy rental housing are virtually non-existent. The exceptionally low vacancy rates for Affordable Units (0.6 percent) and Subsidized Units (0.0 percent) indicates overwhelming demand for rent restricted rentals and that demand is not being met in the current market. Affordable Units are defined as apartments restricted to households with incomes at or below 80 percent of AMI. Subsidized Units are defined as apartments restricted to households with incomes at or below 50 percent AMI whose rent is based on their income.

A survey was completed by Maxfield Research & Consulting, LLC to identify vacancy rates and rental rates for housing units in Washington County (see Tables 12 and 13). This data does not include single family rentals, smaller rental properties (less than 12 units), and rental properties which did not respond to the survey. The owners of 7,954 general occupancy rental units responded to the January 2017 survey. Respondents owned 5,817 market rate units, 1,524 affordable units, and 655 subsidized units. The survey was sent to properties with 12 or more units.

Table 12: Surveyed General Occupancy Vacancy Rates by Market Area – January 2017

Market Areas	Market Rate Vacancy Rate	Affordable Units Vacancy Rate	Subsidized Units Vacancy Rate	Total Vacancy Rate
Cottage Grove Area	1.9%	2.1%	1.8%	1.8%
Forest Lake	1.2%	0.4%	1.0%	1.0%
Mahtomedi Area	0.0%	0.0%	0.0%	0.0%
Oakdale Area	1.3%	0.3%	0.0%	0.7%
Stillwater Area	0.6%	0.3%	0.0%	0.7%
Woodbury	3.1%	1.9%	0.0%	3.1%
Washington County	**2.3%**	**0.6%**	**0.00%**	**2.1%**

Source: Maxfield Research & Consulting, LLC; Washington County CDA

Market Rate Rental Units

As the availability of market rate, general occupancy rental housing has decreased it is not surprising that rents have increased. The average monthly rent at market rate developments in the county in 2017 were $1,064 for one-bedroom units, $1,339 for two-bedroom units, and $1,582 for three-bedroom units (see Table 13). In the past decade, one-bedroom rents have increased 31 percent, two-bedroom rents have increased 34 percent, and three-bedroom rents have increased 23 percent. The rate of growth for rent has outpaced the 11 percent growth of income during this same period.

Table 13: Surveyed General Occupancy Market Rate Rents by Market Area – 2007 and 2017

Market Areas	July 2007				January 2017			
	Total Units	1 BR	2 BR	3 BR	Total Units	1 BR	2 BR	3 BR
Cottage Grove Area	525	$709	$810	$1,101	632	$817	$933	$1,234
Forest Lake	440	$665	$784	$926	836	$815	$954	$1,115
Mahtomedi Area	--	--	--	--	12	--	--	$1,000
Oakdale Area	769	$707	$912	$1,147	868	$848	$1,066	$1,316
Stillwater Area	257	$667	$763	--	323	$816	$974	$1,363
Woodbury	2,625	$973	$1,083	$1,401	3,146	$1,886	$1,564	$1,895
Washington County	**4,616**	**$811**	**$1,002**	**$1,284**	**5,817**	**$1,064**	**$1,339**	**$1,582**

Sources: Maxfield Research & Consulting, LLC; Washington County CDA

Affordable/Subsidized Rental Units

Affordable Units are defined as apartments restricted to households with incomes at or below 80% of AMI. Subsidized Units are defined as apartments restricted to households with incomes at or below 50% AMI whose rent is based on their income. In order to maintain and operate quality rental housing with rent restrictions, public subsidies are often needed to either offset the owner's cost to develop or the tenant's cost to rent. Approximately 3 percent of the county's housing stock, or 3,124 units, are publicly subsidized (see Table 14). A small portion of the units are restricted to occupancy by seniors and persons with disabilities. With a portfolio of 1,100 units, the CDA owns and operates a third of the county's total Affordable and Subsidized rental units.

Table 14: Publicly Subsidized Units – 2015

All publicly subsidized units	Publicly subsidized senior units	Publicly subsidized units for people with disabilities	Publicly subsidized units: all other
3,124	859	24	2,241

Source: HousingLink Streams data (covering projects whose financing closed by December 2014)

Affordability of Rental Units

Washington County has high rents across much of the county that are unaffordable for many renter households. The county median rent is $1,011, which is 14 percent higher than the metro area median rent of $886 (see Table 15). The *2017 Comprehensive Housing Needs Assessment for Washington County* drew information from the U.S. Census to identify the median contract rent that includes all rental types and for each market area to help determine affordability. Hugo has the highest median contract rent of $1,120. High rents, averaging over $1,000 per month, are also found in the Northeast Area, Southeast Area, Stillwater Area, and Woodbury markets. Only the Lake Elmo and Mahtomedi Area markets have median rents below the metro median.

Table 15: Median Contract Rent by Market Area – 2015

Market Areas	Total Units	Median Rent
Cottage Grove Area	2,586	$900
Forest Lake	1,875	$871
Hugo	693	$1,120
Lake Elmo	204	$728
Mahtomedi Area	823	$867
Northeast Area	236	$1,098
Oakdale Area	2,811	$915
Southeast Area	284	$1,025
Stillwater Area	3,227	$1,041
Woodbury	5,347	$1,011
Washington County	**18,608**	**$1,011**
Metro Region	**346,742**	**$886**

Source: U.S. Census, Maxfield Research & Consulting, LLC

Forty-four percent of all renters (7,957 households) are considered cost burdened, meaning that they pay more than an affordable proportion (30 percent) of their income on rent and utilities (see Table 16). The cost burden rate for renters with incomes less than $35,000 is even greater, at 76 percent or 5,584 households. These rates are consistent across all metro counties. Washington County has the highest median rent of all metro area counties. An annual household income of $40,480 is needed to afford the county median rent of $1,011. This means that most renters (56 percent), whose median income is generally lower than the county as a whole, cannot afford a market rate apartment.

The average weekly wage paid by Washington County employers of $846, or $43,992 annually, is just enough to afford a market rate apartment. Wages paid in the retail trade and accommodations ($25,168 annually) and food services ($16,328 annually) industries provide only a fraction of the annual income needed to afford the median rent; however, they make up over a quarter of the employment in Washington County.

Table 16: Median Contract Rent & Renter Household Cost Burden – 2015

County	Median Contract Rent	Cost Burdened Renter Households			
		All Renters		Renters with Income <$35,000	
		Number	Percent	Number	Percent
Anoka	$884	12,234	49%	9,440	83%
Carver	$877	2,860	42%	2,108	75%
Dakota	$887	17,497	44%	13,748	82%
Hennepin	$874	84,579	46%	67,661	78%
Ramsey	$789	41,584	49%	35,004	77%
Scott	$923	3,424	43%	2,565	77%
Washington County	$1,011	7,957	44%	5,584	76%
Metro Region	**$886**	**170,135**	**47%**	**136,110**	**78%**

Sources: U.S. Census; Maxfield Research & Consulting, LLC

Senior Housing

As a subset of the housing market, age-restricted housing is a unique market to be considered separate from the general occupancy rental and owner-occupied housing markets. The senior housing market includes the following housing types restricted to people age 55, sometimes age 62, or older: owner-occupied, affordable and subsidized rental, and market rate rental. The market rate rental type includes independent living, congregate care, assisted living, and memory care. The majority of the existing 4,056 senior housing units were built in the 1990s and early 2000s, according to the *2017 Comprehensive Housing Needs Assessment for Washington County*. Senior housing development in Washington County have vacancy rates of 5.6 percent as of February 2017, which indicates a healthy market compared to a market equilibrium rate of five percent vacancy. Affordable and subsidized senior housing units are in exceptionally high demand as indicated by the 0.6 percent vacancy rate. Based on the senior housing respondents to the Maxfield Research & Consulting, LLC survey, 63 percent of the senior housing is market rate rental units, 33.6 percent is affordable or subsidized rental units, and 3 percent are ownership units (see Table 17).

Table 17: Senior Housing Units by Type and Community – 2017

Cities	Market Rate Rental*	Affordable/ Subsidized Rental	Owner-Occupied	Total
Cottage Grove	214	150	0	364
Forest Lake	248	168	0	416
Hugo	124	28	0	152
Lake Elmo	0	0	0	0
Mahtomedi	336	222	0	547
Northeast	0	40	0	40
Oakdale	327	292	55	674
Southeast	0	0	0	0
Stillwater	818	304	0	1,122
Woodbury	675	90	76	841
Washington County	**2,562**	**1,363**	**131**	**4,056**

**Market Rate Rental includes market rate independent living, congregate, assisted living and memory care units*

Source: Maxfield Research & Consulting, LLC

Special Needs Housing

The landscape of special needs housing changed in response to the U.S. Supreme Court decision in *Olmstead v. L. C.*, ruling that people with disabilities have equal rights to live in the community. Since this landmark decision in 1999, federal and state governments have been working to support individuals with disabilities in community-based living. States are required to place persons with mental disabilities in community settings rather than in institutions when a state's treatment professionals have determined that community placement is appropriate, the transfer from institutional care to a less restrictive setting is not opposed by the affected individual, and the placement can be reasonably accommodated, taking into account the resources available to the state and the needs of others with mental disabilities. Minnesota developed an Olmstead Plan with the vision that "people with disabilities are living, learning, working, and enjoying life in the most integrated setting" and this vision guides the state's implementation actions.

In 2015, there were 20,379 people with a disability living in Washington County (8.3 percent) according to the U.S. Census. Historically, the Minnesota Department of Human Services (DHS) has partnered with counties to provide foster care, transitional housing, assisted living, and supportive services apartment settings. DHS has made significant policy changes that support personal choice and community living. Washington County has participated in these changes and been on the leading edge of creating a better housing continuum for people with disabilities.

The top two types of special needs housing in Washington County are foster care and assisted living. Foster care, both corporate and family, accounts for over 35percent of the special needs housing in Washington County. Foster care is typically provided in a single-family home in the community and offers services for up to four people with disabilities or seniors. Assisted living facilities are typically larger buildings made up of individual apartments for people age 55 and older. The numbers of beds listed in Table 18 are facilities that contract with Washington County to provide beds that are affordable for people who receive home and community-based waiver services.

Table 18: Special Needs Housing – 2017

Housing Type	Number of Buildings	Number of Beds
Foster care – corporate (shift share)	97	375
Foster care – family	49	145
Assisted living (contracted only)	31	243
Short-term treatment facilities (mental health/chemical dependency)	4	82
Supportive apartment settings (private lease with additional services)	37	114
Transitional housing (up to two years)	10	47
Other provider – controlled group settings (5+ people living together)	5	51
Washington County	**233**	**1,057**

Source: Washington County Community Services

Even though the majority of special needs housing is provider-controlled, there is a shift toward more integrated housing that is controlled by the person receiving services. This type of housing, called supportive apartment settings, began in Washington County in 2009 and continues to expand each year. A supportive apartment setting is a model comprised of two components: independent housing and service coordination. In 2017, almost 11percent of the special needs housing was made up of supportive apartment settings.

Homelessness

To address the needs of homeless persons and most efficiently utilize the resources available in the community, Washington County uses a coordinated entry system to assess and prioritize an individual's housing needs. The system has been designed to meet the specific needs of the county in coordination with the Suburban Metro Area Continuum of Care and the State to assure consistency across counties state wide. Washington County has three points of access for people experiencing homelessness: St. Andrew's Community Resource Center for families, County's Community Services Department for singles, and StreetWorks Outreach for youth.

The coordinated entry system utilizes an initial assessment to determine if the person or family can be diverted from homelessness with connections to resources. If it is determined housing is needed for those who meet the U.S. Department of Housing and Urban Development (HUD) definition of homeless a full assessment is conducted. This assessment will determine the type and level of support needed: temporary shelter, rapid rehousing, transitional housing or permanent supportive housing. HUD's definition of homeless includes those who lack or will imminently lose a fixed, regular, and adequate nighttime residence, and children and families fleeing domestic violence. The number of assessments has increased over the past three years as the administrative capacity increased after the program's first year in 2015 (see Table 19).

If the assessment determines temporary shelter support is needed, families are referred to Hope for the Journey Home. Hope for the Journey Home, a multi-congregational effort of 31 area churches, operates an eight-bedroom family shelter in the former rectory of Guardian Angels Catholic parish in the City of Oakdale. A second temporary shelter located in the City of Hugo is expected to open in 2018 and will serve 5 to 7 families. Harriet Tubman Center East Safe Journeys Shelter and Transitional Housing located in Maplewood provides a limited number of shelter beds for youth and young adult victims of violence and exploitation, including sex trafficking. Youth receive customized individual and group support as well as resources to help with safety, basic needs, school, parenting, legal, financial, spiritual, social, emotional, recreational, leadership, career and other self-identified goals. The county uses hotel vouchers to provide emergency shelter to singles that have been assessed and it is determined have no other shelter options.

Table 19: Coordinated Entry Assessments for Homeless Persons in Washington County – 2015, 2016, 2017

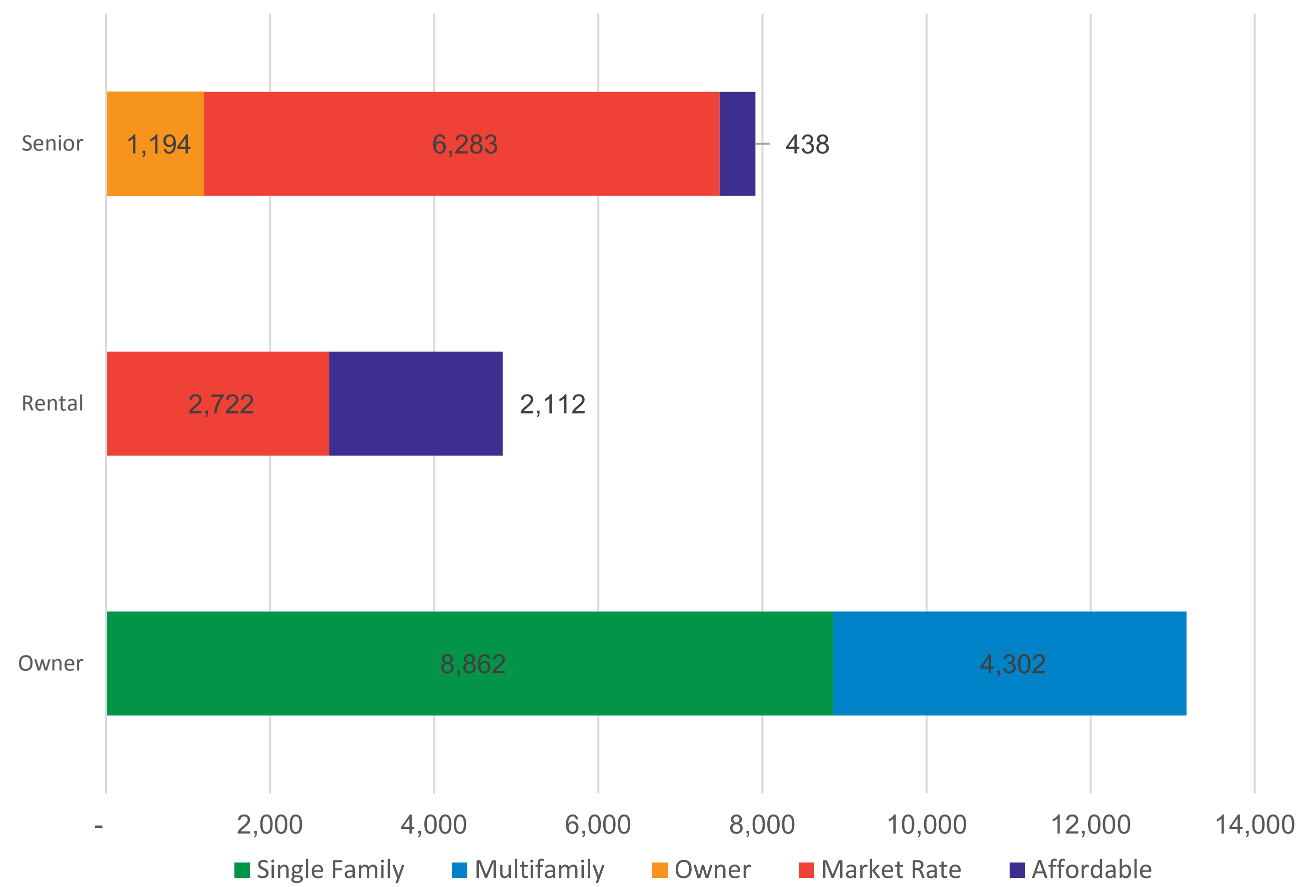
	2015	2016	2017 (Jan-July)
Number of Assessments	161	237	191

Source: Washington County Community Services

Projected Housing Need

Demand for housing, whether it is rental or owner-occupied, can come from multiple sources including household and employment growth, demographic changes, changes in housing preferences, and replacement need. According to the *2017 Comprehensive Housing Needs Assessment for Washington County*, the county will continue to experience strong demand for all types of housing. The study estimates that between 2016 and 2030 the number of new households targeted for general occupancy under the age of 65 will grow by 13,550 households. In addition to new households, there will be demand from existing household turnover and those desiring new owner-occupied or rental housing. The total 2016-2030 general occupancy demand is estimated to be 13,164 owner-occupied units and 4,834 rental units (see Figure 8). Demand for senior housing is calculated differently from general occupancy demand. Senior housing demand is driven by a capture rate of point-in-time population as opposed to household growth. The 2030 total demand is estimated to be 7,917 units.

Figure 8: Demand for Additional Housing Units – 2016-2030



Source: Maxfield Research & Consulting, LLC

The Metropolitan Council identifies an Allocation of Affordable Housing Need for each community in the metropolitan region. The Allocation of Affordable Housing Need represents the individual community's share of the affordable housing units needed to accommodate the region's projected population growth over the next 20 years. The Allocation of Need figures are to help guide community planning in regards to housing. In particular, it serves to ensure that sufficient land is guided at density levels high enough to accommodate this need. Washington County no longer has land use planning authority for the unincorporated areas of the county. The Allocation of Need only applies to individual communities connected to the regional water and sewer system. Twelve cities in Washington County have specified Allocations of Need, including the county's largest communities of Woodbury, Oakdale, Stillwater and Forest Lake.

The total Allocation of Need in Washington County is 4,315 housing units. This total is broken down into the following levels of affordability by AMI:

- 2,114 of at or below 30 percent AMI
- 1,467 from 31 to 50 percent AMI
- 734 from 51 percent to 80 percent AMI

Owner-Occupied Housing Demand 2016 to 2030

Demand for general occupancy owner-occupied housing in Washington County is mainly driven from new household growth. Washington County is expected to absorb an increasing share of new single-family housing development, due to more available land than in the core of the Twin Cities metro area. Much of the new household growth will be in owner-occupied homes continuing the high homeownership rate trends of the county ranging from 72 to 92 percent. Demand also comes from turnover of existing homeowners who desire a new home and accounts for about 15 percent of the total owner-occupied housing demand.

The total projected demand for owner-occupied housing from 2016 to 2030 is 13,164 units, which is half of the overall housing demand. The demand for single family units makes up about two thirds of the total demand for owner-occupied housing (see Figure 8). The demand for single family homes is spread evenly among five market areas in the western half of the county that each have a demand between 1,100 and 1,900 units: Cottage Grove Area, Forest Lake, Hugo, Lake Elmo, and Woodbury.

County wide, half of the single-family demand is for move-up priced homes ($350,000 to $500,000), while over a third of it is for executive priced homes (over $500,000), and just under an eighth is for modest price homes (under $350,000) (see Table 20). Hugo and Forest Lake have relatively high proportions of demand for modest prices homes, while much of the demand in Lake Elmo, Northeast and Southeast market areas is for Executive priced homes.

Table 20: Demand for Owner-Occupied Housing Units by Market Area – 2016-2030

Market Areas	Single-Family Units				Multi-Family Units			Total Units
	Modest	Move-up	Executive	Sub-total	Modest	Move-up	Sub-total	
Cottage Grove Area	87	1,220	436	1,743	434	651	1,085	2,828
Forest Lake	331	498	276	1,105	219	328	547	1,652
Hugo	480	959	480	1,919	224	416	640	2,559
Lake Elmo	0	410	461	1,171	65	197	262	1,433
Mahtomedi Area	0	9	37	46	5	22	27	73
Northeast Area	0	113	339	452	0	41	41	493
Oakdale Area	6	26	8	40	98	98	196	236
Southeast Area	0	45	133	178	0	26	26	204
Stillwater Area	24	286	166	476	85	199	284	760
Woodbury	87	952	693	1,732	418	776	1,194	2,926
Washington County	**1,015**	**4,518**	**3,329**	**8,862**	**1,548**	**2,754**	**4,302**	**13,164**

Source: U.S. Census; Maxfield Research & Consulting, LLC

About one third of the total owner-occupied demand will be for multifamily units. In the Oakdale market, the demand for multifamily units greatly exceeds the demand for single family, and it is the only market area where that is the case. The market areas with the next highest proportion of demand for owner-occupied multifamily units include Woodbury (41 percent), Cottage Grove Area (38 percent), Stillwater Area (37 percent), and Mahtomedi Area (37 percent). Demand for multifamily units is concentrated in the Cottage Grove Area and Woodbury which each have demand for over 1,000 units and make up over half of the county's total demand for multifamily units. The majority of the owner-occupied multifamily demand (65 percent) county wide is for modest units priced under $250,000, while move-up units priced over $250,000 have just over a third of the projected demand (36 percent).

The private sector has been primarily responsible for the production of new owner-occupied housing units and will continue to be the main producer in the next ten and twenty years. In order to meet the demand for affordable homeownership and reduce the homeownership gap, public and non-profit agencies will need to assist in this production. Assistance can be provided through programs like the Twin Cities Habitat for Humanity's homeownership, Veterans Initiative, and lending programs; Two Rivers Community Land Trust's single-family rehabilitation program; and the CDA's homeownership assistance and development assistance programs.

In order for homes to maintain value as they age, homeowners need to make substantial investments to retain quality, update amenities, and maintain market viability. Between 2020 and 2040, homes built between 1980 and 1995 will be reaching the end of their economic life. Capital will be needed to renovate and rehabilitate a greater number of homes than has been needed in past decades.

General Occupancy Rental Housing Demand 2016 to 2030

Like the demand for additional owner-occupied housing, much of the demand for additional rental units is driven by the county's projected new household growth. The projected number of new households is adjusted by the percentage of households who are likely to rent, which ranges by market area from 9 to 27 percent. Additional demand is calculated from turnover of existing renters that would prefer to live in a new rental development, which ranges from 42 to 77 percent by market area. While turnover accounted for only about 15 percent of total demand for additional owner-occupied housing, it makes up 52 percent of the total demand for additional rental units.

The projected demand for general occupancy rental units between 2016 and 2030 is 4,834 units (see Figure 8 and Table 21). The majority of the rental demand is in the county's employment centers which each have demand for over 500 units including the Cottage Grove, Oakdale, Forest Lake, Stillwater, and especially Woodbury market areas. Woodbury has by far the highest demand for market rate units with over three times as many as any other market area and accounts for nearly half of the total market rate demand. The demand for affordable and subsidized units is fairly widespread among the major market areas and makes up about half of the total rental demand in each area, except for Woodbury where is it consists of only a quarter of its total demand.

Table 21: Demand for New General Occupancy Rental Housing Units by Market Area – 2016-2030

Market Areas	Market Rate	Affordable*	Subsidized**	Total
Cottage Grove Area	311	161	153	625
Forest Lake	363	236	250	849
Hugo	150	81	85	316
Lake Elmo	104	21	25	150
Mahtomedi Area	11	7	9	27
Northeast Area	41	11	11	63
Oakdale Area	214	72	149	535
Southeast Area	26	6	6	38
Stillwater Area	263	142	164	569
Woodbury	1,239	255	168	1,662
Washington County	**2,722**	**1,092**	**1,020**	**4,834**

** Income restricted property to households earning 80% of Area Median Income (AMI) or less*
*** Income restricted to households earning 50% AMI or less*
Source: Maxfield Research & Consulting, LLC

Affordable Rental Housing Demand

The projected additional demand for affordable and subsidized general occupancy rental units is 2,112 and 438 units for senior occupancy, for a total of 2,550 units of additional units by 2030. This makes only up about 10 percent of the 26,077 of total demand for additional housing of all housing types. Unlike other types of housing, however, the demand for affordable and subsidized units are typically not met by the market on its own. The below-market rents of affordable and subsidized properties that help to make them affordable to households with low incomes generate a lower return on investment compared to market rate developments. This means that the financing of new affordable and subsidized developments typically need government gap financing, or a subsidy is necessary to make them feasible. This also makes the financing of new affordable and subsidized housing very complex and time consuming which hinders the development of them.

Since 1970, an average of 72 income-restricted affordable housing units have been built each year, totaling 3,324 units in Washington County. To meet the projected demand for 2030, an annual affordable housing production of 180 units is needed over the next 14 years, which is two and half times the historic production. Washington County will need to continue its work with private non-profit and for profit developers to maximize the financial resources available to increase annual production of affordable rental units. Tax exempt bonds and Low Income Housing Tax Credits have been the primary resources to preserve, construct and rehabilitate affordable rental units. The CDA will need to continue and increase its leveraging of Community Development Block Grant, HOME Investment Partnerships, GROW funds and other local resources in order to add 180 affordable units per year through 2030. Housing with rents affordable to households earning 30 percent of the AMI are the most difficult to produce. The cost to build an apartment unit does not vary but the ability to pay debt service on development funding is hampered when rents are restricted.

Senior Housing Demand 2020 and 2030

Senior demand is calculated differently from general occupancy demand. Demand for senior housing is driven by the capture rate of point-in-time population as opposed to population growth. The capture rate blends national senior housing trends and local housing market characteristics. Existing senior housing units are deducted from the demand calculations for each product type:

- Market rate rental and owner-occupied senior housing as well as affordable and subsidized rental senior units are often called independent living because they are age restricted to those ages 55 or 62 or older but offer no additional services.
- Congregate properties offer support services such as meals and housekeeping and targets seniors over age 65.
- Assisted living properties offer extensive support services for frail seniors age 70 and over including meals and housekeeping as well as 24-hour staff and emergency response availability.
- Memory care developments are specifically designed to meet the needs of persons who have Alzheimer’s disease or other dementias.

The services associated with congregate, assisted living, and memory care properties mean that they have rents which reflect support services costs in addition to the lodging expense.

By 2030, Washington County will need 7,917 units of rental senior housing to meet demand (see Table 22). Over one third of the senior demand is for assisted living housing type. Much of the demand (48 percent) is concentrated in the Cottage Grove, Stillwater and Woodbury markets. The total demand for rental units without any services (independent living market rate and affordable/subsidized rentals) is 1,877 units; the demand for affordable and subsidized units makes up about a quarter of this total.

Table 22: Demand for Senior Rental Housing Units by Market Area – 2020 and 2030

Market Areas	Affordable	Subsidized	Market Rate					Total
			Owner-Occupied	Rental	Congregate	Assisted Living	Memory Care	
Cottage Grove Area	0	0	213	190	130	550	152	1,235
Forest Lake	0	0	159	194	133	264	46	796
Hugo	20	17	54	162	63	111	35	462
Lake Elmo	36	34	69	103	31	163	67	503
Mahtomedi Area	0	0	98	51	0	254	0	403
Northeast Area	31	0	48	112	88	175	40	494
Oakdale Area	5	0	69	0	58	397	86	615
Southeast Area	44	39	72	107	89	222	106	679
Stillwater Area	0	130	236	45	0	569	160	1,143
Woodbury	82	0	173	475	61	591	205	1,587
Washington County	**218**	**220**	**1,164**	**1,439**	**653**	**3,296**	**897**	**7,917**

Source: U.S. Census; Maxfield Research & Consulting, LLC

Special Needs & Homeless Demand

The housing needs of the special needs population vary from handicap accessible housing to 24-hour available support services to assist with independent living. The Minnesota Demographic Center notes that people with disabilities are two times more likely to live in poverty than those without a disability. As a result, access to affordable housing is especially important for this population. The percent of Washington County's population with a disability in 2015 was 8.1 percent or 20,379 people, up from 7.4 percent or 18,029 people in 2012 according to the U.S. Census. For a basic forecast of the need for Special Needs housing, the 2015 percentage can be applied to the 2020 population projection, which yields 21,784 persons, a demand for 1,405additional Special Needs housing units. This amount increases to 3,898 by 2030. While much of this need can be accommodated with new general occupancy and senior units, others will require handicap accessible features or a variety of support services and assistance to accompany the housing.

The demand for services and facilities for persons experiencing homelessness can be expected to remain steady or modestly increase in the coming years based on the data from the Coordinated Entry Assessment system. This means that there will be a continued need for services and programs for this population. The Heading Home Washington County Plan details specific goals, actions and progress towards ending long-term homelessness. Metropolitan counties will spearhead a regional effort to meet the mobility of this population and use resources most efficiently.

Summary of Projected Housing Needs

Washington County does not have land use and planning authority. While it cannot guide the potential locations of housing and variations in density and type, Washington County and the CDA will support city efforts to address the total allocation of affordable housing need of 4,315 units.

Housing Plan

Based on the data and analysis above, the following housing needs have been identified as priorities for Washington County through 2040.

- Home improvement assistance for low-income homeowners at or below 80 percent AMI
- Support underserved populations to be successful homebuyers and homeowners
- New construction of general occupancy rental homes at all affordability levels
- Support and assistance for vulnerable and homeless populations
- New construction of senior housing affordable to incomes at or below 30 percent AMI
- Preservation of publicly subsidized housing

A critical component to a healthy and vibrant community is a diverse and balanced housing supply in good physical condition that includes a variety of price levels, housing types, and sizes. A mix of housing tenures, types, and rent/sales prices provides residents with a range of choices so that they can continue living in their community as their housing needs change through their lifetime. The affordability of housing is especially important for all residents because it provides a stable foundation on which to build one's life.

The goals of this Housing Plan focus on the following three areas: 1) promoting a diverse housing supply to provide residents with a range of housing options; 2) helping to ensure that affordable housing options are available to residents and those who work in the county; 3) and safeguarding the physical quality of housing so residents have a healthy living environment.

Resilience and Sustainability

A diverse housing supply that includes a variety of single family homes, townhomes, and apartments can better adapt to future environmental, social, and economic changes than one that is based solely on one of these housing types. It provides local governments with a broad tax base that can withstand these changes to minimize dramatic impacts on government budgets and services. The higher densities associated with townhomes and apartments support transit service which reduces auto dependency and greenhouse gas emissions. Specific area plans can call for this type of housing to be located near transit stops. This can include measures that encourage affordable housing at these locations which also supports social equity goals. Land can be designated in local comprehensive plans to accommodate higher density housing while helping to address the regions share of affordable housing.

The impacts associated with large scale economic, social or environmental changes on local resident populations are mitigated by a housing supply with a variety options and affordability levels because it allows them to adapt to the new circumstances which in turn allows the community as whole to be resilient.

Economic Competitiveness

A mix of housing at various price points specifically helps to address the needs of local workers and employers. Typically, workers want to live close to where they work while employers want housing options that attract and retain the best qualified talent at all wage levels with a variety of home preferences. A full range of housing options enables communities to match the housing needs of a diverse workforce.

One of the key findings from the *2017 Comprehensive Housing Needs Assessment for Washington County* is that for many who work in Washington County, the wages they earn are not always enough to afford to live close to work. Many jobs in the county are low skill and do not pay enough to afford much of the existing housing in the county. This also points to the lack of modestly priced housing in the county that is affordable at that wage level. To be a vibrant and growing community, a good mix of jobs at a variety of wage rates is needed as well as enough housing that is affordable to all income levels so that those who work in the county can also call it home. This will help ensure that businesses that want to grow and expand will have a reliable labor force to fuel it. Available affordable housing is critical to that effort to attract and retain a talented workforce.

Goals, Policies, and Strategies

To guide future decision making and county actions, goals, policies and strategies have been developed specific to the housing element. The following pages outline three goals with corresponding policies and strategies that set the course for the county's future. Chapter 3, Goals, Polices, and Strategies, also provides the information contained within this section, along with the goals for the other plan elements. Chapter 11, Implementation, provides tools that can be utilized while working to achieve these goals.

Housing Goal 1: Promote a diverse housing supply to provide residents with a range of housing options.	
Housing Policy	**Housing Strategy**
Support and assistance to homeless households and those at risk for homelessness.	Assist and counsel homeless or households at risk of homelessness using the housing phone line.
	Coordinate with other metro counties through the Regional Metropolitan Committee regarding homelessness prevention and assistance.
	Actively participate in the Suburban Metropolitan Area Continuum of Care (SMAC) regionalized wait list and utilize a regionalized wait list for homeless beds and referrals.
	Continue to manage the Family Homelessness Prevention and Assistance Program (FHPAP) in order to provide needed resources within our community.
	Continue to utilize the maximum 15 percent of the annual CDBG grant for crisis assistance and homelessness counseling.
	Participate with other SMAC counties in the Landlord Risk Migration Fund Pilot to see if offering additional incentives to landlords will help in securing more housing opportunities to household that are facing homelessness.
	Explore more cost-effective options to shelter households experiencing homelessness than using a hotel voucher system.
Support and assistance to vulnerable populations.	Continue to maximize use of Housing Support (previously Group Residential Housing) funds for housing programs for people with a disability.
	Continue to maximize use of Elderly Waivers to assist seniors with housing and assisted living expenses.

Support and assistance to vulnerable populations. *(Continued)*	Continue to maximize use of Home and Community Based Services (HCBS) programs to assist the people on these programs to use services to maintain their current housing or to assist them with other housing costs such as assisted living or foster care.
	Continue to utilize person-centered planning best practices in ensuring that people with a disability are living and working in the most integrated setting possible.
Support underserved populations to be successful homebuyers and homeowners.	Continue to provide Home Stretch educational workshops for prospective homebuyers.
	Continue to provide one on one professional homebuyer counseling by appointment to prepare households for the mortgage and realty process, including budget counseling.
	Continue to participate in the Minnesota Cities Participation Program to fund Minnesota Housing's Start-Up first time homebuyer program through the sale of tax exempt bonds.
	Develop a program to fund down payment assistance to households.
	Continue to provide post-purchase counseling to homeowners looking at options to refinance their mortgage.
	Continue to provide one-on-one professional counseling by appointment for homeowners struggling with their mortgage payments looking to avoid foreclosure.
	Refer eligible homebuyers to affordable homeownership programs through Two Rivers Community Land Trust and Twin Cities Habitat for Humanity, as well as city-funded down payment assistance programs (Woodbury residents).
New construction of senior housing affordable to incomes at or below 30% AMI.	Consider an application for 4% Low Income Housing Tax Credit sub-allocation to encourage senior housing affordable to 60% AMI, prioritizing units serving the lowest income tenants of 30% and 50% Area Median Income (AMI).
	Consider issuing housing bonds to support rental developments serving seniors at 50% and 60% AMI, prioritizing developments at 30% AMI.
	Consider an application for CDBG funds for land acquisition and environmental clean-up related to affordable senior housing.
	Consider an application for HOME Investment Partnership funds to construct affordable senior housing.
	Consider creating Tax Increment Financing (TIF) housing districts with the support of the applicable municipality to increase and diversify property tax base, eliminate blight, support employment, and promote housing diversity through affordable senior housing.

New construction of senior housing affordable to incomes at or below 30% AMI. *(Continued)*	Strongly consider sponsoring an application to the Metropolitan Council's Livable Communities Account (LCA) program for affordable senior housing development.
	Consider an application to the GROW Fund financing program to construct housing affordable to 60% AMI, prioritizing units with greater affordability.
	Continue to expand ownership and management affordable housing for seniors ensuring long-term affordability.
	Strongly support allocating Group Residential Housing (GRH) assistance to maintain lower rental rates for seniors.
	Consider project-basing units in affordable senior housing, such as the Shelter Plus Care program as spots are available.
Affirmatively further fair housing actions and activities in Washington County.	Continue to affirmatively further fair housing through active compliance with its fair housing policy.
	Incorporate equal opportunity housing criteria and requirements for all recipients of its housing finance and housing assistance programs.
	Continue to educate homebuyers and homeowners about potential and known real estate scams. Furthermore, continue to counsel victims of foreclosure, lending, closing and real estate fraud and make referrals to pro-bono legal assistance to recover lost costs.
	Continue to be an active participant and contributor to regional fair housing activities.
Housing Goal 2: Ensure that affordable housing options are available to residents and those who work in the county.	
Housing Policy	**Housing Strategy**
Encourage resident participation and best practices in housing policy development.	Continue to encourage robust public engagement by involving residents in the development of housing, community development and economic development plans and allocation of CDBG and HOME funds.
	Continue to participate or designate an appropriate representative to actively engage in the Minnesota Chapter of National Association of Housing and Redevelopment Officials (NAHRO).
	Continue to be an active member of the Housing Collaborative institute, attending and presenting at monthly regional industry meetings organized by Local Initiatives Support Corporation.

Preservation of publicly subsidized housing.	Prioritize applications for 4% or 9% Low Income Housing Tax Credit sub-allocation which preserve subsidized units through extensions of housing assistance payment contracts and affordability periods.
	Consider issuing housing bonds to preserve units affordable at 50% and 60% AMI, prioritizing developments at 30% AMI.
	Consider an application for HOME investment partnership program funds to preserve affordable housing through acquisition or rehabilitation costs.
	Support use of funds from Minnesota Housing's Preservation Affordable Rental Investment Fund (PARIF) program to preserve existing affordable rental units.
New construction of general occupancy rental homes at all affordability levels.	Maximize the usage of the 9% Low Income Housing Tax Credit sub-allocation to encourage workforce housing affordable to 60% AMI; prioritizing units serving the lowest income tenants of 30% and 50% AMI.
	Consider issuing housing bonds to support rental developments serving tenants at 50% and 60% AMI.
	Consider an application for CDBG funds for land acquisition and environmental clean-up related to affordable housing at 80% AMI.
	Consider an application for HOME Investment Partnerships program funds to construct housing affordable to 80% AMI.
	Consider creating TIF housing districts with the support of the applicable municipality to increase and diversify property tax base, eliminate blight, support employment, and promote housing diversity through affordable housing.
	Strongly consider sponsoring an application to the Livable Communities Account (LCA) program for affordable housing development.
	Strongly consider supporting an application to Minnesota Housing and its funding partners for affordable rental housing, particularly those paired with CDA resources.
	Consider an application for its gap financing program (i.e. GROW) to construct housing affordable to 60% AMI, prioritizing units with greater affordability.
	Continue and expand its ownership and management of affordable housing ensuring long-term affordability.

Housing Goal 3: Safeguard the physical quality of housing to promote healthy living environments.	
Housing Policy	**Housing Policy**
Assist lower income homeowners with home repairs.	Allocate a portion (at least 30%) of available Community Development Block Grant (CDBG) funds each program year to continue the Home Improvement Loan Program to assist low and moderate-income homeowners maintain and improve their home.
	Refer eligible homeowners to Minnesota Housing's Fix-Up Fund lenders to assist homeowners with necessary repairs.
Promote the proper maintenance, repair, or replacement of residential subsurface sewage treatment systems.	Provide loans and, when income eligible, grants to mitigate the impact of failing septic systems on the county's lakes, streams and rivers.