

Item III. Southwest LRT Corridor

Work Session



SOUTHWEST LRT
community works

green means go.



Corridor-Wide Housing Strategy Update

Presented to: City of Edina
- December 3, 2013

Presented by: Southwest Corridor Community Works – Housing Work Group

- Cathy Bennett, ULI MN/RCM
- Kerri Pearce Ruch, Hennepin County
- Joyce Repya, City of Edina





Presentation Topics

Southwest LRT Community Works

Why Housing Strategy is Important

Key Points - Completed Housing Inventory

Next Steps



SWLRT Corridor Housing Strategy



SW LRT Community Works

EDEN PRAIRIE ■ MINNETONKA ■ EDINA ■ HOPKINS ■ ST. LOUIS PARK ■ MINNEAPOLIS

ULI MN ■ Minnehaha Watershed District ■ METROPOLITAN COUNCIL
Minneapolis Parks and Recreation ■ Southwest Transit ■ Hennepin County

Housing Work Group - Participants

- Housing Staff from Southwest Cities
- ULI MN\Regional Council of Mayors
- Hennepin County Housing and Community Works Staff
- MN Housing – Assistant Commissioner
- Twin Cities LISC
- Met Council – SW LRT Project Office and Housing Staff





Why is a Corridor Housing Strategy Important?

- **Maximize Community/Regional Benefits & Opportunity** as a result of the Future LRT
- Important part of SW LRT Community Works **Vision and Guiding Principles**
- Critical to being Competitive for **Federal Funding Support** for the LRT



SWLRT Corridor Housing Strategy



Why Its Important?

SOUTHWEST COMMUNITY WORKS VISION

*Collaborate and partner so that Southwest Corridor becomes a **premier destination** that is **accessible, livable and vibrant.***

SOUTHWEST COMMUNITY WORKS GUIDING PRINCIPLE

Provide a Full Range of Housing Choices

Positioning the Southwest LRT communities as a place for all to live





Why Its Important?

Federal (FTA) New Starts Guidance

(issued in August 2013)

- FTA wants to *“have the fundamentals in place to ensure that as service is improved over time there is a mix of housing options for existing and future residents.”*
- For the first time, affordable housing is included as a measure in the Land Use score calculation & will measure “legally binding affordability restricted housing”
- An update to the FTA New Starts application due in May/June 2014

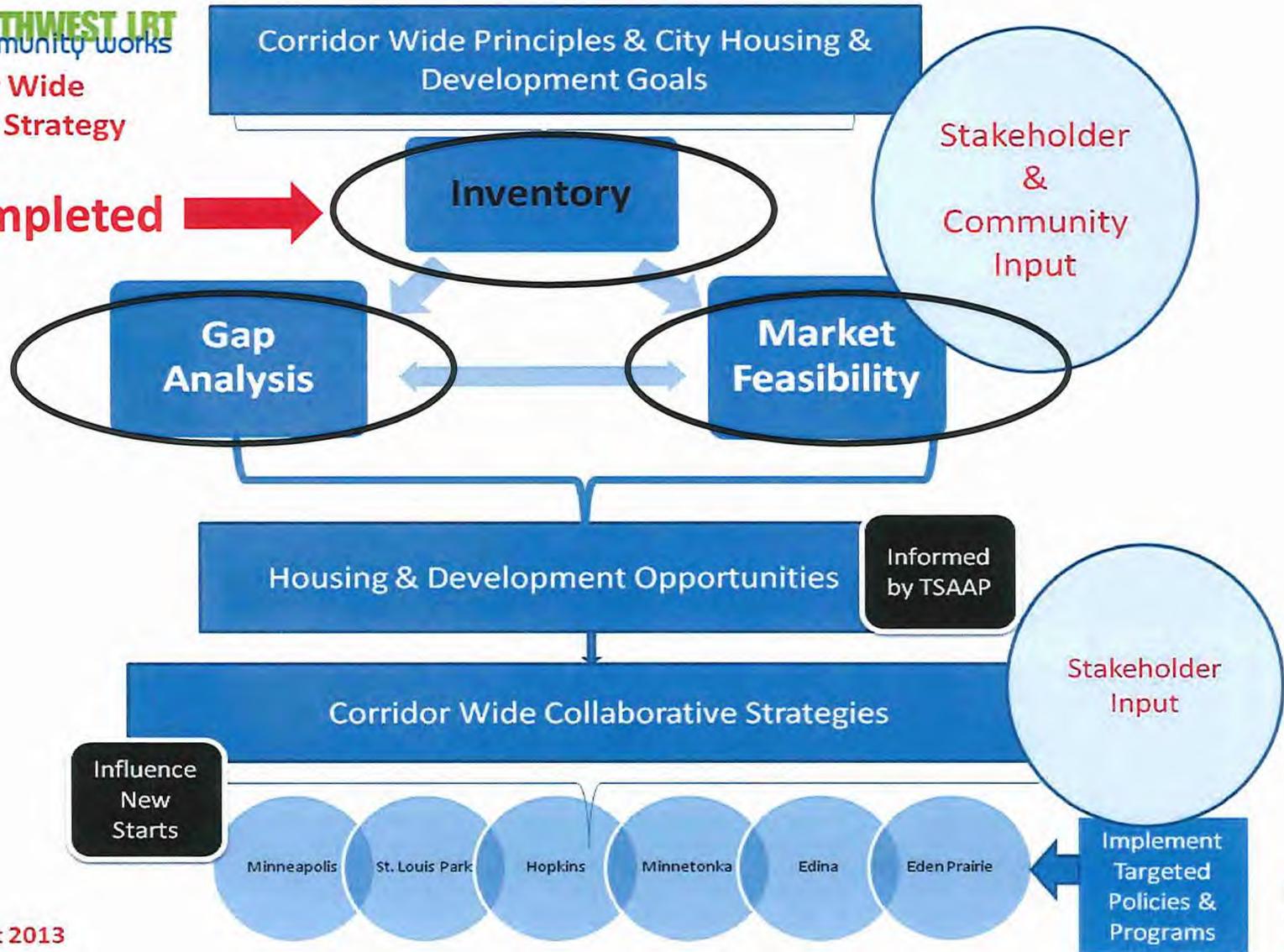


SWLRT Corridor Housing Strategy



Corridor Wide Housing Strategy

Completed →



Oct 2013





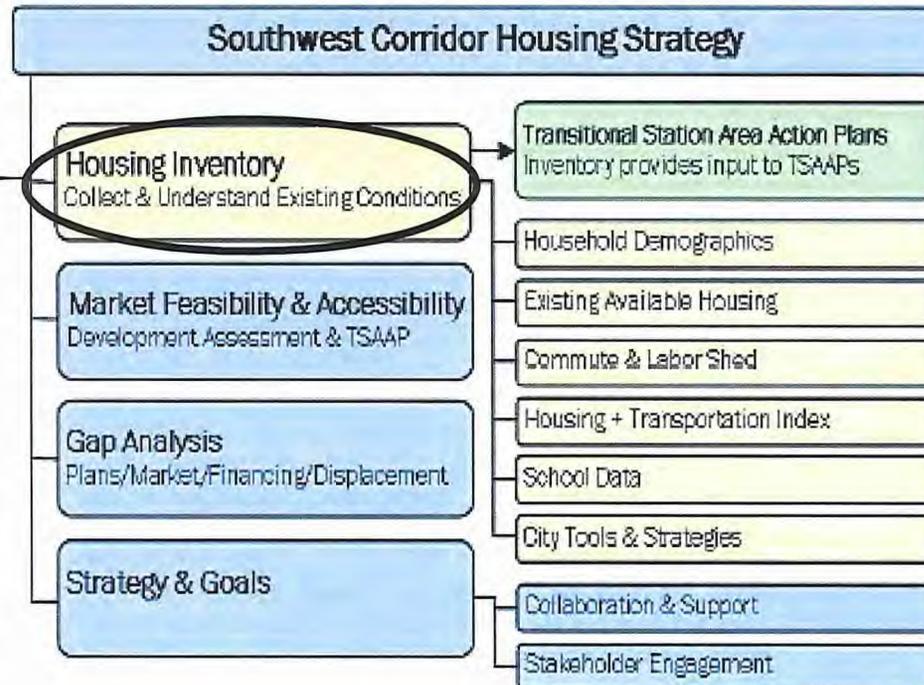
SWLRT Corridor Housing Strategy



Housing Inventory as the first step in the overall strategy

All research in this study supports the housing inventory section of the overall strategy:

- Demographics
- Employment
- School Data
- Housing Characteristics
- For-Sale Real Estate Market
- Multifamily Rental Inventory
- Housing Programs
- City Policies
- Financing Tools



The CoO LIC grant covers the yellow highlighted tasks to the left and below. This strategy will be refined as the process continues.



SWLRT Corridor Housing Strategy

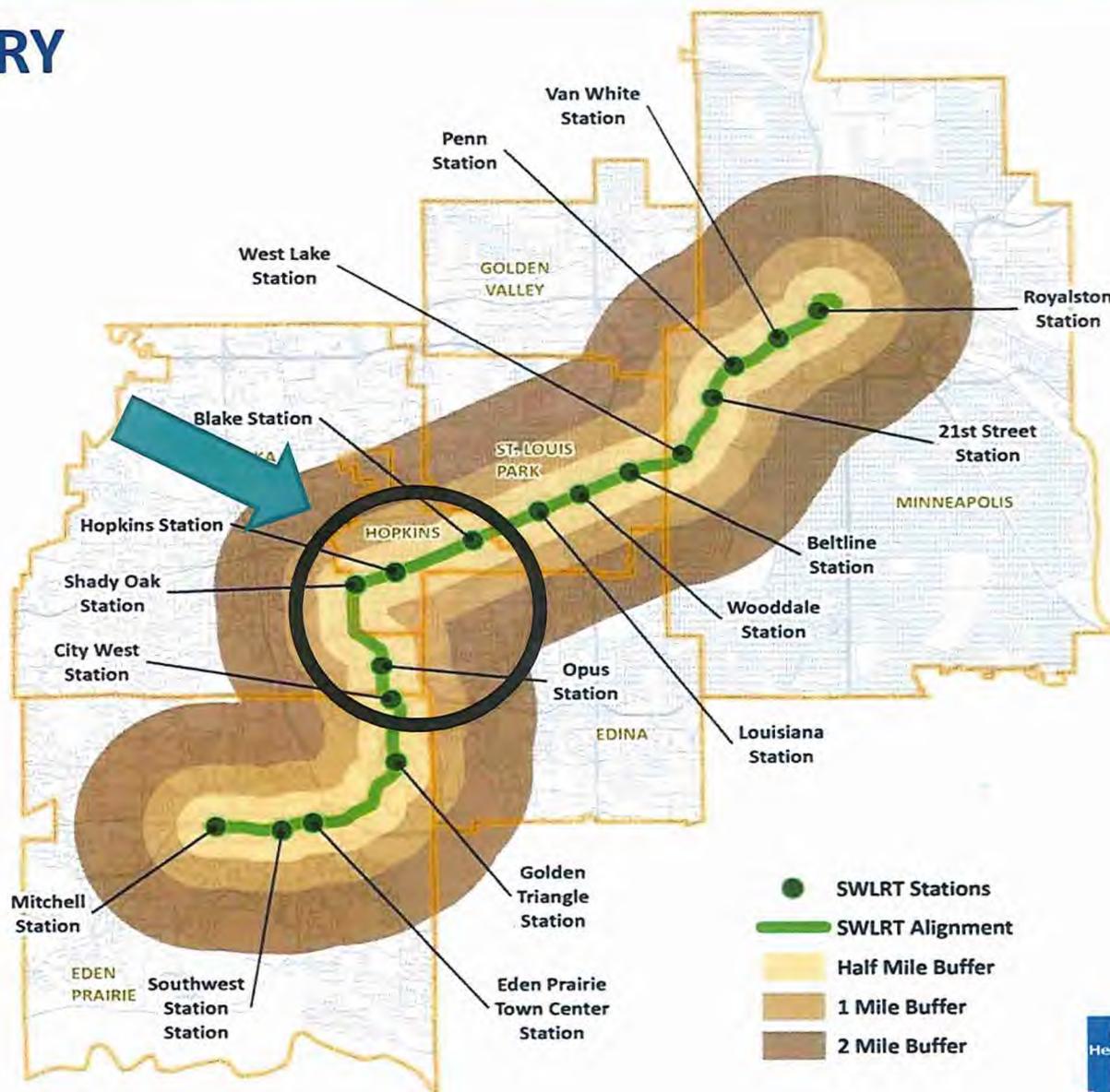


HOUSING INVENTORY

17 stations along the SWLRT Corridor analyzed together and individually

Stations by City

- Minneapolis – 5
- St. Louis Park – 3
- Hopkins – 2 + 1 share
- Minnetonka – 1 + 1 share
- Eden Prairie – 5





HOUSING INVENTORY Demographics ½-mile highlights...

- **Corridor** accounts for 4% of Hennepin Co's population and 5% of households
- **Corridor-wide** growth 2000-2010: +15% (pop) & +16% (hhds)
- **Overall Younger demographic:** 52% of pop under age 35 (25-34 large cohort)
- **Population density** highest at Blake Road Station then decreases moving west.
- **Non-White population** = 27% Corridor wide
- **Smaller household sizes** = avg. 1.83 Corridor
- **Higher % Rent Overall** = 54% of hhds. vs. 36% Hennepin Co
- **Corridor Median Income** = \$50,580 in 2012



Key takeaway:

Younger & Older Demographics are attracted to the SW Cities & LRT.

- What kind of housing types do these demographic cohorts desire and need to live in the corridor with access to LRT?
(Gaps Analysis)



HOUSING INVENTORY Employment

½-mile highlights...

- 107,200 corridor-wide jobs | 13% of all Hennepin County & 7% of all Metro Area
- 1,800 Edina Residents (9% of residents working) are employed within ½ mile of the SW LRT Station Areas.
- 14% of corridor jobs - Professional, Scientific & Technical Svs jobs
- Higher wages & educational attainment than Metro Area avg.
 - 52% earn more than \$40,000/year vs. 47% in Metro
 - 31% with a bachelor's degree or higher vs. 28% in Metro Area



Key takeaway:

SW Corridor is Job Rich

- What kind of housing do current and future workers choose or need? (Gaps Analysis)



SWLRT Corridor Housing Strategy



HOUSING INVENTORY Education Highlights...

Public School Districts:

- **Enrollment:** Minneapolis (31,750 students) | Edina (8,244 students – 9% open enrolled; one of the lowest rates)
- **Minority students:** Minneapolis (65%) | Edina (17%)
- **Free/reduced lunches:** Minneapolis (64%) | Edina (9%)
- **4-year graduation rates:** Edina (93%) | Minneapolis (47%)

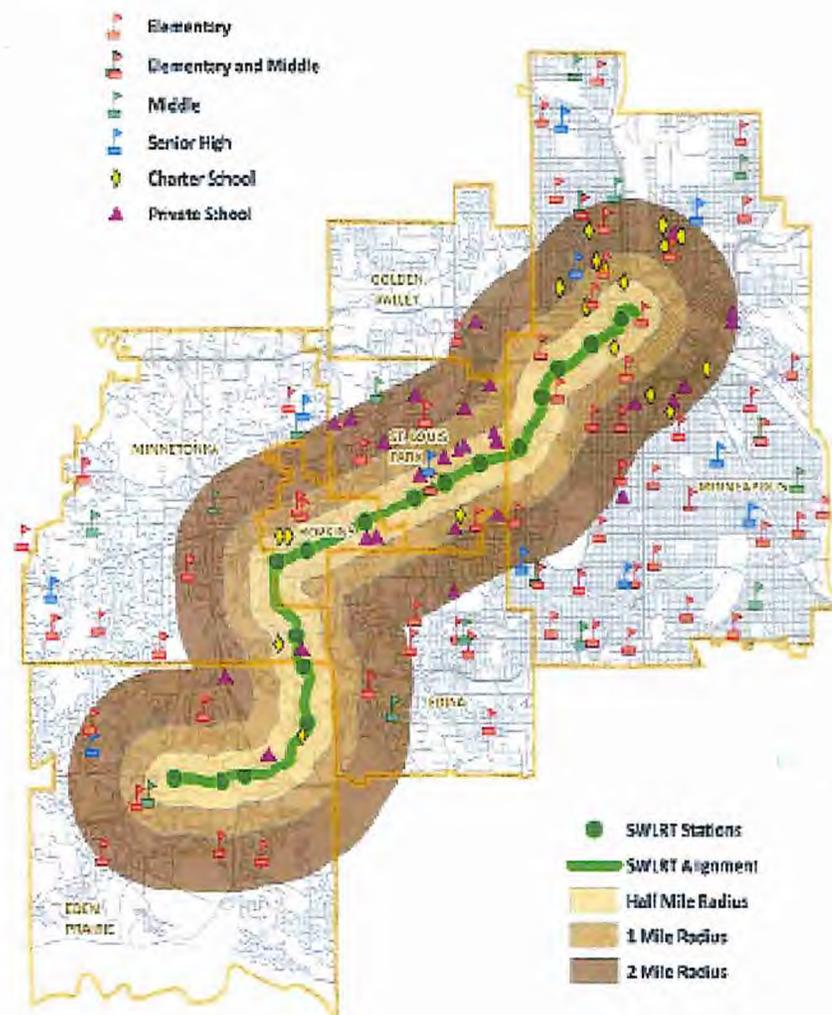
Private and Charter Schools:

- 28 private schools with 7,900 students within 2-miles of transit stations

Schools within ½-mile of stations...

- Public – 4
- Charter – 7
- Private – 10

SWLRT Schools





Key takeaway:

SW LRT will be accessible (1/2 mile) from several public, private & charter schools

- Are there opportunities to attract a new student population to the corridor due to the new accessibility? (Gaps Analysis)

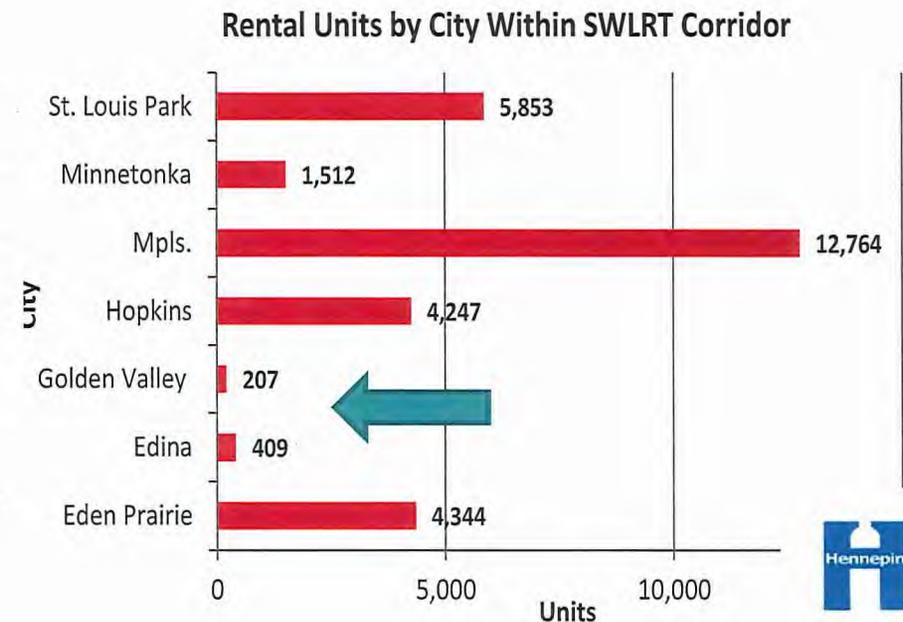
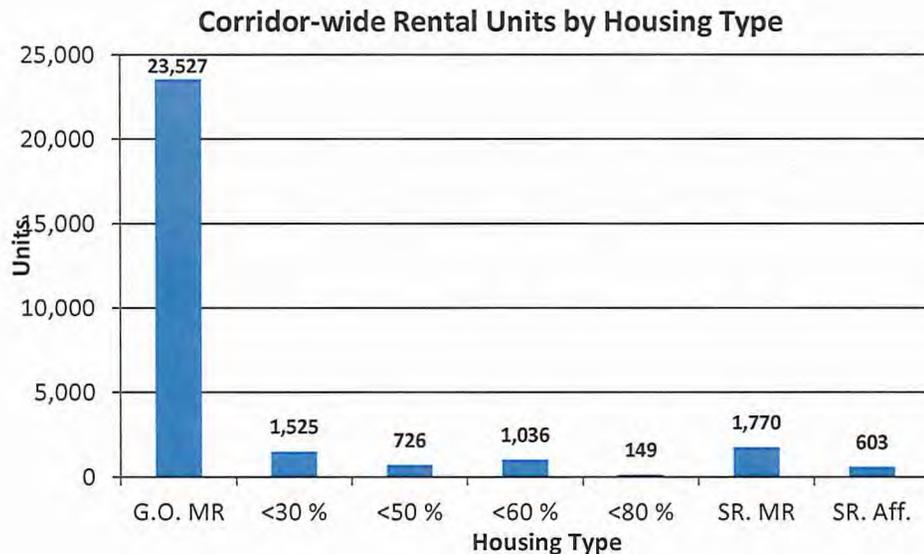


SWLRT Corridor Housing Strategy



CORRIDOR HOUSING INVENTORY Rental Housing Highlights

- 29,300 rental units | 401 properties
- 80% of units are general occupancy market rate | 11.7% subsidized affordable | 8.1% senior
- Minneapolis accounts for 43.5% of all units; **Edina 1.4% - 4 projects closest to Louisiana and Hopkins Stations – 2 General Occupancy, 2 Senior - 29 units affordable**





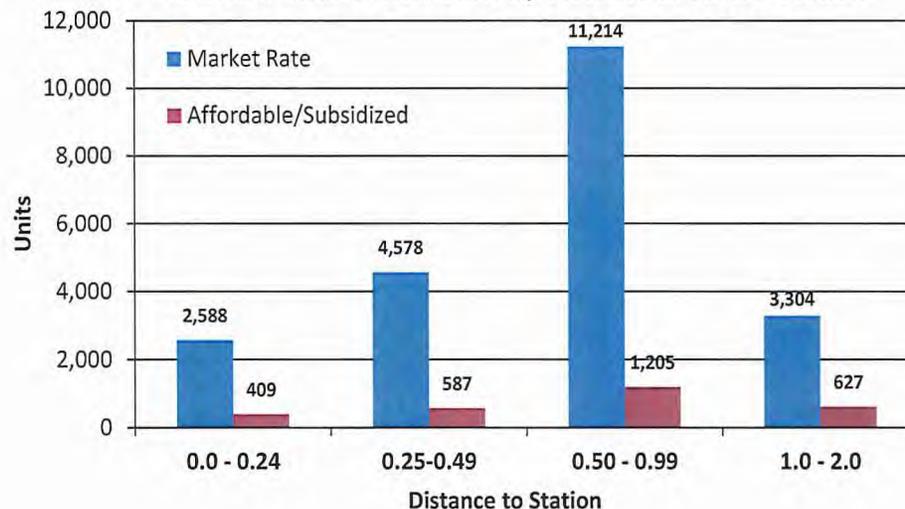
SWLRT Corridor Housing Strategy



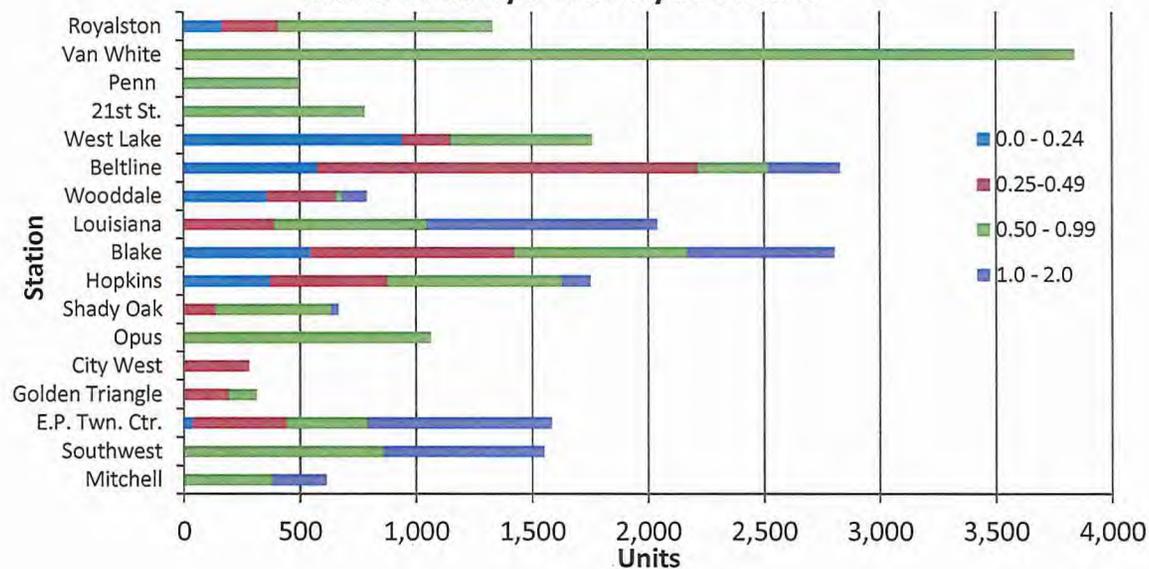
Rental Housing Highlights.....

- 12% of units | < 1/4 mile of proposed stations
- 51% of units | 1/2 to 3/4 miles of proposed stations
- 84% of units | 1-mile or less of proposed stations
- Only 5 stations have rental housing within 1/4 mile of the station
- 6 stations have no rental housing units within 1/2-mile of station

Corridor-wide Rental Units by Distance to SWLRT Station



Rental Units by Proximity to Station





SWLRT Corridor Housing Strategy



Rental Housing Highlights.....

Corridor-wide Affordability (1/2-mile):

- 34% of HHDS < \$35k
- 50% of HHDS > \$50k

Naturally Occurring Affordable Housing:

- High proportion of market rate rentals have “affordable rents” primarily because they are older
- 71% of projects & 53% of total units were built prior to 1980
- 2 of the GO rental projects in Edina offer a mix of the naturally occurring affordable rents.



TABLE HI-13
SUMMARY OF MARKET RATE GENERAL-OCCUPANCY MULTIFAMILY RENTAL PROJECTS
SWLRT COMMUNITIES
2012

	Projects w/ Rent info.	Units w/ Rent and 50%-80% AMI				MR Units > 80% AMI
		50%	60%	80%	Total	
Market Rate ("MR")						
Eden Prairie	12	728	1,186	725	2,639	176
Edina	2	108	9	101	218	0
Golden Valley	2	0	32	63	95	30
Hopkins	26	1,673	361	409	2,443	0
Minneapolis ¹	89	1,969	1,100	1,008	4,077	1,372
Minnetonka	8	72	752	544	1,368	55
St. Louis Park	38	2,217	773	731	3,721	342
Total	177	6,767	4,213	3,581	14,561	1,975

Note: Market rate projects only; excludes affordable/subsidized and senior housing projects.

¹ Minneapolis is for one-mile buffer

Source: Maxfield Research Inc.



Key takeaway:

Limited rental housing options within 1/4 mile of proposed stations

- Are there ways to improve connections to existing housing and provide added bus service for those outside the 1/4- 1/2 mile boundary? (TSAAP)
- What kind of housing is needed and where to provide more choices in close proximity to stations? (Gaps Analysis/TSAAP)

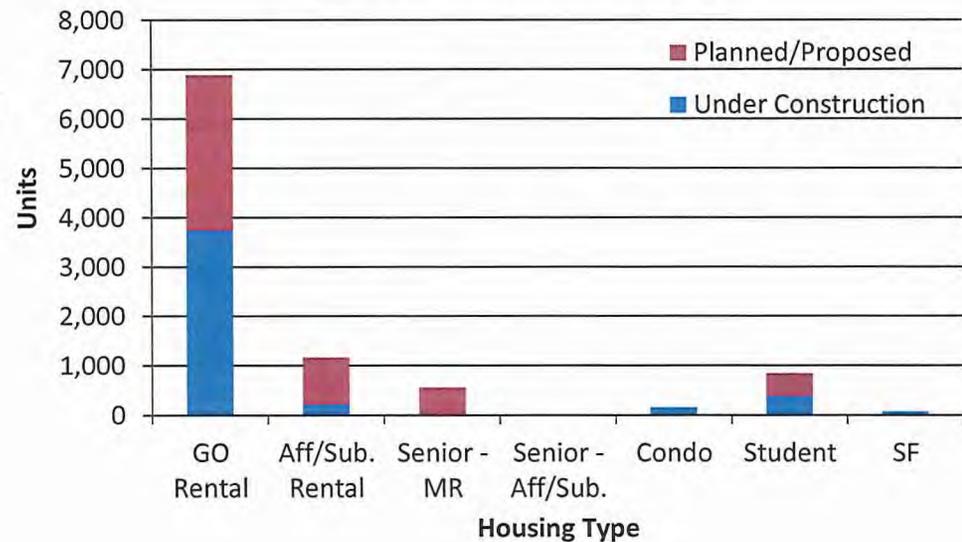


CORRIDOR HOUSING INVENTORY

Development Pipeline:

- 9,700 units in pipeline (4,200 units after excluding projects closer to other LRT stations)
- 70% is G.O. market rate rental | 12% affordable/subsidized
- 80% of units in Minneapolis
- Only 20% are within ½-mile of stations

Pipeline Summary by Housing Type





Key takeaway:

Development pipeline is led by the luxury sector

- How do we get a mix of housing to meet the needs of current residents & new people who want to live/work along or near transit? (Gaps Analysis)



HOUSING INVENTORY

Review of city plans and policies

Seven jurisdictions:

- Corridor cities have adopted policies to address SWLRT potential markets
- Policies support higher-density and mixed-uses along the Corridor
- Some cities have potential competing interests in their development policies
- Most plans were prepared in early to mid- 2000s
- Mix of housing policies across the corridor

Financial tools review

- MN tools are limited compared to other states specifically related to TOD
- Important to seek new tools to assist with TOD development

*The number and type of programs vary significantly from city to city along the SWLRT Corridor. While the Cities of St. Louis Park & Minneapolis offer numerous housing programs (17+); Golden Valley and **Edina** offer very few.*



Key takeaway:

An array of city housing policies are evident along the Corridor

- Are there opportunities for collaboration and the potential to strengthen tools that are targeted at station areas? (Gaps Analysis)



Next Step Corridor Wide Housing Strategy: Gap Analysis

Four Proposed Work Tasks:

1. Review & Answer Questions
2. Seek Input
3. Summarize
4. Provide Recommendations

Due to the LRT Opportunity –

- What are the Housing Needs?
- What are the Preservation Needs?
- What is Missing to ensure a “Full Range of Housing Choices”?
- What are the Housing Development Opportunities?
- What Tools & Strategies might be most helpful in “Closing the Gap”?
- What is most impactful for Federal New Starts?



A “gap analysis” is the difference between the current housing stock (supply) and projected housing demand along the SW LRT Corridor. In addition it is an exercise to consider the current path, the preferred path and the difference between the two.



Additional Corridor Housing Committee Work:

- Present/Gain Feedback from SW Corridor City Leaders – Councils, EDA, Planning Commissions, HRAs.
- Develop Proposed Corridor-Wide Tool & Strategies & Review with SWCW/Cities
- Connect to the TSAAP work
- Monitor & Shape Gap Analysis Work
- Present Corridor-Wide Strategy for SWCW Consideration – Seek Input from Cities



SWLRT Corridor Housing Strategy



www.southwesttransitway.org

Questions & Comments

<http://www.southwesttransitway.org/dmdocuments/SW-Housing-Inventory-Final.pdf>