

Comprehensive Housing Strategy

OCTOBER, 2007

City Quality of Life Statement:

Coon Rapids offers a unique combination of urban excitement and small town friendliness with many opportunities for both work and play.

The city has a strong interest in developing and preserving the amenities that make suburban living a pleasure. There are a wide range of housing options and recreational activities. Coon Rapids offers an interesting variety of restaurants and shopping areas, plus a broad range of churches and community organizations.



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City of Coon Rapids Housing Strategy

Introduction

Purpose of Study:

The City of Coon Rapids, in partnership with the Coon Rapids Mortgage Assistance Foundation, commissioned this study of the City's housing needs, current policies and programs in the fall of 2006. The purpose of the study is to provide a summary and review of Coon Rapids's housing that will become the foundation for a comprehensive housing strategy intended to efficiently target the city's limited housing resources.

It is important that the housing programs provide an effective return to the Coon Rapids community by stabilizing and expanding neighborhoods, establishing positive market values, and creating a balance and diversity of the housing supply. The intent is to provide direction and describe a framework to assist city staff in program implementation. In addition, it will provide goals and policies to incorporate into the 2008 update of the City comprehensive plan. Finally the programs and strategies will enable the City to achieve its long range housing goals identified by the Metropolitan Council Livable Communities Act.

The Housing Strategy was prepared by Cathy Capone Bennett and Dennis Welsch working with Barsness Consulting Services, Inc. Both Cathy and Dennis have a broad range of experience in local government housing program management, community development and planning. In addition, the market assessment was prepared by Maxfield Research. (Refer to Attachment 5 - Summary of Qualifications).

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 - i. Housing type, age, valuation changes
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- i. Summarized the existing City, County, Regional & State housing resources. Evaluated the effectiveness of the resources in Coon Rapids including the number of program dollars invested and housing value changes if available. The evaluation reviewed how these programs have improved the housing stock in the City and what can be done to increase the effectiveness of the programs.
- ii. Summarized the housing programs of like-communities and outlined what Coon Rapids can learn from the program in other communities.
 - 1. Coon Rapids compared with Andover, Blaine, Bloomington, Brooklyn Park, Plymouth, Richfield & St. Louis Park
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- ii. Identified service gaps which hinder the achievement of the Coon Rapids housing strategies.
- iii. Identified strategies and the delivery of the programs
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Section 1. Executive Summary & Final Strategy Recommendations

The City of Coon Rapids, located approximately 15 miles north of Minneapolis & St. Paul along the Mississippi River, was incorporated in 1959. Prior to being a City, the boundaries of Coon Rapids as a township have dated back to the 1800's. Not unlike many other older suburbs, the housing stock, 47% built before 1980, as well as the residents, 39% are over the age of 55, are ageing. With this age brings challenges; deferred housing maintenance, declining school enrollment, neighborhood change, and ageing infrastructure. However, with any change, there are opportunities to improve the housing stock and have the vision to shape the community for the future. Coon Rapids is a diverse community with a variety of housing stock, quality open space and parks, built infrastructure and quality services. These quality of life components should be marketed to attract new residents.

The quality and maintenance of the housing stock in the community should not be ignored and should continually be evaluated to ensure that the housing remains competitive and marketable. Coon Rapids' residential housing supply has a value of \$5.4 billion in 2007 and represents 83% of the assessor's total market value of the City. The residential tax base covers more than 48% of the land area. It represents a substantial public and private sector investment in the community, one that eventually equates to quality of life as well as stable values and property taxes. Therefore, encouraging and enticing continued private investment in housing is a key strategy for the City. By providing public resources, strategies and programs that target the quality and preservation of its housing stock, the City is protecting its primary community asset.

Coon Rapids has a current ownership rate of 75% which is higher than many older suburbs. Since 2000 (80%), the ownership rate has been declining. This may be due in part to an increase in non-homestead single-family properties that are being rented. Quality rental housing adds a positive mix to the community and is an attractive living arrangement for many residents that are either not ready to own a home or are not financially capable of supporting a mortgage. Rental property is also affordable and many people choose to rent for their entire life for many different reasons. Also, independent seniors like quality rental housing when staying only a portion of the year in the "cold north". According the GVA Marquette Advisors' apartment trends report for the 4th quarter of 2006, Coon Rapids has an overall average monthly rent of \$831 and a vacancy rate of 5.1%. This is very similar to the Twin Cities average total rent of \$871 and a vacancy

rate of 4.7% but higher than many of the north central suburban region along the 35W and Highway 10 corridors. Continuing to ensure that the rental properties are maintained through rental licensing and inspection programs protects not only the residents who live in the units but also the neighborhood.

Notable changes in Coon Rapids demography are the decrease in households with children (17% since 2002) and the increasing amount of multi-generational households (12% of the total). Multi-generational housing typically includes a parent, child and at least one older related adult. It is defined as three or more generations living together. The average percentage of multi-generational households in many communities observed is 7% or less. This household structure allows families to come together to face various life situations, such as raising a child, caring for elders, single parenthood, and high cost of living and housing. Programs which attract families into the existing affordable homes and which evaluate how to accommodate multigenerational households will help identify and address the impacts of these changes in Coon Rapids.

In addition to age, the type of housing in a community has an effect upon how the community changes and is perceived by the market. With 63% of the housing being single-family detached (dominated by the single level rambler and split level style homes), the current households tend to age in place. In today's market, these smaller homes typically do not attract young expanding families who are looking for more two level, larger garages, and modern living options. Encouraging second level additions and modernization of these homes will strengthen and diversify the neighborhood housing stock and create new housing value.

Overall Coon Rapids has an affordable housing stock. Nearly 58% of the single-family housing units have an assessed value under \$180,000. With regards to the sale of affordable homes, there were 159 single-family and 275 owner occupied multifamily homes that sold under the Metropolitan Council affordability limits of \$201,800 in 2006. This represents only 2% of the existing housing stock. Therefore, the turnover of the affordable homes for purchase is a very small portion of the number homes of lower assessed value and the most affordable housing is the City's existing housing stock. In addition, rental apartments generally are more affordable than a mortgage with an average monthly rent of \$831 as of the end of 2006. Efforts that focus on ways to ensure that the affordable housing stock is preserved by continuing to offer lower interest renovation loans to qualified owners and providing quality standards for rental

property is essential. Loan programs and rental property licensing provide value to the community and are an important part of the "tool box" of resources for local governments to offer. In addition, the City should continue to evaluate new housing projects that provide a mix of affordability to ensure that the future housing stock remains balanced.

A recent concern of many community officials is the impact of increasing housing subprime foreclosures (about 15%). When looking at Anoka County foreclosures, Coon Rapids has the highest number of foreclosures (180) of any other City and that same trend is continuing in 2007. Even though Coon Rapids is the most populated community in Anoka County, local officials should still remain vigilant along with County and State efforts to address the vacant housing and participate as a partner when appropriate. These potential new vacant homes could be an opportunity for affordable housing purchases. However, the vacant homes may also attract investment buyers who in turn rent the homes.

One of the goals of the CRMAF is to target their programs to ensure that they are being used most effectively. In reviewing housing trends within certain Planning Areas of the City, it is evident that areas in the southeast and southwest portions of the City should be targeted. These generally are the older areas of the City and areas that are experiencing either aging in place or neighborhood change.

Like other communities, Coon Rapids has seen a housing market decline in 2006 for both single-family homes (24% decline) and multifamily (18% decline) sales. However, Coon Rapids remains a healthy market for single-family homes at all price levels. In addition, there is an increasing demand for rental housing and a high demand for senior housing. To effectively capture the demand, Coon Rapids should strategically plan for the development of the few vacant land sites (perhaps a 5 or 10 year plan) and identify key redevelopment areas where various housing styles and ranges of price points match the new household needs for locating near transportation, shopping, schools and recreational areas.

The City of Coon Rapids' existing programs are well managed and adequately funded with key policies and procedures in place to ensure that the investment of loan funds into the community are being well spent. The use of the loan programs in 2005-2006 are fairly well distributed throughout the community with higher use of the programs in the planning areas that need the assistance. In addition, most

properties using the funds have experienced an 8-12% increase in valuation which is higher than the average 2-4% valuation increase over the past several years.

Looking at what similar communities provide to address housing issues, Coon Rapids should evaluate the following:

- 1.) providing assistance in both technical and financial resources to encourage larger renovation to older homes;
- 2.) targeting areas within the City with a proactive, city-wide integrated focus on addressing code violations; and
- 3.) reducing severe code violation issues through the use of either disclosure or mandating repairs prior to sale.

Other communities have effectively incorporated these programs into their housing "tool box" to reduce the negative effects of deterioration and provide incentives for private investment in the community.

To address these issues, there are 12 suggested key housing strategies that also tie back to the City's comprehensive plan goals. Each broad strategy includes an implementation plan and suggests what may be needed operationally to ensure success. The overall recommended housing strategies include:

- 1.) increasing the level of renovation and ensuring quality maintenance;
- 2.) strengthening connections and communication regarding housing programs and issues both internally (cross-departmental) and externally (schools, colleges, faith based entities, social services, realtors and bankers); and
- 3.) strategically evaluating future housing development and redevelopment areas being mindful to providing housing diversity both in type and price points and ensuring that linkages to existing community resources are in place such as transportation, shopping, recreation and education.

Most important to any housing strategy is to dedicate an efficient amount of financial and staff resources to implement the strategies on a consistent basis with public official and community support.

To help ensure success or at least provide a roadmap for success, the City should develop benchmarks to gauge the effectiveness and level of activity of the programs on an annual basis. Modifying and adjusting the programs to meet the

needs of the community and market are important components in the performance process. While the model suggested is a sample of performance measurement, the City should carefully consider achievable results with the understanding that public housing policies need both the actual numerical achievements as well as quantitative measures, which often times are more meaningful to the overall community benefit.

Section 2. Consider the City's Current Housing Needs

Coon Rapids Housing Statistics & Demographic Profile

In the process of understanding what the community housing needs are, first it is important to review the housing stock and its condition as well as provide a profile of who is living within the community. The evaluation includes reviewing the resident age, ethnicity, household socio-demographic structure, incomes and occupancy status. The study also includes a summary of the foreclosure status in Coon Rapids as this is a growing dilemma in recent years due to the slowing of the housing market and implication of subprime loans provided to households with limited growth in income.

The housing and neighborhood conditions and characteristics will have an impact on resident retention and attraction. The number of housing units, types of units, age of the structures, condition of the units, investment in renovation and construction as well as value and cost of housing are all factors that help determine the make-up of the housing and neighborhoods within the City.

The information in this section is provided from a variety of sources including the 2000 Census, Anoka County value and type records, Metropolitan Council, City building permit records, Excensus (enhanced Census data 2002-2006) and Maxfield Research. In addition, the study provides a summary of some of the Excensus data categorized within seven planning areas in the City as identified on Map 1. Evaluating the information by planning area will help to identify trends and areas of concern so that the City can focus their financial and staff resources to help areas remain in quality condition and reduce neighborhood decline.

An important part of understanding the composition of the community is to compare itself with other similar cities. The study includes the comparison of Coon Rapids to seven other cities. These cities were chosen because they are within the same market area, are in the same stages of development, have similar populations and housing units or have well respected and tested housing programs. In addition, the City has compared itself with many of the communities in the past.

The following is a summary of the data compiled from these sources as well as the consultant's observations regarding the data and its impact on the City's future housing strategy.

Housing Characteristics:

In 2007, there are 24,171 housing units in the City of Coon Rapids of which 47% of those units were built before 1980 and are more than 25 years old. The median year by which 50% of the units of the housing structures were built in Coon Rapids was 1982. (Refer to Map 2 - Decade of Housing Construction)

Various indicators in 2000 in Coon Rapids, MN

Indicator	Coon Rapids, MN
	2000
Pct. of housing units built from 1995 to March 2000	7.8%
Pct. of housing units built from 1990 to 1994	15.2%
Pct. of housing units built from 1980 to 1989	31.8%
Pct. of housing units built from 1970 to 1979	16.3%
Pct. of housing units built before 1970	28.8%
Pct. of housing units built before 1950	2.0%
Median year structure built	1982

Coon Rapids homes over 25-30 years of age (about 54% or over 13,300 units) require some level of maintenance and repair as well as modernization to remain positively valued. One of the most significant issues associated with neighborhood decline is deferred maintenance of homes and street appeal.

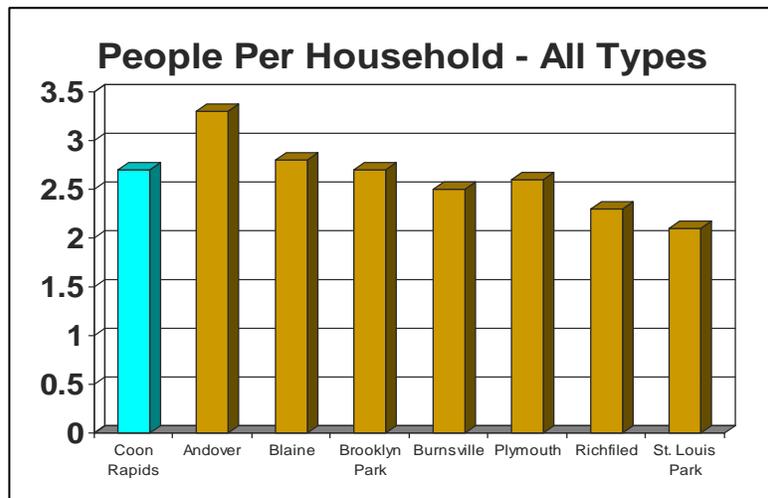
Most recent (2006) Excensus data indicates that approximately 75% of the housing in Coon Rapids is owner occupied which is a 5% decline in ownership compared with 2002 at 78% and a decline from the Census of 80.3% in 2000 and 77% in 1990. In addition, 2006 Excensus data identified that there is an average for all households of 2.86 people per household compared with 2.7 in 2000 based upon the Census. This increase may be attributed to the larger than average number of multi-generation households (now at 12% of total) in Coon Rapids compared with the average 7% in other communities.

The 2006 Excensus numbers indicate that Coon Rapids rental units make up 22% (compared to 21% in 2002 and 20% in the 2000 Census) of the total number of units with an average 2.31 people per household. The increase in rental units may be a factor of the number of ownership housing being rented instead of owner occupied. As observed in other markets, as the housing stock ages and the value of homes decline, a homeowner may find it more attractive to move into new housing and rent the existing home. In addition, homes that have a market value or are sold for under \$225,000 become an attractive product for investors to purchase

for rental property. In 2007, there were 1,568 (7%) non-homestead single-family detached homes. Generally these single-family non-homestead properties are very scattered throughout the City. However, there are some clusters of properties in some blocks located within planning areas 5 and 6 of the City (Refer to Map 3 - Non-Homestead Residential Properties).

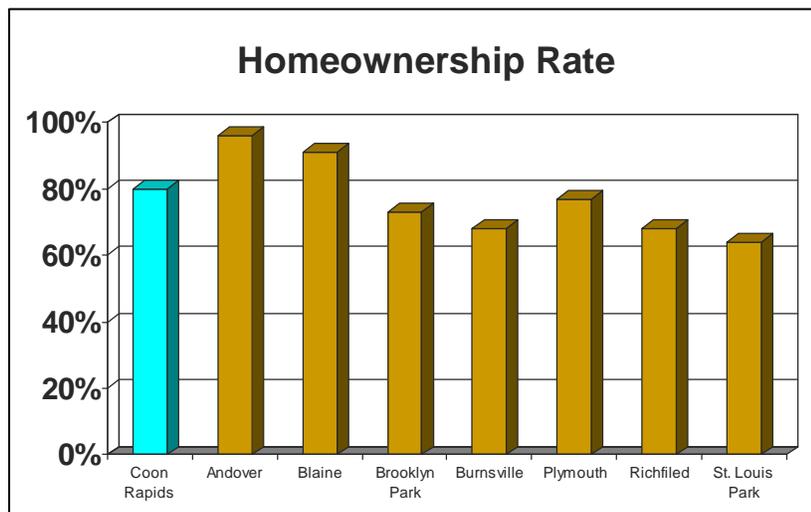
Compared to other communities using 2000 Census data, Coon Rapids has a similar or higher than average number of people per household count for all housing units.

Communities like Brooklyn Park, Blaine and Plymouth have similar numbers, whereas Coon Rapids has more people per household than Richfield, Burnsville and St. Louis Park. Andover has the highest people per household count than any other community at 3.3. A smaller percentage of multifamily housing is likely a result of the higher people per household count.



In 2000, Coon Rapids had one of the higher homeownership rates (80.3%) compared to other communities surveyed with the exception of Blaine at 90.6% and Andover with the highest at 96%.

A higher homeownership rate is a result of the amount of single-family detached housing compared to multifamily housing units. In ownership units the count of persons per unit is higher.



Types of social-demographic households:

Excensus 2006 data indicates that the most significant percentage of Coon Rapids households includes 2 adults at 38.1%, followed by 2 adult households with children at 18%. However, household with 2 adult and children saw a decline of 8% from 2002 and households with just 2 adults only saw a decline of 1% since 2002.

In Coon Rapids, the single parent household is only 2.9% of the total households and this category has declined by 17% since 2002.

Household Composition	Households - 2006		Change 2002-2006	
	Counts	Share	Change	Percent
Source: Excensus 2006				
One adult	2,999	12.2%	(143)	-4.6%
Adult w/ child(ren)	712	2.9%	(149)	-17.3%
2+ adults	9,374	38.3%	(57)	-0.6%
2+ adults w/ child(ren)	4,657	19.0%	(401)	-7.9%
Seniors only	2,388	9.8%	337	16.4%
Senior w/ child(ren)	33	0.1%	13	65.0%
Multi-generational	3,043	12.4%	1,429	88.5%
Unknown	1,286	5.3%	459	55.5%
	92	0.4%	(51)	-35.7%
Total	24,492	100.0%	1,488	6.5%

A noticeable percentage of households in Coon Rapids however are that of the multi-generational category at 12% which typically includes a parent, child and an older related adult. Multi-generational is defined as three or more generations living together. This household structure allows families to come together to face various life situations such as raising a child, caring for elders, single parenthood, and high cost of living and housing. Although this is a national trend, the average for other communities studied by Excensus is only 7%. More significantly, this household category in Coon Rapids had an 88.5% increase when compared to 2002 at only 7%. The multi-generational household is becoming more prevalent in society today and is typically due to cultural, economic or health and age reasons such as:

- Grandparents are unable to afford existing living condition.
- Grandparents are of poor health and need physical or mental assistance.
- Parents are unable to afford a home without support from elderly or young.
- Young, single parent, needing financial and child care assistance.
- Immigrant populations and cultural differences.

Average age of householder:

Like many other communities, Coon Rapids is experiencing an aging of the population. In 2006, the largest increase in householder age was of older adults. Since 2002, householders over the age of 75 increased by 35.5%, between the ages of 65-74 increased by 33.5% and between the ages of 55-64 increased by 27.1%. With a total of 39% of the householders that are over the age of 55 and 18% of the householders over the age of 65, the increase indicates a strong demand for housing that targets this population. Only 5% of the householders are over the age of 75. These older adults are either aging in place in existing housing or living within senior housing complexes.

<u>Householder Ages</u>	<u>HHs by Older Adult</u>		<u>Change 2002-2006</u>	
	Counts	Share	Change	Percent
Source: Excensus 2006				
>= 75 years	1,134	4.6%	297	35.5%
65-74 years	3,285	13.4%	825	33.5%
55-64 years	5,110	20.9%	1,088	27.1%
45-54 years	6,276	25.6%	745	13.5%
35-44 years	4,596	18.8%	(1,143)	-19.9%
25-34 years	2,475	10.1%	(729)	-22.8%
<25 years	353	1.4%	(33)	-8.5%
Unknown age	1,263	5.2%	438	53.1%
Total	24,492	100.0%	1,488	6.5%

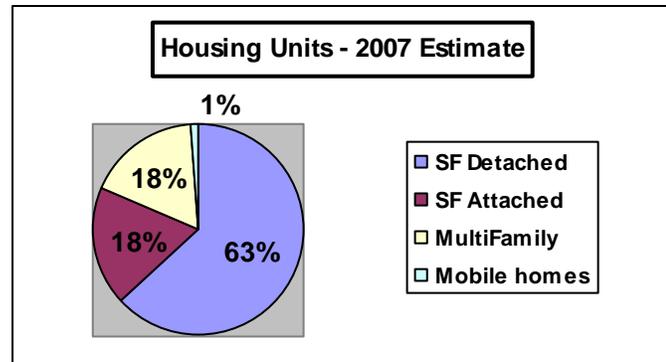
The largest percentage of the householders in Coon Rapids is between the ages of 45-54 at a total of 25.6%. Only 11.5% of the head of households are under the age of 35. The younger age groups (34-44 and 25-34) are declining more significantly than any other age group at 20% and 23% respectively.

National Trends in Ageing and How this Affects Housing Needs:

According to the *Revival of the American City* by Jill Benschly and Michael Beard, baby boomers (referred to as "boomers" by the author) - born from 1946 through 1964 (aged 43 to 61) currently account for 78 million people in the US. This is approximately 26 percent of the total population (2004). In Coon Rapids a similar age group (45-64) represents a significant amount of the total 2004 population in the City at 44.2% and the "boomer" age group is growing at 46.5% in 2006. The older of these "boomers" have adult children and are looking to downsize (many to urban, mixed use projects) while the younger ones have families and children. The "boomers" have an impact on most housing trends in this country. Nationally, 24.9 percent of households have 2 parents and children but this is continually declining. This was the prime driving market for construction of single-family detached housing units in many cities. In Coon Rapids households with 2 parents and children represents approximately only 19% of the 2006 population which is a decline of 8% over the past 5 years. Today, American women have less than 2 children; prior to 1960 they had 3.5 children. Smaller households and singles (young and old) now constitute 27 percent of the national households. "Boomer's" children (now aged 11 through 39) are forming their own households (some with parents financing), looking for rental housing and buying into more sophisticated urban, mixed use projects in the inner cities close to their work sites. This has an impact on suburban cities as the traditional single-family neighborhoods age and the new market for housing does not match with the older available housing stock. Cities should evaluate new housing opportunities that target the "boomer" children in development and redevelopment areas.

Housing Type:

Based upon 2007 estimates, there are a total of 24,171 housing units in the City of Coon Rapids. The majority of housing units (63%) are single-family detached homes. Multi-family units (defined as three or more units within one building and includes condominiums, apartments, senior units and quads) and single-family attached (mostly town homes and duplexes) make up 36% of the total housing units. The remainder is mobile home units at 1%.



The dominant housing type has a significant impact on the type of households that reside within a community. In Coon Rapids, the majority of the single-family detached homes are single level rambler style and first generation split level homes. At the time when these homes were constructed they were primarily occupied by families. However, as housing styles changed and family preferences for larger homes and more modern multiple levels homes became apparent, the older style homes became less attractive to growing families. Ramblers and one-level living are now very popular with the empty nester and ageing baby boomer generation. This age group tends to stay in the one-level home much longer and "age in place" rather than move to a different style home. Due to a large supply of one level homes, the regeneration of housing from empty nesters and older adults to new young families is a much longer process. (Refer to Map 4 -Housing Style Map)

Conversely, two and three story single-family detached homes tend to continue to be occupied by families with children. When these homes are resold they attract family buyers rather than empty nesters who envision a longer term investment with one-level living, less maintenance and fewer steps.

Town homes tend to attract a younger professional market or empty nesters. Multi-story condominium homes, where there is an elevator, attract older adults, empty nesters and young professionals. Rental apartments are typically the most affordable option and tend to attract those recently entering the workforce, single occupant and young working families.

Housing Affordability and Cost Burden:

What is affordable housing?

There are several different definitions of affordable housing. The definition most frequently cited and evaluated against in this report is that housing is affordable if households do not pay more than 30% of their income on housing costs. (Defined by the Federal Housing and Urban Development or "HUD"). The housing cost includes not only a mortgage or rent but also real estate taxes, insurance and utilities. When households have incomes at or below 80% of the AMI home ownership becomes a challenge. This household group tends to pay more than 30% of their income on housing and has less disposable income to pay for other goods and services such as clothing, food, child care, transportation and medical expenses. In addition, those residents with lower incomes have significantly fewer housing choices to meet their family needs.

In 2007 according to Metropolitan Council, a home with a value of \$206,800 or less is considered affordable to persons with incomes at or below 80% of the (AMI). According to the Minnesota Housing Finance Agency (Minnesota Housing), qualifying households can access low interest, first time homebuyer mortgage funds for housing with a maximum purchase price of \$298,125. Based upon these figures, the majority of Coon Rapids' housing stock is affordable.

However, many housing advocates indicate that the Metropolitan Council and Minnesota Housing home value limits provided for public financing assistance are too high and would be out of reach for many families earning less than 80% of the AMI. According to income limits calculated by HUD for the Twin Cities area, a family of 4 has an income at 80% of the AMI at an annual wage of \$63,000. Using the standard definition of affordability that a household should not pay more than 30% of their total income for housing, a household earning a salary of \$63,000 can only afford \$1,575 monthly payments toward housing costs (mortgage, taxes, and insurance plus utilities). Therefore, a household earning \$63,000 annual salary can only afford a home valued less than \$185,000. Considering a 10% down payment, a 30-year mortgage at 6.5% interest will require monthly payments of approximately \$1,500. This amount is well below both the Met Council and Minnesota Housing's affordability home limit.

Affordable rental property should serve those households with incomes at or below 50% of the AMI. Fair Market Rent (FMR) limits are annually established by HUD. Comparing the FMR limits with the average rent for the City in 2006, Coon Rapids average monthly rents are generally below the limit for studio and larger units but above the limit for 1-2 bedroom units.

HUD Fair Market Rents Compared with the City of Coon Rapids Average Rents Per Unit Type (December 2006)				
Type	Studio	1 BD	2 BD	3 BD
FMR by HUD	\$600	\$707	\$858	\$1123
Coon Rapids*	\$583	\$720	\$861	\$995
	Below	Above	Above	Below
*Source: GVA Marquette rent surveys for 70% of the units in CR				

Housing agencies are establishing new benchmarks and goals for achieving housing affordability. In January 2006, The Metropolitan Council released goals for the production of new affordable housing in the metropolitan region for 2011 - 2020. Those goals will focus on households earning at or below 60% of the AMI to more effectively target those lower income households having limited financial resources. A household of four with an income at or below 60% AMI earns up to \$47,100 and can afford to purchase a home at or less than \$152,000. This will be very difficult to achieve for ownership housing in suburbs such as Coon Rapids.

The Metropolitan Council has established a need for 200 new affordable housing units to be created in Coon Rapids between 2011 - 2020. New affordable units are defined as ownership or rental housing affordable to households earning at or below 60% AMI. Considering that ownership housing would require a purchase price at or less than \$152,000 in 2007, Coon Rapids will need to consider a wide variety of housing options to achieve the Metropolitan Council's forecasted need.

Coon Rapids Housing Values:

Looking at the assessed value of housing in Coon Rapids, there appears to be a healthy supply of single-family housing considered affordable by Metropolitan Council criteria of \$201,800. Based upon data available, nearly 58% of the single-family housing units have an assessed value under \$180,000. And another 25% have a value between \$180,000-\$239,000. That leaves more than 8% of the

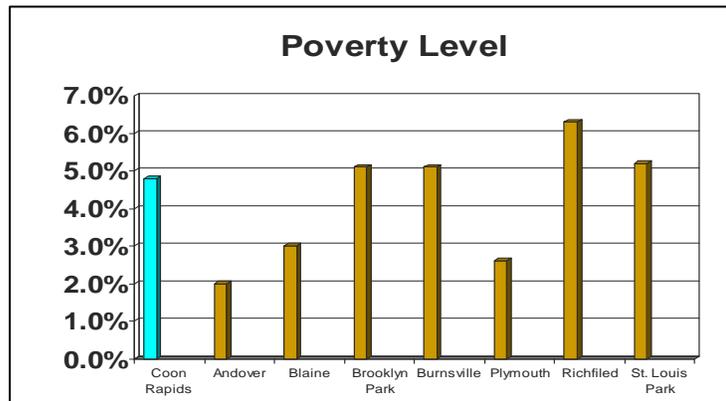
single-family housing units with a value over \$240,000 and unaffordable to those with incomes at or below 80% of the AMI. .

With regards to actual turnover (homes available for purchase) of affordable homes, 159 single-family homes (28% of all resales) were sold under the 2006 Metropolitan Council affordability limits of \$201,800 and 275 units (85%) of multi-family housing units were sold under that same affordability limit . (Refer to Attachment 1 - Market Assessment Report).

Affordability in Coon Rapids:

Even though the majority of existing homes in Coon Rapids are affordable, there remain affordability issue with regards to who can afford the moderately valued homes and the supply of available affordable homes.

According to the 2000 Census data, 4.8% of the Coon Rapids' population lives in poverty. The federally defined poverty level for a family of four with two children is \$16,895. Compared to other similar communities Coon Rapids' rate is higher than Andover, Blaine and Plymouth but lower than



Brooklyn Park, Burnsville, St. Louis Park and Richfield. Andover has the lowest poverty rate of 2% and Richfield has the highest poverty rate of 6.3%. In addition, 33% of Coon Rapids households (approximately 8,000 households) have incomes below 80% of the AMI. Of those households with incomes below 80%, 44% (3,500 households) have a housing cost of more than 30% (called a "housing cost burden) of their income for housing. This represents 14% to 15% of the total households in the City with a housing cost burden. In addition, 5% (1,200) of the total city households have a severe housing cost burden. A household has a severe housing cost burden if it spends 50 percent or more of its income on housing.

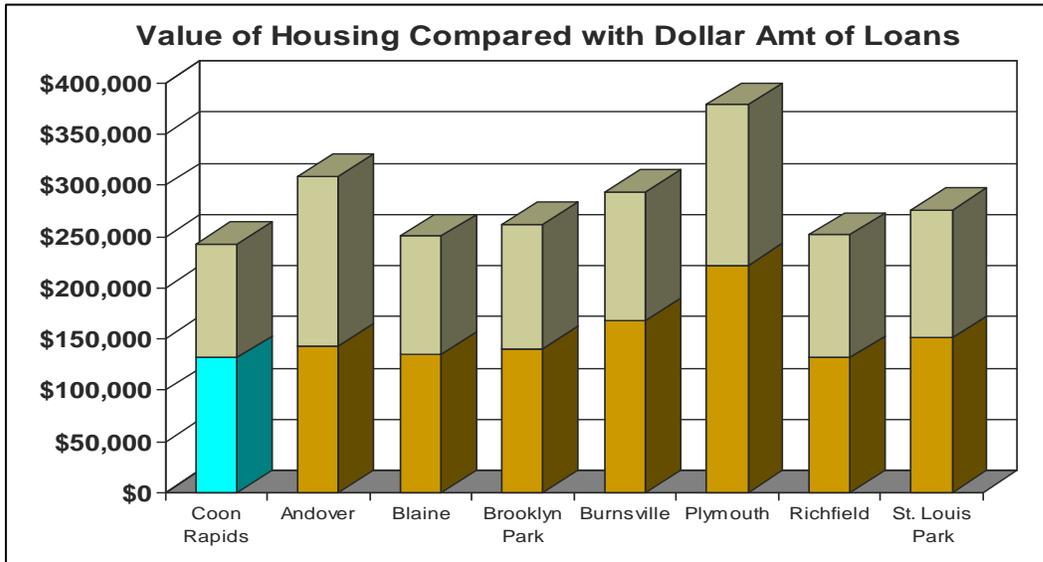
Compared to other communities, Coon Rapids households have a housing cost burden similar to Brooklyn Park, Blaine and Richfield. St. Louis Park, Burnsville and Plymouth all have higher severe housing cost burdens of 50% or

Cost Burden Indicators in Various Places - Census 2000	Indicators		
	HHlds w/income 0-80% of the area median with severe housing cost burden	HHlds w/income 0-80% of the area median for cost burden calculation	HHlds w/income over 80% of area median for cost burden calculation
Coon Rapids	1,189	7,578	14,921
Andover	383	1,238	6,863
Blaine	762	4,722	11,107
Brooklyn Park	1,723	8,812	15,624
Burnsville	1,617	7,518	16,154
Plymouth	1,133	5,144	19,639
Richfield	1,132	6,682	8,346
St. Louis Park	1,733	7,872	12,830

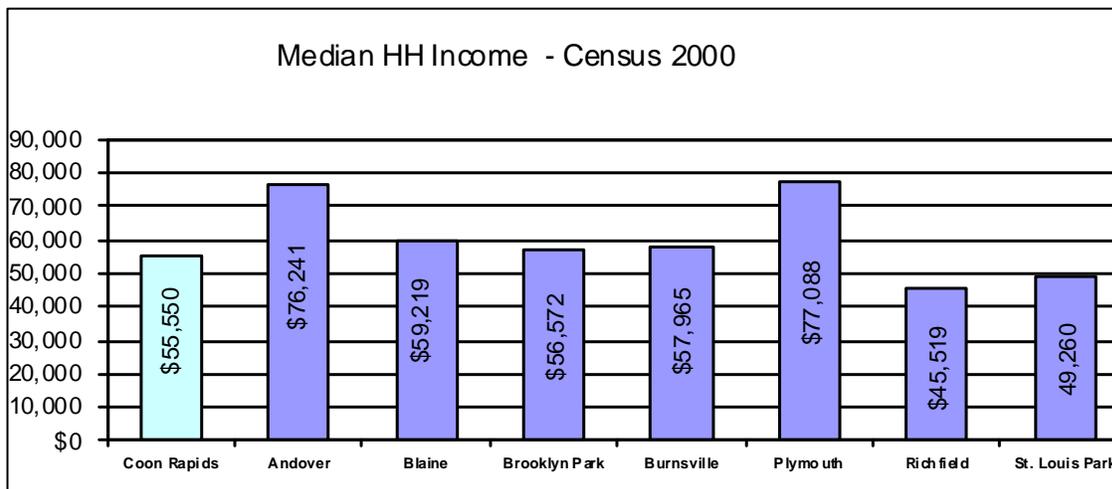
more. This could be due to the age of the housing stock, overall value of homes and diversity of housing stock in those cities. Coon Rapids has the lowest average dollar amount of initial housing mortgage loans at \$111,024 compared to other communities with the highest being Andover. As indicated by this comparison, Coon Rapids residents are paying the least amount for a mortgage and have a housing cost burden lower than that of most other cities.

Mortgage Amounts Compared to Income – (Census 2000)	Indicators	
	% of HHlds w/income 0-80% of area median income with housing cost burden	Av. Dollar amt. of loans for home purchased of 1 to 4 family units
Coon Rapids	48.7%	\$111,024
Andover	57.4%	\$192,735
Blaine	48.7%	\$115,497
Brooklyn Park	48.1%	\$121,055
Burnsville	53.4%	\$124,895
Plymouth	56.3%	\$156,454
Richfield	45.3%	\$119,735
St. Louis Park	52.5%	\$124,713

Coon Rapids average housing value is the lowest compared to the other cities at \$131,659.



Also, Coon Rapids residents have the one of the lowest median household income compared with other like cities. This could be in part due to the large number of older households with fixed incomes of social security and meager pensions. However, the majority of older households have paid off their mortgages to enable them to live in their existing home longer with limited income.



The existing housing units in a developed community like Coon Rapids are the most affordable housing in the community. In terms of number of affordable units, they may easily meet the Metropolitan Council guidelines. However, if these affordable units are not on the market and "available" to new families, there is a supply shortage of affordable units.

The challenge of the City over the next 5-10 years is to continue to provide a range of programs that encourage continued reinvestment as well as provide for opportunities for balanced neighborhoods in housing price, product and people. That balance ensures that neighborhoods have a variety of new families, aging families, and older adults. By ensuring that there is an adequate supply of quality housing and a range of housing opportunities, there is a better chance to attract a "buy-in" by a mix of people, ages, and families that make neighborhoods and a community strong and vibrant.

Home Foreclosure Status:

The increase in home foreclosures has become a community concern over the last few years and counties across the Twin Cities and the nation have begun to evaluate the number of forecloses much closer.

For 2006 Anoka County foreclosed on 844 properties. Coon Rapids was the highest of any city in the county with 180 foreclosures (21% of the total for the County). The three highest cities with foreclosures are Coon Rapids, Blaine, and Andover with a total of 435 (56% of the total) of all foreclosures in the county. In the first quarter of 2007 the number of foreclosures in the county is 352, with Coon Rapids again being the largest contributor in the county with 74 properties (21% of the total). This is partially attributed to the fact that Coon Rapids is also the largest and one of the oldest cities in the county. (Refer to Map 5-Foreclosures)

As a comparison, Ramsey County in 2006 saw a much higher amount (1,400) in the foreclosure process, but only 375 (27%) had gone through the entire process and sold, so far. Using this same percentage, Coon Rapids could see a total of 68 properties that are sold through the foreclosure process (the total reported foreclosures of 254 with 27% sold).

What does this mean to Coon Rapids? According to assessors, while there may be **more** houses on the market in the near future, there will be **fewer** buyers, since the subprime market will be highly regulated, and the buyer must "prove" that they have the income in order to qualify for any type of loan. Hence in Coon Rapids, it is possible that some housing values may decline and some homes may go unoccupied and not be maintained properly for a period of time, potentially putting more burden on codes staff and increasing the potential for neighborhood housing decline. In the first quarter of 2007, 74 foreclosed homes were sold. The highest percentage of homes sold (53% of the total) had a value between \$150,000-\$210,000. These price ranges, where the largest percentages of homes are foreclosing, are affordable homes. Therefore it can be concluded that those with lower incomes who purchase homes that are affordable are at the highest risk of losing their home through foreclosure. (Refer to Map 6 - Sherriff's Sale Prices). However, these potential newly vacant homes could be an opportunity for affordable housing purchases. Conversely, the vacant homes may also attract investment buyers who in turn rent the homes.

Nationally, 30% of all homes have no mortgage while 5% of all mortgages (approximately 3,000,000) are sub-prime mortgages. Less than 10% of these sub-prime mortgages have actually foreclosed. Unemployment causes about 40% of the sub-prime foreclosures; divorce and illness are the other big causes of sub-prime foreclosures. Consequently, reduced employment in a community with many sub-prime loans may be more at risk of foreclosure. Thousands of people in Minnesota have lost, are in the process of losing or soon will lose their home to foreclosure.

New subprime lending legislation will require that lenders verify a borrower's reasonable ability to pay a given loan. It will prohibit "churning" - the sale and refinancing of loans simply to generate commissions and fees without benefit to the borrower. Lenders will also be required to include taxes, insurance, and escrow funds (but not utilities) when comparing loans and brokers will be required to act in the borrower's best interest.

The legislation takes a run at stopping unethical mortgage brokers before they get started. The Minnesota Department of Commerce will require mortgage companies to post bonds and do background checks for people they hire. The new legislation takes effect August 1, 2007.

TWIN CITIES FORECLOSURES
The seven-county metro area remains on pace to easily top last year's foreclosure total.

	2002	2003	2004	2005	2006	2007 (Jan.-March)
Hennepin	951	1,058	1,223	1,681	3,042	1,203
Ramsey	352	320	527	626	1,407	526
Dakota	222	257	336	454	864	338
Scott	96	104	113	145	319	118
Washington	127	147	182	236	429	189
Anoka	280	151	390	520	896	355
Carver	71	64	79	81	119	56
TOTAL	2,099	2,101	2,850	3,743	7,076	2,785

Source: sheriff's offices

Planning Area Summary:

To more fully evaluate what is occurring within specific areas of the City, the following is a summary of the demographic information prepared by Excensus with 2006 data for seven specific areas of the City. (Refer to Map 1 - Planning Areas).

Area 1 is primarily single-family detached housing with higher than average valued homes (50% value over \$240,000). This area has newer homes and is a working age neighborhood. The majority of tenure within the homes is over 2 years and there are student age children within 50% of the homes.

Area 2 has a mix of newer single-family homes and townhomes with strong ownership. The homes have a higher than average valued homes (55% value over \$240,000 and 29% above \$299,000). The area is a working age neighborhood with a larger than average diversity and the majority (besides Caucasian) Asian American decent.

Area 3 is mostly renter occupied with a mix of apartments and newer senior housing. The area has a lower than average tenure less than 2 years and older adults than any other area. This area is generally affordable with the majority (over 55%) with values between \$120,000 - \$179,000.

Area 4 is primarily single-family, new homes with strong ownership. There is a good mix of housing values within this area and a higher than average tenure. Over 60% of the households are between the ages of 45-64.

Area 5 is an older neighborhood with the majority of the homes built before 1980. Most of the homes are single-family and very affordable with 80% of the homes having a value between \$120,000-\$179,000. The area has strong ownership interest with a stable mix of household ages. The highest household age is those between 22-44.

Area 6 has newer housing stock primarily multi-family apartments and townhomes with a higher than average renter occupied rate. The head of households within this area are generally over the age of 65 and there is a lower than average tenure compared to the rest of the city. The area is very affordable with over 70% of the home having a value between \$120,000-\$179,000.

Area 7 is primarily single-family, owner occupied older homes. The homes are affordable with over 80% valued between \$120,000-\$179,000. The area has strong ownership levels and below average tenure. This area also has a larger than average mix of multigenerational households; these households have more older adults over 65 and more children and young adults between the ages of 10-24 than the average.

Summary:

Coon Rapids has a good mix of affordable housing for all ages as well as a fair amount of move-up housing for working households. The construction of townhomes has diversified the housing stock and provided young professionals, empty nesters as well as the older adults with housing stock to stay and grow within the community. The housing programs and efforts should focus on bolstering the Planning Areas with the older housing stock, lower than average values and low tenure. (Planning Areas 5, 6 & 7).

While housing stock and householders in Coon Rapids are aging, both are critical to the quality of life and community traditions. Because housing is the sector of the community with the highest property valuation (\$5.4 billion), it is in the public's interest to continually provide incentives to upgrade the housing supply by preserving the units, neighborhoods functionality, and value.

As the housing quality and value decline and the housing types become outdated, the City is less capable of competing for new young professionals and families. These residents help generate the needed state-aid-per-pupil funding for the school district (keeping schools within the community) which has traditionally been one of the key reasons people put down strong roots and ties to the community.

At the other end of the spectrum, as a householder ages in place they may tend to defer maintenance longer than a younger householder who tends to invest in property for functionality, equity, or quality of life issues. Providing programs that promote private investment, quality design, housing preservation and renovation in areas where it is needed will help to increase the value and attract needed populations for a diversified community. In addition, evaluating trends in the community can help to gauge how the community is changing so that strategies and programs can be structured to address these changes.

The following is a checklist of changes staff and policy makers can observe over time.

- faith based groups declining in local members and the regionalization of the organization
- composition of volunteers in the city
- outcome and level of home foreclosures
- level and type of code violations compared to the resident demographics
- level and type of housing investment
- acres of housing compared with other land uses
- changes in merchant retail stock - kids items or older adult items
- impact of infrastructure repair.

Section 3. Coon Rapids Housing Market Evaluation

It is important to understand the current market conditions within the community as well as market trends when developing the City's housing strategies. The market has a significant impact on residents' buying decisions as well as making investment in their homes. If the market is declining, a homeowner may choose to move rather than invest in remodeling their existing home. In a positive market, there is a higher demand for quality housing and making investments in existing homes becomes an easier decision.

Purpose and Scope

Maxfield Research Inc. conducted market research and analysis of the current and future housing needs in the City of Coon Rapids. The research includes an analysis of the existing supply of and market conditions for single-family and multifamily housing in the Coon Rapids market area defined as the cities of Andover, Blaine and Coon Rapids. In addition, Maxfield analyzed growth trends and demographic characteristics and the impact of these trends on the potential to develop various product types in the City. The copy of the full report, including data tables and comparisons with Anoka and Blaine are found in Attachment 1.

Market Conditions

- According to the City of Coon Rapids, by the end of 2006 there were an estimated 24,171 housing units. Roughly 63%, or 15,232 homes, were single-family detached homes. Over 18%, or 4,422 homes, were single-family attached homes. Multifamily homes (apartments, condominiums, and quads) made up nearly 18%, or 4,241 units in Coon Rapids. Mobile Homes accounted for roughly 1%, or 276 homes in Coon Rapids.
- The number of single-family building permits peaked in 2003, declined in 2004, and continued to decline through 2006. A review of residential building permits from 2000 through 2006 indicated that Coon Rapids averaged 200 permits per year.
- Each community showed signs of low price appreciation and sales slowdowns for single-family home resales in 2006. Coon Rapids had single-family resale median

price appreciation of roughly 2%. Coon Rapids saw the number of transactions decrease by about 24%, with a median price in 2006 of \$222,000.

- Multifamily resales painted a similar picture in 2006. Coon Rapids saw an increase of 1% in price and the number of multifamily resales decreased by roughly 17% in 2006. The median resale price was roughly \$167,000.
- The Coon Rapids GIS department along with the Coon Rapids Assessor provided data on parcels in the City. The data is composed of traditional for-sale housing products and the total number is made up of ownership housing as well as single-family, townhome, and condominium units that are rented. The total number of units on these parcels (19,766 units) differs from the total units in the City in that this figure excludes rental units, in traditional apartment buildings.
- Coon Rapids is predominantly composed of single-family homes (74%). The majority of these single-family homes are split-level (47%) followed closely by one-level homes (37%); the remainder are multi-story homes (16%). Median home values for single-family homes range from \$188,000 (one-level) to \$270,000 (multi-story) depending on the product type. Multifamily median home values range from \$138,000 (attached townhomes) to \$175,000 (quad).
- Coon Rapids has eight for-sale developments that are actively being marketed. Four of these are single-family developments and four are multifamily developments (all are attached or detached townhomes). Most of the new single-family homes in Coon Rapids range in price from \$225,000 to \$500,000; Mississippi Bluffs has a model priced at \$750,000. New multifamily homes in Coon Rapids range in price from \$200,000 to \$375,000.

Demand Calculations and Recommendations

- Scenario 1 - High for-sale Demand - Coon Rapids is expected to grow by roughly 2,100 households between 2006 and 2020. Based on building trends, it is estimated that 70% of the new households will seek for-sale housing, resulting in demand for nearly 1,500 for-sale units and about 630 rental units. Based on demographic growth trends, current market conditions, and recent home construction trends, it is estimated that 50% of for-sale demand will be for single-family units and 50% of for-sale demand will be for townhome units

resulting in overall demand for 735 for-sale units each. All of the demand for rental units would be in multifamily products. There is a portion of the demand that will come from outside the market area. According to Maxfield Research about 15% will come from outside the market area. Including this demand from outside the market area, **total demand in Coon Rapids is calculated for 865 for-sale single-family units, 865 townhome units, and about 741 rental units between 2006 and 2020.** This translates into annual demand for 62 single-family units, 62 townhome units, and 53 rental units just in Coon Rapids.

- Scenario 2 - Moderate for-sale Demand - Coon Rapids is expected to grow by roughly 2,100 households between 2006 and 2020. Based on building trends, it is estimated that 50% of the new households will seek for-sale housing, resulting in demand for roughly 1,050 for-sale units and about 1,050 rental units. Based on demographic growth trends, current market conditions, and recent home construction trends, it is estimated that 50% of for-sale demand will be for single-family units and 50% of for-sale demand will be for townhome units resulting in overall demand for 525 for-sale units each. All of the demand for rental units would be in multifamily products. There is a portion of the demand that will come from outside the market area. According to Maxfield Research about 15% will come from outside the market area. Including this demand from outside the market area, **total demand in Coon Rapids is calculated for 618 for-sale single-family units, 618 townhome units, and about 1,235 rental units between 2006 and 2020.** This translates into annual demand for 44 single-family units, 44 townhome units, and 88 rental units just in Coon Rapids.

The City of Coon Rapids is almost entirely built-out. With an aging housing stock and the continued growth occurring in the north metro area, Coon Rapids is in a position to capture a portion of that growth through redevelopment that could provide housing products currently desired by the market similar to what is being offered in the higher growth communities of Andover and Blaine. The City must accommodate growth with very little available land and must balance the cost of redevelopment with supplying a product that is desirable.

Interviews conducted with local area real estate agents indicated that the current market for additional entry-level townhomes seems to be soft. Conversely, the market for single-level townhomes continues to attract empty-nesters and seniors,

resizing from their single-family homes. Detached product also remains popular, but pricing of these units may extend beyond the market.

Single-family homes, at all price levels, are in high demand in Coon Rapids. Additionally, demand for twin-homes and detached town homes are popular with empty-nesters and seniors. There still remains limited demand for entry-level townhomes. The tightening of the for-sale housing market has led to increased demand for rental housing. There is some demand for general-occupancy rental housing and high demand for senior rental housing. Demand for these product types is increasing again due to shifts in market cycles.

With a limited number of redevelopment sites, the City will have to balance market demand for specific product types with the costs in bringing these sites to market. In most cases, redevelopment costs could push the product types toward higher density development. Through subsidies or special financing, the City may be able to push down pricing for some of these product types to support lower density. Conversely, the City may be able to encourage different product types that increase density, but still provide features the market desires (i.e. small lot, single-family, etc.). In the Coon Rapids housing market, price is an important issue, and will need to be addressed when considering future development.

Section 4. - Profile of Coon Rapids Housing Financial and Program Resources & Review of Similar City Programs and Services

An important component of developing new housing strategies is to review the effectiveness of current programs. The City of Coon Rapids provides a variety of programs and ensures access to all available county and state programs. Through knowledgeable staff and the dedication of financial resources, Coon Rapids is one of the leading cities in providing a full range of available programs and services to ensure that housing maintenance and the purchase and renting of affordable housing are readily available and convenient.

A summary of the existing programs has been prepared. There has been an increase in the use of most of the programs over the past 2 years. Most of the homes that received a City loan or other assistance have seen a positive value increase of between 8-12 percent which is slightly above the overall value increase of homes in the City at 2-4 percent. (Refer to Map 7-Value Change). This indicates that the programs are providing value to the community. In addition, the loans have been used throughout the city with the incentive program used widely in the higher value areas and the rehab assistance program used in the more moderate value areas. (Refer to Map 8 - CRMAF Loans). A full summary of the Coon Rapids existing programs and activity level over the past several years is provided in Attachment 2.

Coon Rapids Home Improvement Loan Fund (as of 12/31/2006)									
Program						Total			
	Apps	In-process	2005	2006	% Incr	Closed Loans	Allocation	\$ Loans Closed	Balance
Home Improvement Incentive Loan Fund	71	15	15	19	27%	34	\$800,000	\$503,465	\$296,535
Home Rehabilitation Assistance Fund	74	21	11	25	127%	36	\$924,118	\$592,175	\$331,943
2 Family Home Rehabilitation Fund	11	3	2	4	100%	6	\$153,309	\$93,309	\$60,000
Emergency Home Repair Fund	3	0	1	0	-100%	1	\$22,573	\$2,573	\$20,000
TOTALS	159	39	29	48	66%	77	\$1,900,000	\$1,191,522	\$708,478

An effective method to gauge how the City is doing regarding housing programs and services is to compare itself with other similar cities. The study reviewed the programs and services of seven other Cities including Andover, Blaine, Brooklyn Park, Burnsville, Plymouth, Richfield and St. Louis Park. These cities were chosen because they are either within the same market area or they are in the same stages of development, have similar populations and housing units or have well

respected and tested housing programs. In addition, the City has compared itself with many of the communities in the past. When comparing the level of programs and services provided by Coon Rapids with those cities, Coon Rapids meets, and in many cases, exceeds the number of housing services and programs provided for its residents. A summary of each City's programs is provided in Attachment 3.

There are several programs that are provided by these cities and other communities that can be evaluated for Coon Rapids' purposes. Through the review of existing programs, the City's housing goals and evaluating other programs, the following is a brief summary of new programs that the City and the CRMAF should consider to supplement existing loan programs and address the housing needs.

Home Renovation Programs to Encourage Additions and Larger Investment -

Specifically incorporating a strategy to encourage larger renovation of older homes similar to programs St. Louis Park (Come Home to the Park) and Richfield (Transformation Homes) should be evaluated. These programs provide remodeling, design and financial resources to homeowners who invest a significant amount into the remodeling of their home. The programs require both capital and staff resources to implement with the goal of recouping the investment over the long term through increased home value and the retention of families within a neighborhood.

- Richfield Transformation Home Loan - The Richfield Housing and Redevelopment Authority (HRA) characterized the Transformation Loan as an "incentive loan". The incentive is just a little more financing with very favorable terms, so that a homeowner may feel equipped to move forward on their remodeling project. To apply for the loan, the cost of a remodeling project must be \$50,000 or more. The loan may be 15% of your remodeling project when the cost of remodeling is \$50,000 or more. The maximum loan amount is \$15,000. It's interest-free and is payable upon sale of your property or forgiven after 30 years.

Proactive Home Maintenance Programs:

To provide additional focus on home maintenance, the City should evaluate two specific programs that have been used by many other communities in the metro area.

1. Shoreview SHINE Program - The SHINE Program stands for Shoreview Improvement for Neighborhood Enhancement and targets areas of the City

for home maintenance violations. The intent of the Shoreview SHINE program is to educate residents and raise awareness of property maintenance issues and code requirements. The program is carried out in the spring and the fall with a different community area targeted. Notification is sent out initially explaining the purpose of the program and identifying code related items that City staff will be looking for. A code enforcement officer then visits the properties and identifies maintenance issues. Those that have minor issues receive a letter letting them know what was found and requesting that they make an attempt to clean it up. Those that have more serious violations are processed using the existing code enforcement violation system. As part of the process information regarding financial and technical home improvement information is provided. According to Kathleen Nordine, Shoreview City Planner, the program has been supported by the community with full Council support. In addition, residents are thankful that the city is doing the program to address problem properties in their neighborhood on a larger scale. The residents realize that without action by the city, their neighborhood would experience decline in value and livability. In addition, the program is a cross-departmental effort that involves codes, building inspection, assessing and police departments.

2. Truth-in-Housing or Point-of-Sale - Both programs become effective upon the resale of property. Many cities in the metro area have adopted ordinances for either Truth-in-Housing or Point-of-Sale program. A community would adopt one or the other but not both ordinances. Of the six communities surveyed, three have Point-of-Sale programs. Many other communities in the Twin Cities have Truth-in-Housing programs including St. Paul and Maplewood. In addition, Plymouth and Columbia Heights are currently evaluating adopting one of the programs. Generally, staff in the cities that manage a Truth-in-Housing or Point-of-Sale program feel that there are better assurances that homes are maintained on a regular basis which reduces severe code related violations. It should also be noted that for either program, the level of inspection and type of violation disclosed or required to be corrected can be tailored to each community's specific needs. The City can adopt a program that only addresses health and safety issues or require a higher level of maintenance to include some or all code violations.

- a. A Truth-in Housing Program requires that a home inspection be conducted and a disclosure report is prepared. The report is an overview of the building components and fixtures of the home based upon the city housing code. The purpose is to inform prospective buyers of the observed condition of the dwelling unit at the time of the evaluation. The disclosure report is intended to provide basic information to the home buyer and the seller prior to the time of sale. Mortgage companies may require that the conditions be completed prior to sale. This is a method to help facilitate that when homes are resold they comply with existing city codes. However, the program is facilitated by private inspectors, approved by the City, and through real estate agents. City staff has a minor role in the process.

- b. A Point-of-Sale Program requires that any violations are corrected prior to sale. The program is aimed at protecting the community's overall housing stock and avoiding unsafe conditions and major deterioration. The program requires that a property maintenance certificate be presented to the buyer and title company when the property transfer occurs at closing. If code violations are found, work orders are issued for the needed repairs. In most cases, corrections must meet the code requirements that were in place when the building was constructed. If a portion of the home was remodeled, the remodeled section must comply with the building code that was in effect when the remodeling occurred. This program typically requires inspection and facilitation by City staff.

Programs for the Aging Adult Population:

Another program area is that of providing services and strategies for the older adult population. Through accessibility programs, universal design (a standard of housing design that enables aging in place), accessory dwelling units, maintenance services, resale assistance such as through a Senior Housing Regeneration program and the building of senior complexes, a specific focus on the aging population has become a priority in many cities. Some of these programs require zoning code changes associated with higher densities and setbacks. The Senior Housing Regeneration Program (SHRP) can be facilitated by a non-profit housing group. The SHRP purchases existing single family detached homes from older adults on a voluntary basis and in its current condition. The home is then renovated and sold to a first time homebuyer. The program focuses on the lower value homes that need some renovation due to deferred maintenance. Typically there is a funding gap that needs to be filled.

Affordable Housing:

The final review of how Coon Rapids programs and policies are doing is the provision of affordable housing options based upon Metropolitan Council standards. Each year there is an annual performance review which is then evaluated by the Metropolitan Council. Coon Rapids ranks very well compared to other metro area cities (84 of 100 possible points) with respect to housing affordability and diversity.

To maintain a very positive score the City should continue its current programs that provide renovation assistance through the CRMAF as well as evaluate additional programs related to property maintenance and larger home renovations. The City should also continue to ensure that rental property is well maintained by remaining diligent in rental inspections and requirements for correcting code violations. Evaluating renovation funding for existing rental and ownership multifamily complexes is essential in maintaining positive market values and a mix of quality housing options. In partnership with the City, the Housing & Redevelopment Authority should continue to provide financial assistance associated with redevelopment for housing and mixed use projects. The assistance would help to reduce the price of land and cost of clean-up associated with redevelopment sites and provide more opportunity for affordability in new ownership and rental housing.

Coon Rapids Housing Affordability and Diversification Performance as Evaluated by the Metropolitan Council in October 2006

Metropolitan Council Criteria	Total Points	CR Points
1. Percent of owner-occupied housing with an assessed valuation equal to or lower than an amount affordable to households making 80% of AMI.	8	7
2. Percent of rental units that are affordable to persons making 50% of AMI.	8	6
3. Percent of housing stock that is comprised of twinhomes, quads, apartments, townhomes, condominiums, detached townhomes, mobile homes, and zero lot line homes.	8	6
4. Percent of net units added to the housing stock since 1996 that are affordable.	10	9
5. Housing for special needs.	3	3
6. Presence of fiscal tools such as TIF, housing revenue bonds, and other measures to encourage affordable workforce housing.	15	15
7. Recent local efforts to adjust regulations and requirements such as zoning to preserve or develop affordable housing.	15	15
8. Recent local efforts to utilize programs such as housing maintenance codes loan and grant programs, or tool sharing programs to foster preservation or rehabilitation of housing.	15	15
9.a. Average net density for attached units.	6	3
b. Net density for detached units.	6	5
10. Efforts by Coon Rapids to buy land or financially participate in the development of affordable senior housing units.	6	0
Total	100	84

Section 5. Broad Strategy Options, Operational Strategies & Targeted Implementation Plan

Based upon the review of the City's housing goals and policies, the housing conditions, demographics and market analysis, the following are suggested Broad Housing Strategies to enhance the existing programs and services in the City of Coon Rapids.

In addition, the strategies enhance and complement the programs of the Coon Rapids Mortgage Assistance Foundation. The Housing Plan suggested strategies strive to build and implement programs to enable the City to meet its Comprehensive Plan goals and policies and Metropolitan Council's affordability thresholds. Each strategy ties back to a goal within the City's Comprehensive Plan. In addition the strategy includes at least one targeted implementation plan and provides suggested operational strategies to best meet the desired goal.

Definitions:

Strategy. A strategy is a broad non-specific statement of an approach to accomplishing desired goals and objectives as well as a long term plan of action designed to achieve a particular goal.

Targeted Implementation Plan. An implementation plan coordinates all the related strategies that are to be carried out to achieve the objectives of the plan.

Operational Strategy. Provides the community resources needed to effectively meet the implementation plan to achieve the desired goals.

How are the housing programs funded?

The City of Coon Rapids provides housing programs and initiatives with two main sources of funding through the Coon Rapids Housing & Redevelopment Authority (HRA) levy and the fund balance and program proceeds of the Coon Rapids Mortgage Assistance Foundation (CRMAF).

The HRA, with its members being the City Council, levies an amount each year primarily to fund redevelopment projects and staffing associated with the reduction of community blight. In 2007, \$575,000 was levied for the purpose of funding future redevelopment projects for a total fund balance of \$2.92 million.

The CRMAF was created in 1979 by the City to administer the proceeds of housing revenue bonds issued to provide lower than market interest mortgage rates for low

and moderate income families to purchase single-family residential units. The CRMAF is operated exclusively for charitable purposes. These purposes are:

- A. To combat community deterioration and to prevent the occurrence of conditions requiring extensive redevelopment by making residential mortgage money more readily available.
- B. To transact any and all lawful business for which nonprofit corporations may be incorporated under the Minnesota Nonprofit Corporation Act, to the extent that such business may be conducted by organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provision of any future United States Internal Revenue Law, hereinafter referred to as the "Code."
- C. To do everything necessary, advisable or convenient for the accomplishment of the purposes hereinabove set forth, and to do all other things incidental thereto or connected therewith which are not forbidden by the laws of the State of Minnesota, or by its Articles of Incorporation.

With the repayment of all bond debt, the CRMAF was no longer a legal requirement. However, in 2003 it was recommended by resolution that the CRMAF remain in effect and jointly agreeing that CRMAF funds were to be dedicated to current and future housing programs for the benefit of the City of Coon Rapids and that programs should be as revolving or sustainable as possible. To date, \$1.9 million in CRMAF funds have been made available for the Housing Improvement Loan Program which primarily funds low interest home rehabilitation and renovation loan programs. The balance of available loan funds at the end of 2006 was \$708,478. (Refer to Attachment 2 for the full summary of programs and balance of funds). CRMAF funds of \$950,000 have also funded a scattered site housing acquisition program. The CRMAF Program Fund maintained a 2006 year end balance of nearly \$4.5 million.

Any new recommended implementation program would need to be funded by the City, HRA or the CRMAF. It is recommended that programs associated with renovation would be considered for funding by the CRMAF. Programs that involved increased staffing, ordinance changes and marketing would be considered for funding by the City or its HRA. That being said, addressing the City's long term housing needs and meeting the housing strategies should be viewed as a partnership of both financial and staff resources. The intent of the study is to identify possible new programs along with possible operational strategies to ensure that the programs are a success.

Suggested Housing Strategies to Meet Coon Rapids Housing Goals

Broad Strategy	Targeted Implementation Plan	Operational Strategy
<p>1. Encourage existing home renovation such as 2nd story additions and exterior street appeal.</p> <div data-bbox="191 505 844 781" style="border: 1px solid black; padding: 5px;"> <p>Comprehensive Plan Goals : <u>Housing Variety</u> - a variety of housing types and designs to allow all people a housing choice and <u>Housing Quality</u> - a high-quality living environment, the preservation of stable residential neighborhoods, and where necessary, the upgrading of the existing housing stock in the City.</p> </div>	<ol style="list-style-type: none"> 1. Pay a portion of design fees, matched by homeowner. (Refer St. Louis Park - Move up in the Park program). 2. Enhanced remodeling assistance & renovation loans for large improvements. (Refer to Transformation Homes in Richfield) 3. Change setback regulations to easily allow for front and side yard additions and front porch modifications that add street appeal and value. 	<ol style="list-style-type: none"> 1. Provide program funding for deferred financing or grant funds that must be matched by the homeowner. Additional funds for marketing & program development. 2. Evaluate contract remodeling assistance and/or new staff to serve as remodeling advisor. 3. Evaluate existing permit process and make modifications if necessary.
<p>2. Target specific neighborhoods for housing maintenance violations backed by a range of financial programs to encourage reinvestment</p> <div data-bbox="191 1166 844 1398" style="border: 1px solid black; padding: 5px;"> <p>Comprehensive Plan Goal: <u>Housing Quality</u> - a high-quality living environment, the preservation of stable residential neighborhoods, and where necessary, the upgrading of the existing housing stock in the City.</p> </div>	<ol style="list-style-type: none"> 1. Similar to Shoreview SHINE Program (See attached) that would be implemented through education, exterior inspections and follow-up on severe code violations. 2. CRMAF continue to provide a variety of loan programs that target varied income levels. 	<ol style="list-style-type: none"> 1. Code Enforcement staff would be the most likely responsible staff for implementation of a SHINE type program. The need for additional staff resources would depend upon how many areas that would be targeted each year.

		<p>2. The current balance of the loan programs is sufficient to continue the programs.</p>
<p>3. Ensure that homes are sold with full disclosure of existing code related violations.</p> <div data-bbox="191 630 835 867" style="border: 1px solid black; padding: 5px;"> <p>Comprehensive Plan Goal: <u>Housing Quality</u> - a high-quality living environment, the preservation of stable residential neighborhoods, and where necessary, the upgrading of the existing housing stock in the City.</p> </div>	<ol style="list-style-type: none"> 1. Review benefits of a Truth in Housing or Point of Sale program required at time of sale of home. 2. Match new buyers with financial resources to help them make code related improvements. 	<ol style="list-style-type: none"> 1. Truth-in-Housing type program would require staff time to develop the program guidelines and criteria and a small amount of administrative staffing for ongoing paperwork. No new inspection staff would be required but would be the responsibility of the seller through an approved list of private home inspectors. A Point-of-Sale program would require additional inspection and administrative staff with the goal that fees associated with the program would defray additional staff costs. 2. No new staff needed to link buyers to existing programs. However, additional staff time would be required to identify buyers through communication with Realtors and mortgage bankers.

<p>4. Match Programs with Code Violations & Housing Issues.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Comprehensive Plan Goal: <u>Housing Quality</u> - a high-quality living environment, the preservation of stable residential neighborhoods, and where necessary, the upgrading of the existing housing stock in the City.</p> </div>	<ol style="list-style-type: none"> 1. Increase communication between the housing program staff and code compliance staff to ensure the delivery of resources to those in need. 2. Develop a formal working group to share ideas associated with housing issues that would include intra departmental staff, school district staff, county housing and social service staff. 3. Evaluate truth in housing or point of sale program. 4. Continue to facilitate renovation of common interest communities where there is a financial hardship through the use of Housing Improvement Areas. 5. Evaluate ways to assist in the renovation of existing rental housing stock 	<ol style="list-style-type: none"> 1. No additional staff and budget resources. Provide a system of communication to ensure that housing program staff and codes staff are in close contact regarding programs to address problem properties. 2. No additional staff and budget resources. Key staff identified to coordinate meetings and facilitate ideas. 3. Refer to operational strategies on truth in housing and point of sale programs above. 4. No additional staff needed. HIA are funded with the use of bonding or existing reserves that are paid back to the City through an assessment. 5. May require the use of tax credits and city bonding for particular redevelopment projects in partnership with rental owner or developer.
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<p>5. Reduce the number of homes that fall into foreclosure & have severe maintenance conditions.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Comprehensive Plan Goals: <u>Housing Quality</u> - a high-quality living environment, the preservation of stable residential neighborhoods, and where necessary, the upgrading of the existing housing stock in the City and <u>Affordability</u> - housing opportunity at a cost low and moderate income individuals and families can afford without compromising essential needs.</p> </div>	<ol style="list-style-type: none"> 1. Provide prevention education information through direct mail to households who hold a CRMAF loan. 2. Evaluate building a network of social service providers to address social and mental conditions within households experiencing maintenance violations. 	<ol style="list-style-type: none"> 1. No additional staff resources. Provide budget for direct mail costs. 2. Depending upon determined need, may involve annual budget resources for social service consultant that would be called upon when necessary.
<p>6. Encourage existing home turnover that provides a method for older adults wanting to sell their home and link those sales with young families and/or first time homebuyers</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Comprehensive Plan Goals: <u>Housing Variety</u> - a variety of housing types and designs to allow all people a housing choice.</p> </div>	<ol style="list-style-type: none"> 1. Create a Senior Linkage Program to provide resources for older adults selling single-family homes & young families purchasing homes. 2. Ensure that code violations are disclosed or corrected prior to sale. 3. Review the benefits of funding the regeneration of homes from older adults to families through a Senior Housing Regeneration Program (SHRP). 	<ol style="list-style-type: none"> 1. Seek County, Metropolitan Council or State Funds to implement a Senior Housing Regeneration Program in Coon Rapids. Model the application of funds after Ramsey County program administered by the GMHC that does not require CRMAF funds or additional staff resources. 2. Truth-in-Housing type program would require staff time to develop the program guidelines and criteria and a small amount of administrative staffing for ongoing paperwork. No new inspection staff would be required but would be the responsibility of the seller through an approved list

		<p>of private home inspectors.</p> <p>3. The Senior Housing Regeneration Program requires gap funding either through local or county sources. Hold discussions with Anoka County to fund this type of program county-wide similar to Ramsey County.</p>
<p>7. Encourage purchase of existing single-family homes by first time homebuyers and families currently residing in the City.</p> <div data-bbox="191 824 823 989" style="border: 1px solid black; padding: 5px;"> <p>Comprehensive Plan Goal: <u>Affordability</u> - housing opportunity at a cost low and moderate income individuals and families can afford without compromising essential needs.</p> </div>	<p>1. Increase communication to interested new homebuyers regarding Anoka County First Time Homebuyer Program.</p> <p>2. Support free training locations for home ownership classes.</p>	<p>1. Additional marketing and direct mail funding to apartment dwellers as well as partner with college to attract students who may be graduating and looking to purchase a home.</p> <p>2. No additional staff and budget resources. Depending upon facility rental fees, in-kind funding for room rental would be the only cost.</p>
<p>8. Match bankers and realtors with housing programs and services</p> <div data-bbox="237 1263 823 1346" style="border: 1px solid black; padding: 5px;"> <p>Meets All Comprehensive Plan Housing Goals by increasing communication.</p> </div>	<p>1. Staff to hold marketing meetings with area banks and realtors at least two times per year (winter, summer).</p>	<p>1. No additional staff resources and small budget resources for meeting preparation. Program coordination by housing program staff.</p>

<p>9. Support Senior Housing development and provide incentives for existing residents who are leaving existing single-family homes in the City.</p> <p>Comprehensive Plan Goals: <u>Housing Variety</u> - a variety of housing types and designs to allow all people a housing choice.</p>	<p>1. Formalize a Senior Linkage Program for new developments that target aging adults to provide exclusive marketing locally first before broad marketing outside the community. (Refer to Roseville Senior Linkage Program)</p>	<p>1. No additional staff or budget resources. Develop program guidelines based upon other communities that would be incorporated into development agreements for new senior housing.</p>
<p>10. Evaluate the construction of new workforce housing that is affordable to households at 80% - 110% of the AMI when considering new housing developments to provide a good balance in the city and neighborhood.</p> <p>Comprehensive Plan Goal: <u>Affordability</u> - housing opportunity at a cost low and moderate income individuals and families can afford without compromising essential needs.</p>	<p>1. Support the use of common interest communities and planned unit development process to provide flexibility in setbacks and lot sizes and cohesiveness in design and development to reduce the overall cost of housing construction and land prices.</p>	<p>1. No additional staff and budget resources unless financial assistance is requested for redevelopment projects that include new housing with an affordable component.</p>

<p>11. Provide specific programs that address housing issues associated with multigenerational households.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Comprehensive Plan Goal: <u>Nondiscrimination</u> - equal opportunity in home ownership and renting.</p> </div>	<ol style="list-style-type: none"> 1. Evaluate the use of accessory units to accommodate multigenerational household on one property. 2. Provide neighborhood services and programs that cater to multigenerational households. 	<ol style="list-style-type: none"> 1. No additional staff or budget resources. However, current staff time needed to research accessory unit ordinances and the implications associated with any new ordinances. 2. Depending upon the level of service and programs, could require additional staff time to implement. However, addition research is needed to understand what services and programs may already exist.
<p>12. Continuously evaluate housing trends to effectively meet target goals and benchmarks.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Meets All Comprehensive Plan Housing Goals by more effectively understanding housing issues and trends.</p> </div>	<ol style="list-style-type: none"> 1. Every other year commit to updating housing data regarding housing units, households and program effectiveness. 	<ol style="list-style-type: none"> 1. Annual budget resources for ongoing data and demographic information.

Section 6. - Program Evaluation Model

Evaluation Model for Program Effectiveness:

Providing a method to evaluate how public funds are being used has become significant and instructive in recent years due to limited financial resources and increase public scrutiny. In addition, setting performance targets and tracking the progress of the programs against benchmarks will provide a level of understanding to government officials that become critical during the annual budget process.

Cities that incorporate meaningful measures of performance within their housing plans realize significant benefits, which increase as the system evolves and improves. Performance measurement can:

- Strengthen decision-making at all levels. Timely and relevant reports on performance lay the groundwork for sound decision-making. In addition, performance measurement systems enable decision-makers and staff to diagnose the lack of performance, identify and address causes for lack of performance, and track improvement.
- Enhance program outcomes. Performance measurement helps provide focus on achieving results. Effective performance measures should be directly relevant to the program goals.
- Improve communication of outcomes to key audiences. Quantifying achievements and the impact of the programs helps to demonstrate positive results to both public officials and residents.

Each City program should include a specific goal over a period of years. The goals for performance measurement should be quantitative (numbers) and measurable. Evaluation of the goals should be done consistently both in time and with the same method of evaluation. The following is a sample model that can be used to evaluate the performance of existing and new programs understanding that in some circumstances a qualitative (comments, ideas) nature or public policy issue may skew the quantitative performance results but still achieves the public interest and overall goals of the program.

Suggested Evaluation Model				
Program	Goal	Evaluation Method	Performance (results)	Improvement Methods
Low interest Loan Program	Provide xx number of loans to households below 50% of median income per year	Review loan activity annually	Record results and compare to goals.	If performance is below the goals, evaluate methods to make improvements. If performance exceeds goals, celebrate and report success.
Code Enforcement Program	Reduce the number of code enforcement cases by xx percent, evaluate which are the most important issue	Review and report code enforcement cases and case load annually	Record results and compare to goals annually	If performance is below the goals, evaluate methods to make improvements. If performance exceeds goals, celebrate and report success.
Scattered Site Program	Increase property tax value by xx percentage after property is sold and new home is constructed	Track property assessment within a specified period of years from the time purchased to the time a new home is constructed.	Record results and compare to goals	If performance is below the goals, evaluate methods to make improvements. If performance exceeds goals, celebrate and report success
Affordable Housing	Meet or exceed annual Met Council performance score	Complete annual survey to record community activities associated with affordable housing	Evaluate scores provided by Met Council.	If performance is below the goals, evaluate methods to make improvements. If performance exceeds goals, celebrate and report success.



June 15, 2007

MEMORANDUM

TO: Ms. Cathy Bennett
Barsness Consulting Services, Inc.

FROM: Mary Bujold
Ryan Bergman
Maxfield Research Inc.

RE: Findings for Coon Rapids Comprehensive Housing Strategy

Introduction

This memorandum is a summary of our findings of demographic information, existing housing stock, and current market conditions for the City of Coon Rapids Comprehensive Housing Strategy. The Coon Rapids Market Area is defined as the Cities of Coon Rapids, Andover, and Blaine. Our analysis for this assignment is a brief overview of the housing stock and general recommendations of demand.

Demographics

Maxfield Research reviewed updated demographic information supplied by Excensus LLC and compared some demographic characteristics between Coon Rapids, Andover and Blaine, the three largest growing communities in the north central area. These communities compete for new households. Key findings are derived from Tables 1 and 2.

- According to the City of Coon Rapids, Coon Rapids has a total area of 23.3 square miles. This area is roughly two-thirds the size of Andover and Blaine, each with a total area of 35 square miles and 34 square miles, respectively.
- There was marginal change in home ownership rates among all age cohorts for all communities between 1990 and 2000. The most significant change occurred among Andover's senior households (65+) who experienced a decrease in their ownership rate of -23.3% (95.2% in 1990 down to 71.9% in 2000). This decline is due to the development of senior housing during that period. Coon Rapids' senior households (65+) saw an increase in their ownership rate of 9.7% (69.1% in 1990 up to 78.8% in 2000).

TABLE 1																
TENURE BY AGE OF HOUSEHOLDER																
COON RAPIDS MARKET AREA																
1990 to 2000																
Age of Householder																
	15-24		25-34		35-44		45-54		55-64		65-74		75+		Total	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent
2000																
Coon Rapids	373	758	3,224	1,337	5,281	949	4,321	512	2,681	270	1,586	222	676	388	18,142	4,436
<i>Pct. Own</i>	33.0%		70.7%		84.8%		89.4%		90.9%		87.7%		63.5%		80.4%	
Andover	75	24	1,593	67	2,974	81	1,848	25	933	18	252	21	85	111	7,760	347
<i>Pct. Own</i>	75.8%		96.0%		97.3%		98.7%		98.1%		92.3%		43.4%		95.7%	
Blaine	395	241	2,813	467	4,320	351	3,463	200	2,024	96	986	51	394	97	14,395	1,503
<i>Pct. Own</i>	62.1%		85.8%		92.5%		94.5%		95.5%		95.1%		80.2%		90.5%	
1990																
Coon Rapids	271	598	3,865	1,327	4,270	639	2,911	302	1,690	195	744	195	210	232	13,961	3,488
<i>Pct. Own</i>	31.2%		74.4%		87.0%		90.6%		89.7%		79.2%		47.5%		80.0%	
Andover	90	32	1,225	114	1,504	39	953	23	292	12	108	4	31	3	4,203	227
<i>Pct. Own</i>	73.8%		91.5%		97.5%		97.6%		96.1%		96.4%		91.2%		94.9%	
Blaine	376	216	3,577	564	3,497	262	2,194	89	1,220	54	528	50	171	27	11,563	1,262
<i>Pct. Own</i>	63.5%		86.4%		93.0%		96.1%		95.8%		91.3%		86.4%		90.2%	
Percentage Change 1990 to 2000																
Coon Rapids	38%	27%	-17%	1%	24%	49%	48%	70%	59%	38%	113%	14%	222%	67%	30%	27%
Andover	-17%	-25%	30%	-41%	98%	108%	94%	9%	220%	50%	133%	425%	174%	3600%	85%	53%
Blaine	5%	12%	-21%	-17%	24%	34%	58%	125%	66%	78%	87%	2%	130%	259%	24%	19%

Sources: Bureau of the Census, Maxfield Research Inc.

TABLE 2
HOUSING BY HOUSEHOLDER AGE AND HOUSING TYPE
CITY OF COON RAPIDS
2006

Householder Age	HHs	Single-Family Housing						Mobile Home	TH	Condo	Apartments			Sr	Unk
		<=\$120k	\$120-\$179k	\$180-\$239k	\$240-\$299k	>=\$300k	Unk				<6 unt	6-26 unt	>26 unt		
75+ yrs	1,186	36	531	142	18	9	-	1	24	34	44	12	85	241	9
65-74 yrs	3,325	61	1,772	749	144	54	-	22	80	52	109	41	150	86	5
55-64 yrs	5,116	106	2,319	1,424	385	131	-	26	92	67	165	105	252	35	9
45-54 yrs	6,276	105	2,657	1,972	418	160	-	25	65	39	189	205	427	9	5
35-44 yrs	4,599	107	1,833	1,347	180	154	-	22	45	34	152	241	468	2	14
25-34 yrs	2,475	69	1,052	353	38	58	-	18	64	36	117	212	448	6	4
<25 yrs	353	7	85	23	6	9	-	-	8	3	17	55	136	1	3
Unknown	1,297	40	272	132	32	24	2	3	49	35	65	164	361	58	60
Total	24,627	531	10,521	6,142	1,221	599	2	117	427	300	858	1,035	2,327	438	109

Source: Excensus LLC, Maxfield Research, Inc.

TABLE 3
TENURE BY AGE OF HOUSEHOLDER BY UNITS IN STRUCTURE
COON RAPIDS MARKET AREA
2000

	Total		15 to 24		25 to 34		35 to 44		45 to 54		55 to 64		65 to 74		75+	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent
Coon Rapids																
1, detached or attached	17,431	702	334	65	2,961	205	5,251	196	4,302	107	2,687	56	1,369	38	527	35
2 to 4	214	217	8	47	41	56	52	30	29	48	37	17	5	0	42	19
5 to 19	227	770	20	145	61	301	33	129	59	96	25	33	15	42	14	24
20 to 49	0	1,589	0	317	0	494	0	346	0	150	0	122	0	83	0	77
50 or more	8	1,141	0	198	0	259	0	160	0	74	0	57	0	101	8	292
Mobile home	252	24	20	9	52	0	105	15	47	0	17	0	11	0	0	0
Boat, RV, van, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	18,132	4,443	382	781	3,115	1,315	5,441	876	4,437	475	2,766	285	1,400	264	591	447
Andover																
1, detached or attached	7,736	127	65	0	1,533	70	2,989	20	1,850	19	967	9	262	0	70	9
2 to 4	23	68	0	28	5	23	8	17	0	0	7	0	3	0	0	0
5 to 19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 49	0	21	0	0	0	0	0	0	0	0	0	0	0	0	0	21
50 or more	0	114	0	0	0	0	0	0	0	0	0	0	0	0	0	114
Mobile home	18	0	0	0	10	0	8	0	0	0	0	0	0	0	0	0
Boat, RV, van, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	7,777	330	65	28	1,548	93	3,005	37	1,850	19	974	9	265	0	70	144
Blaine																
1, detached or attached	12,077	275	217	31	2,235	55	3,752	85	3,110	51	1,773	21	737	32	253	0
2 to 4	94	138	0	37	17	44	21	35	22	11	21	0	6	0	7	11
5 to 19	56	216	0	19	13	64	22	89	5	20	6	13	10	11	0	0
20 to 49	0	578	0	126	0	198	0	89	0	72	0	58	0	15	0	20
50 or more	0	174	0	32	0	21	0	21	0	28	0	17	0	0	0	55
Mobile home	2,170	121	96	21	528	22	573	18	415	28	307	15	191	11	60	6
Boat, RV, van, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	14,397	1,502	313	266	2,793	404	4,368	337	3,552	210	2,107	124	944	69	320	92

Source: US Census, Maxfield Research, Inc.

- In general, homeownership rates in Coon Rapids were lower than in both Andover and Blaine. Coon Rapids had a total ownership rate of 80.4% while Andover and Blaine were 95.7% and 90.5% respectively as of 2000. The 15 to 24 age cohort had the most noticeable difference. This age group had an ownership rate of 33.0% in Coon Rapids compared to a 75.8% and 62.1% in Andover and Blaine, respectively. A larger rental housing stock in Coon Rapids compared to Andover and Blaine contributes to this percentage.
- 2006 data from Excensus LLC shows that the bulk of households in Coon Rapids (46.3%) are headed by householders age 45 to 64 years old, the age cohort containing all of the baby boom generation. These households are those that are still considering move-up housing or conversely, are considering alternatives to their single-family homes, such as association-maintained products.
- Households containing two adults were the most prevalent in Coon Rapids in 2006 comprising 38.1% of the households, followed distantly by two adults with children, multi-generational households, and singles making up 18.9%, 12.4%, and 12.2%, respectively of the total household base.
- Seniors in Coon Rapids (55+) predominately own their single-family homes (60%). Thirty-three percent of seniors rent their housing in a building with more than five units. Sixty-six percent of seniors in Andover own single-family homes while 31% rent in a building with more than five units. Sixty-seven percent of seniors in Blaine own their single-family homes while 13% rent in buildings larger than five units; 15% of seniors in Blaine own and live in mobile homes. Less than 1% of seniors in Coon Rapids own and live in mobile homes.
- The estimated distribution of households by income in Coon Rapids, Andover, and Blaine for 2006 and 2011 is shown in Tables 4, 5, and 6. The data was estimated by Maxfield Research and is based on income trends provided by Claritas Inc., a national demographics firm. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.
- The Department of Housing and Urban Development defines affordable housing costs as less than 30% of a household's adjusted gross income. Maxfield Research Inc. uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward housing payments. Seniors considering service-intensive housing will often pay up to 80% or more of their income on housing and services.
- The overall median household income in Coon Rapids is estimated at about \$63,600 in 2006. This is slightly higher than the Twin Cities Metro Area (7 county) median household income of \$62,850. The Metro Area median family income is \$78,500, or higher than the median household income because families do not include single-person households. HUD uses income limits for its programs based on the median family income in an area. The overall median household income in Andover and Blaine is \$91,300 and \$69,400, respectively.

**TABLE 4
 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
 CITY OF COON RAPIDS
 (Number of Households)
 2006 & 2011**

	Age of Householder							
	Total	15-24	25-34	35-44	45-54	55-64	65 -74	75+
2006								
Less than \$15,000	1,392	128	173	162	113	204	263	349
\$15,000 to \$24,999	1,582	106	222	157	136	286	329	346
\$25,000 to \$34,999	2,072	155	378	350	293	340	317	240
\$35,000 to \$49,999	3,815	264	836	728	808	498	419	263
\$50,000 to \$74,999	6,579	479	1,431	1,797	1,374	891	501	107
\$75,000 to \$99,999	4,503	160	857	1,317	1,224	704	208	33
\$100,000 or more	4,685	57	535	1,266	1,622	878	221	106
Total	24,627	1,348	4,432	5,776	5,571	3,800	2,257	1,444
Median Income	\$63,121	\$51,139	\$60,595	\$70,751	\$76,251	\$66,069	\$42,872	\$26,125
Twin Cities Metro	\$62,862	\$35,150	\$59,730	\$72,590	\$80,888	\$69,440	\$44,192	\$29,129
2011								
Less than \$15,000	1,308	104	145	123	115	204	266	351
\$15,000 to \$24,999	1,517	99	199	105	119	320	335	339
\$25,000 to \$34,999	1,854	114	275	224	252	307	345	338
\$35,000 to \$49,999	3,665	258	675	519	783	518	599	312
\$50,000 to \$74,999	6,410	476	1,346	1,430	1,406	946	553	253
\$75,000 to \$99,999	4,815	220	890	1,197	1,318	843	301	46
\$100,000 or more	6,332	111	791	1,460	2,193	1,280	368	130
Total	25,902	1,383	4,322	5,059	6,186	4,417	2,767	1,769
Median Income	\$67,967	\$56,070	\$66,095	\$77,665	\$82,926	\$72,728	\$45,946	\$30,765
Twin Cities Metro	\$70,462	\$40,791	\$67,612	\$81,785	\$91,361	\$78,720	\$49,581	\$32,467
Change 2006 -2011								
Less than \$15,000	-84	-23	-29	-39	2	0	3	2
\$15,000 to \$24,999	-65	-7	-23	-51	-17	34	6	-7
\$25,000 to \$34,999	-217	-41	-103	-126	-41	-33	28	98
\$35,000 to \$49,999	-151	-5	-161	-209	-25	19	181	49
\$50,000 to \$74,999	-168	-3	-85	-366	32	55	52	146
\$75,000 to \$99,999	313	61	34	-120	93	139	93	13
\$100,000 or more	1,648	54	256	194	571	402	147	24
Total	1,275	35	-111	-717	615	617	510	325
Median Income	\$4,846	\$4,931	\$5,500	\$6,914	\$6,675	\$6,659	\$3,074	\$4,640

Sources: Claritas, Inc.;
 Maxfield Research Inc.

TABLE 5
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
CITY OF ANDOVER
(Number of Households)
2006 & 2011

	Age of Householder							
	Total	15-24	25-34	35-44	45-54	55-64	65 -74	75+
2006								
Less than \$15,000	169	2	12	7	31	19	40	56
\$15,000 to \$24,999	254	13	35	10	49	35	66	45
\$25,000 to \$34,999	266	12	24	30	22	69	73	36
\$35,000 to \$49,999	566	29	52	122	93	145	96	29
\$50,000 to \$74,999	2,323	91	347	712	497	518	129	28
\$75,000 to \$99,999	2,569	30	474	884	716	338	102	24
\$100,000 or more	4,356	22	601	1,476	1,458	644	101	54
Total	10,503	201	1,545	3,242	2,867	1,768	608	272
Median Income	\$91,283	\$61,882	\$90,965	\$95,885	\$100,843	\$82,267	\$55,543	\$34,687
Twin Cities Metro	\$62,862	\$35,150	\$59,730	\$72,590	\$80,888	\$69,440	\$44,192	\$29,129
2011								
Less than \$15,000	183	5	11	2	31	32	54	49
\$15,000 to \$24,999	255	12	32	6	42	22	104	38
\$25,000 to \$34,999	277	12	20	10	37	68	98	33
\$35,000 to \$49,999	599	38	39	70	52	166	177	57
\$50,000 to \$74,999	2,142	73	332	382	455	586	256	57
\$75,000 to \$99,999	2,785	61	492	709	760	555	172	35
\$100,000 or more	6,257	40	939	1,653	2,214	1,050	269	93
Total	12,499	242	1,864	2,832	3,591	2,479	1,129	363
Median Income	\$100,065	\$68,333	\$100,340	\$108,346	\$113,762	\$91,455	\$62,916	\$51,862
Twin Cities Metro	\$70,462	\$40,791	\$67,612	\$81,785	\$91,361	\$78,720	\$49,581	\$32,467
Change 2006 -2011								
Less than \$15,000	15	3	-1	-4	-1	13	13	-7
\$15,000 to \$24,999	1	-1	-3	-4	-8	-13	37	-7
\$25,000 to \$34,999	11	-0	-4	-21	14	-0	25	-3
\$35,000 to \$49,999	33	9	-13	-53	-41	21	81	28
\$50,000 to \$74,999	-181	-18	-15	-330	-41	68	127	29
\$75,000 to \$99,999	217	31	18	-175	45	217	70	12
\$100,000 or more	1,901	18	337	177	757	406	167	39
Total	1,997	41	319	-410	724	711	521	91
Median Income	\$8,781	\$6,450	\$9,375	\$12,461	\$12,920	\$9,188	\$7,373	\$17,175

Sources: Claritas, Inc.;
 Maxfield Research Inc.

**TABLE 6
 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
 CITY OF BLAINE
 (Number of Households)
 2006 & 2011**

	Age of Householder							
	Total	15-24	25-34	35-44	45-54	55-64	65 -74	75+
2006								
Less than \$15,000	787	46	75	110	152	89	125	190
\$15,000 to \$24,999	960	112	103	108	142	123	181	190
\$25,000 to \$34,999	1,386	107	259	286	128	197	259	150
\$35,000 to \$49,999	3,015	165	626	691	511	431	435	156
\$50,000 to \$74,999	5,471	276	1,068	1,353	1,404	939	364	67
\$75,000 to \$99,999	4,384	167	874	1,267	1,120	773	138	46
\$100,000 or more	4,767	71	661	1,311	1,591	891	190	52
Total	20,770	944	3,666	5,126	5,049	3,443	1,692	850
Median Income	\$69,361	\$53,750	\$68,023	\$75,293	\$79,167	\$73,474	\$44,676	\$28,014
Twin Cities Metro	\$62,862	\$35,150	\$59,730	\$72,590	\$80,888	\$69,440	\$44,192	\$29,129
2011								
Less than \$15,000	834	40	68	74	154	110	162	225
\$15,000 to \$24,999	985	104	80	84	133	126	228	230
\$25,000 to \$34,999	1,345	78	173	163	153	225	331	221
\$35,000 to \$49,999	2,922	150	561	526	454	433	552	245
\$50,000 to \$74,999	5,958	305	1,123	1,124	1,433	1,162	652	159
\$75,000 to \$99,999	5,145	219	961	1,238	1,365	1,037	257	68
\$100,000 or more	7,618	172	1,083	1,814	2,469	1,622	358	101
Total	24,807	1,068	4,048	5,025	6,162	4,715	2,539	1,250
Median Income	\$76,746	\$63,272	\$75,506	\$85,896	\$88,791	\$82,267	\$49,908	\$32,663
Twin Cities Metro	\$70,462	\$40,791	\$67,612	\$81,785	\$91,361	\$78,720	\$49,581	\$32,467
Change 2006 -2011								
Less than \$15,000	47	-6	-8	-36	3	21	37	36
\$15,000 to \$24,999	25	-8	-23	-24	-9	2	46	40
\$25,000 to \$34,999	-41	-29	-86	-123	25	28	72	71
\$35,000 to \$49,999	-93	-16	-65	-164	-57	2	117	90
\$50,000 to \$74,999	487	30	55	-228	28	223	288	92
\$75,000 to \$99,999	760	52	87	-28	245	264	119	22
\$100,000 or more	2,851	101	422	503	878	731	168	49
Total	4,037	124	382	-101	1,113	1,272	847	400
Median Income	\$7,385	\$9,522	\$7,483	\$10,603	\$9,625	\$8,793	\$5,232	\$4,649

Sources: Claritas, Inc.;
 Maxfield Research Inc.

- Median household incomes in Coon Rapids peak in the 45-to-54-year-old age group at about \$76,300, as these householders are generally in their peak earning years. Seniors over age 75 had the lowest median income at just over \$36,300. While their incomes are lower, most seniors also have fewer expenses and often own their homes out-right. The median incomes for the 45-to-54 age cohort in Andover and Blaine are estimated to be \$100,800 and \$79,200, respectively. Seniors over age 75 in Andover and Blaine earned an estimated \$49,100 and \$39,100, respectively.
- By 2011, the median income in Coon Rapids is expected to increase to nearly \$68,000, an increase of 6.8% over the five-year period. Median incomes in Andover and Blaine are estimated to increase to \$100,000 and \$76,700, respectively, increases of 9.6% in Andover and 10.6% in Blaine over the five-year period.

Housing Stock Data

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. We examined the housing market in Coon Rapids by: 1) examining residential building trends since 2000; 2) reviewing data on the age of the existing housing by type of structure in the Coon Rapids Market Area from the 2000 Census; 3) reviewing data on the single-family and multifamily resales; and 4) examining the assessed market value of homes in Coon Rapids. Key findings are from Tables 7 through 20.

- According to the City of Coon Rapids, by the end of 2006 there were an estimated 24,171 housing units. Roughly 63%, or 15,232 homes, were single-family detached homes accounting for 40% of the land area in the City. Over 18%, or 4,422 homes, were single-family attached homes accounting for 5.8% of the total land in the City. Multifamily homes (apartments, condominiums, and quads) made up nearly 18%, or 4,241 units in Coon Rapids accounting for 2% of the land area. Mobile Homes accounted for roughly 1%, or 276 homes in Coon Rapids and accounted for 0.3% of the land.
- The number of single-family building permits in each community peaked in either 2003/2004, declined in 2005, and continued to decline through 2006. An average of residential building permits from 2000 through 2006 indicated that Coon Rapids averaged 200 permits per year (the lowest of the three communities compared). Andover averaged nearly 250 permits and Blaine roughly 720 permits per year. The availability of land for residential development directly impacts these figures.
- Based on Excensus LLC data, in 2006, 87.6% of single-family homes were priced between \$120,000 and \$240,000. Forty-four percent of households are between 45 and 64 years (baby boom generation) and live in homes priced between \$120,000 and \$240,000. Multifamily homes, townhomes and condominiums, comprise nearly 4% of for-sale homes in Coon Rapids.

- Single-family homes account for roughly 80% of the total housing stock in Coon Rapids compared with 97% and 78% for Andover and Blaine, respectively.
- Homes built before 1980 accounted for 45% of all homes in Coon Rapids compared with 30% and 46% for Andover and Blaine, respectively. Andover had the newest housing stock with nearly 48% of its housing stock having been built in the 1990s compared with 23% and 25% for Coon Rapids and Blaine, respectively.
- Each community showed signs of low price appreciation and sales slow downs for single-family home resales in 2006. Coon Rapids had the highest single-family resale median price appreciation with roughly 2%. Andover and Blaine each had negative price changes in 2006 of roughly -2%. The three communities all saw the number of transactions decrease; Coon Rapids saw the number of sales decrease by about -24% while Andover and Blaine saw decreases of -36% and -18% respectively. Coon Rapids had the lowest median price in 2006 at \$222,000 compared with Andover and Blaine at \$261,000 and \$240,000, respectively.

**TABLE 7
 RESIDENTIAL BUILDING PERMITS
 CITY OF COON RAPIDS
 2000 to 2006**

Coon Rapids	SF	2F	TH	TH-D	MF	Demo- litions	Total
2000	48	8	67	19	0	0	142
2001	24	4	99	23	136	-2	284
2002	76	2	63	24	56	-3	218
2003	142	2	128	47	0	-4	315
2004	113	4	101	64	0	-6	276
2005	49	2	83	37	0	-7	164
2006	27	0	43	60	25	-9	146

Source: City of Coon Rapids, Maxfield Research, Inc.

TABLE 8					
RESIDENTIAL BUILDING PERMITS					
COON RAPIDS MARKET AREA					
2000 to 2006					
Andover	SF	Duplex/ Quad	TH	Other MF	Total
2000	342	0	0	0	342
2001	241	0	44	0	285
2002	161	0	57	30	248
2003	123	0	59	30	212
2004	137	0	114	0	251
2005	165	0	61	30	256
2006	151	0	0	0	151
Blaine	SF	Duplex/ Quad	TH	Other MF	Total
2000	407	0	157	0	564
2001	530	0	70	68	668
2002	450	0	203	166	819
2003	429	0	284	103	816
2004	520	0	255	297	1,072
2005	311	0	125	232	668
2006	425	0	0	0	425

Source: Metropolitan Council, Maxfield Research, Inc.

TABLE 9
AGE OF HOUSING STOCK BY UNITS IN STRUCTURE
COON RAPIDS MARKET AREA
2000

	Total		<1940		1940s		1950s		1960s		1970s		1980s		1990s	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Coon Rapids																
1, detached or attached	18,133	80.3%	130	0.6%	265	1.2%	2,624	11.6%	3,059	13.6%	2,514	11.1%	5,465	24.2%	4,076	18.1%
2 to 4	431	1.9%	6	0.0%	0	0.0%	19	0.1%	35	0.2%	63	0.3%	200	0.9%	108	0.5%
5 to 19	997	4.4%	7	0.0%	7	0.0%	63	0.3%	145	0.6%	187	0.8%	324	1.4%	264	1.2%
20 to 49	1,589	7.0%	7	0.0%	7	0.0%	22	0.1%	100	0.4%	532	2.4%	681	3.0%	240	1.1%
50 or more	1,149	5.1%	6	0.0%	6	0.0%	7	0.0%	11	0.0%	276	1.2%	429	1.9%	414	1.8%
Mobile home	276	1.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	95	0.4%	115	0.5%	66	0.3%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	22,575	100.0%	156	0.7%	285	1.3%	2,735	12.1%	3,350	14.8%	3,667	16.2%	7,214	32.0%	5,168	22.9%
Andover																
1, detached or attached	7,863	97.0%	59	0.7%	23	0.3%	158	1.9%	548	6.8%	1,543	19.0%	1,806	22.3%	3,726	46.0%
2 to 4	91	1.1%	0	0.0%	0	0.0%	10	0.1%	46	0.6%	35	0.4%	0	0.0%	0	0.0%
5 to 19	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20 to 49	21	0.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	21	0.3%
50 or more	114	1.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	114	1.4%
Mobile home	18	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	18	0.2%	0	0.0%	0	0.0%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	8,107	100.0%	59	0.7%	23	0.3%	168	2.1%	594	7.3%	1,596	19.7%	1,806	22.3%	3,861	47.6%
Blaine																
1, detached or attached	12,352	77.7%	96	0.6%	333	2.1%	972	6.1%	2,301	14.5%	2,385	15.0%	3,245	20.4%	3,020	19.0%
2 to 4	232	1.5%	0	0.0%	0	0.0%	30	0.2%	13	0.1%	67	0.4%	110	0.7%	12	0.1%
5 to 19	272	1.7%	7	0.0%	6	0.0%	10	0.1%	31	0.2%	78	0.5%	71	0.4%	69	0.4%
20 to 49	578	3.6%	7	0.0%	0	0.0%	0	0.0%	85	0.5%	49	0.3%	278	1.7%	159	1.0%
50 or more	174	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	5	0.0%	82	0.5%	87	0.5%
Mobile home	2,291	14.4%	0	0.0%	6	0.0%	18	0.1%	69	0.4%	776	4.9%	769	4.8%	653	4.1%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	15,899	100.0%	110	0.7%	345	2.2%	1,030	6.5%	2,499	15.7%	3,360	21.1%	4,555	28.6%	4,000	25.2%

Source: US Census, Maxfield Research, Inc.

- Multifamily resales painted a similar picture in 2006. Coon Rapids saw an increase of 1% in price while Andover saw a decrease of -1.1% and Blaine saw the highest increase of 1.8%. The number of multifamily resales decreased by roughly -17% in Coon Rapids in 2006. Andover and Blaine saw similar decreases in the number of transactions with declines of -21% and -7%, respectively. Coon Rapids also had the lowest median resale price of the three communities at roughly \$167,000 compared with Blaine's \$183,000 and Andover's \$230,000. Again, much of the difference in price is explained by the availability of newer product.

**TABLE 10
 MEDIAN SINGLE-FAMILY RESALES
 COON RAPIDS MARKET AREA
 2000 to 2006**

Coon Rapids	No.	Median Price	Pct. Change	Days on Market
2000	670	\$144,000	--	13
2001	725	\$160,400	11.4%	14
2002	756	\$176,050	9.8%	20
2003	787	\$187,500	6.5%	20
2004	779	\$208,000	10.9%	26
2005	752	\$217,950	4.8%	39
2006	573	\$222,000	1.9%	42

Andover	No.	Median Price	Pct. Change	Days on Market
2000	404	\$169,000	--	24
2001	454	\$189,450	12.1%	21
2002	406	\$205,000	8.2%	28
2003	435	\$225,600	10.0%	30
2004	434	\$245,750	8.9%	34
2005	420	\$266,000	8.2%	52
2006	269	\$261,000	-1.9%	48

Blaine	No.	Median Price	Pct. Change	Days on Market
2000	397	\$144,000	--	13
2001	475	\$165,000	14.6%	16
2002	510	\$181,850	10.2%	23
2003	615	\$197,150	8.4%	21
2004	637	\$221,900	12.6%	25
2005	610	\$244,900	10.4%	44
2006	503	\$239,900	-2.0%	48

Source: Regional MLS, Maxfield Research, Inc.

TABLE 11 MEDIAN MULTIFAMILY RESALES COON RAPIDS MARKET AREA 2000 to 2006				
Coon Rapids	No.	Median Price	Pct. Change	Days on Market
2000	349	\$110,000	--	8
2001	436	\$125,000	13.6%	12
2002	419	\$136,000	8.8%	16
2003	461	\$148,700	9.3%	20
2004	436	\$158,950	6.9%	26
2005	374	\$164,850	3.7%	47
2006	309	\$166,500	1.0%	54
Andover	No.	Median Price	Pct. Change	Days on Market
2000	2	\$191,500	--	95
2001	7	\$124,900	-34.8%	8
2002	4	\$148,250	18.7%	38
2003	6	\$315,000	112.5%	15
2004	8	\$271,250	-13.9%	50
2005	14	\$232,450	-14.3%	72
2006	11	\$229,900	-1.1%	73
Blaine	No.	Median Price	Pct. Change	Days on Market
2000	129	\$113,000	--	9
2001	177	\$129,900	15.0%	12
2002	208	\$146,950	13.1%	19
2003	268	\$159,000	8.2%	23
2004	257	\$171,500	7.9%	27
2005	271	\$180,000	5.0%	45
2006	252	\$183,163	1.8%	48
Source: Regional MLS, Maxfield Research, Inc.				

- The price distribution for single-family home resales in Coon Rapids is heavily weighted towards homes priced under \$300,000. Andover has the majority of their single-family resales priced between \$200,000 and \$400,000, while Blaine's resales were distributed between \$100,000 and \$400,000. In each case, the largest percentage of resales was found in the \$200,000 to \$300,000 price range.

TABLE 12					
MEDIAN SINGLE-FAMILY RESALES PRICES					
COON RAPIDS MARKET AREA					
2006					
City	Median Price	Prices		% Change From 2005	Change in No. of Sales
		Min	Max		
Coon Rapids	\$222,000	\$115,000 - \$587,500		1.9%	-24%
Andover	\$261,000	\$110,000 - \$635,000		-1.9%	-36%
Blaine	\$239,900	\$130,100 - \$799,900		-2.0%	-18%

Source: Regional MLS, Maxfield Research, Inc.

TABLE 13					
MEDIAN MULTIFAMILY RESALES PRICES					
COON RAPIDS MARKET AREA					
2006					
City	Median Price	Prices		% Change From 2005	Change in No. of Sales
		Min	Max		
Coon Rapids	\$166,500	\$108,351 - \$361,000		1.0%	-17%
Andover	\$229,900	\$125,000 - \$282,000		-1.1%	-21%
Blaine	\$183,163	\$126,000 - \$343,000		1.8%	-7%

Source: Regional MLS, Maxfield Research, Inc.

TABLE 14								
SINGLE-FAMILY RESALES								
COON RAPIDS MARKET AREA								
2006 1Q & 2007 1Q								
	Resales				Median Price			
	No.	% Chg	DOM	% Chg	Price	% Chg	Min	Max
Coon Rapids								
2006	125	--	39	--	\$215,000	--	\$126,000	\$389,900
2007	74	-40.8%	59	51.3%	\$220,000	2.3%	\$122,000	\$500,000
Andover								
2006	56	--	50	--	\$261,500	--	\$170,000	\$635,000
2007	43	-23.2%	84	68.0%	\$268,500	2.7%	\$179,000	\$569,900
Blaine								
2006	75	--	59	--	\$231,900	--	\$151,000	\$650,000
2007	65	-13.3%	48	-18.6%	\$235,340	1.5%	\$143,680	\$1,100,000

Source: Regional MLS; Maxfield Research, Inc.

**TABLE 15
 MULTIFAMILY RESALES
 COON RAPIDS MARKET AREA
 2006 1Q & 2007 1Q**

	Resales				Median Price			
	No.	% Chg	DOM	% Chg	Price	% Chg	Min	Max
Coon Rapids								
2006	62	--	37	--	\$169,950	--	\$117,000	\$361,000
2007	57	-8.1%	79	113.5%	\$165,000	-2.9%	\$102,700	\$354,000
Andover								
2006	1	--	149	--	\$170,500	--	\$170,500	\$170,500
2007	2	100.0%	62	-58.4%	\$224,700	31.8%	\$199,500	\$249,900
Blaine								
2006	38	--	51.5	--	\$180,200	--	\$141,085	\$343,000
2007	37	-2.6%	54	4.9%	\$181,000	0.4%	\$125,610	\$345,000

Source: Regional MLS; Maxfield Research, Inc.

**TABLE 16
 SINGLE-FAMILY RESALE PRICE DISTRIBUTION
 COON RAPIDS MARKET AREA
 2005-Present**

	Price Range					Totals
	\$100k-\$200k	\$200k-\$300k	\$300k-\$400k	\$400k-\$500k	\$500k+	
Coon Rapids						
2005	258	450	36	6	2	752
2006	172	362	31	7	1	573
Active	45	120	20	7	4	196
Andover						
2005	20	257	110	28	5	420
2006	11	165	64	22	7	269
Active	4	61	48	14	20	147
Blaine						
2005	106	353	109	28	14	610
2006	94	294	80	17	18	503
Active	21	115	58	18	34	246

Source: Regional MLS, Maxfield Research, Inc.

**TABLE 17
 MULTIFAMILY RESALE PRICE DISTRIBUTION
 COON RAPIDS MARKET AREA
 2005-Present**

	Price Range					Totals
	\$100k-\$200k	\$200k-\$300k	\$300k-\$400k	\$400k-\$500k	\$500k+	
Coon Rapids						
2005	351	21	2	0	0	374
2006	275	30	4	0	0	309
Active	125	19	4	0	0	148
Andover						
2005	3	6	5	0	0	14
2006	5	6	0	0	0	11
Active	3	7	2	0	0	12
Blaine						
2005	228	39	4	0	0	271
2006	197	54	1	0	0	252
Active	81	45	1	0	0	127

Source: Regional MLS, Maxfield Research, Inc.

- Multifamily homes were priced a bit lower. In Coon Rapids, the majority of resales were priced between \$100,000 and \$200,000. Andover had a larger spread with the majority of resales ranging from \$100,000 to \$400,000; the most were in the \$200,000 to \$400,000 price range. Blaine, like Coon Rapids, had a heavy concentration of resales priced between \$100,000 and \$200,000.

- Each year the Metropolitan Council determines a price for ownership housing that is classified as affordable. This price is based on 80% of family household area median income for the Twin Cities area as set by HUD.
- Turnover of affordable single-family homes has accounted for roughly 25% to 40% of resales in Coon Rapids since 2000. There was a significant dip in 2001 when the percentage of affordable homes turned over was only 10%; however, the Metropolitan Council adjusted their 2002 numbers to correct this disparity.
- Turnover of affordable multifamily homes has accounted for roughly 85% to 95% of resales in Coon Rapids since 2000. Similar to single-family resales, there was a significant dip in 2001 when the percentage of affordable home turnover reached 67%.

TABLE 18
TURNOVER OF AFFORDABLE HOMES
COON RAPIDS MARKET AREA
2000 to Present

Coon Rapids	80% AMI	Single-Family			Multifamily		
		No.	<80% AMI	%	No.	<80% AMI	%
2000	\$134,250	670	206	31%	349	310	89%
2001	\$134,250	725	70	10%	436	293	67%
2002	\$170,000	756	314	42%	419	401	96%
2003	\$183,000	787	326	41%	461	432	94%
2004	\$193,700	779	246	32%	436	396	91%
2005	\$193,700	752	182	24%	374	338	90%
2006	\$201,800	573	159	28%	309	275	89%
Active	\$206,800	196	49	25%	149	128	86%

Source: Regional MLS, Metropolitan Council, Maxfield Research, Inc.

- The Coon Rapids GIS department along with the Coon Rapids Assessor provided data on parcels in the City. The data is composed of traditional for-sale housing products and the total number is made up of ownership housing as well as single-family, townhome, and condominium units that are rented. The total number of units on these parcels, (19,766 units) differs from the total units in the City in that this figure excludes rental units, in traditional apartment buildings.
- Coon Rapids is predominantly composed of single-family homes (74%). The majority of these single-family homes are split-level (47%) followed closely by one-level homes (37%); the remainder are multi-story homes (16%). Detached townhome comprise most of the multifamily homes (53%) followed by condominiums (18%), duplexes (14%). Quads (8%), and attached townhomes (7%).

- Median home values for single-family homes range from \$188,000 (one-level) to \$270,000 (multi-story) depending on the product type. Multifamily median home values range from \$138,000 (attached townhomes) to \$175,000 (detached townhomes).
- Forty-three percent of single-family homes in Coon Rapids are valued under \$200,000. One-level single-family homes contain the largest number of single-family homes valued under \$200,000 (3,805), 71% of all one-level single-family homes. Eighty-three percent of multifamily homes in Coon Rapids were valued under \$200,000.
- The largest value group for single-family homes was homes valued between \$200,000 and \$300,000, 7,343 homes or 50% of all single-family homes. The next largest were those homes valued under \$200,000, 6,299 homes or 43% of all single-family homes. The remaining 1,110 homes or 7.6% were valued above \$300,000.
- The largest value group for multifamily homes was homes valued below \$200,000, 4,218 homes or 83% of all multifamily homes in Coon Rapids. The next largest were homes valued between \$200,000 and \$300,000, 767 homes or 15% of all multifamily homes. The remaining 97 homes or 2% were those homes valued above \$300,000.

TABLE 19 RESIDENTIAL HOME VALUES CITY OF COON RAPIDS March 2007							
Single-Family	Average	Median	Min	Max	Number	<\$200K	%
Multi-Story	\$272,924	\$270,400	\$76,000	\$1,001,500	2,340	579	25%
Split Level	\$216,585	\$212,800	\$74,100	\$685,800	6,970	1,915	27%
One Level	\$200,806	\$188,000	\$47,300	\$799,300	5,382	3,805	71%
Multifamily	Average	Median	Min	Max	Number	<\$200K	%
Duplex	\$183,881	\$166,400	\$120,800	\$446,400	702	583	83%
Detached TH	\$182,185	\$175,800	\$16,600	\$522,100	2,705	1,999	74%
Quad	\$155,420	\$158,200	\$115,900	\$192,000	401	401	100%
TH	\$142,454	\$131,800	\$21,800	\$273,000	334	303	91%
Condo	\$143,092	\$140,800	\$116,400	\$180,400	932	932	100%
Source: City of Coon Rapids; Maxfield Research, Inc.							

TABLE 20
RESIDENTIAL HOME VALUES BY PRICE
CITY OF COON RAPIDS
March 2007

Single-Family	Number	<\$200K		\$200K-\$300K		\$300K-\$400K		\$400K-\$500K		\$500K+	
		No.	%	No.	%	No.	%	No.	%	No.	%
Multi-Story	2,340	579	25%	1,051	45%	554	24%	119	5.1%	37	1.6%
Split Level	6,970	1,915	27%	4,949	71%	96	1.4%	8	0.1%	2	0.03%
One Level	5,382	3,805	71%	1,343	25%	149	2.8%	60	1.1%	85	1.6%
Total	14,692	6,299	43%	7,343	50%	799	5.4%	187	1.3%	124	0.8%

Multifamily	Number	<\$200K		\$200K-\$300K		\$300K-\$400K		\$400K-\$500K		\$500K+	
		No.	%	No.	%	No.	%	No.	%	No.	%
Duplex	702	583	83%	86	12%	29	4.1%	2	0.3%	0	0.0%
Detached TH	2,705	1,999	74%	650	24%	65	2.4%	0	0.0%	1	0.04%
Quad	401	401	100%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TH	334	303	91%	31	9.3%	0	0.0%	0	0.0%	0	0.0%
Condo	932	932	100%	0	0%	0	0.0%	0	0.0%	0	0.0%
Total	5,074	4,218	83%	767	15%	94	1.9%	2	0.04%	1	0.02%

Source: City of Coon Rapids; Maxfield Research, Inc.

Market Conditions

We examined actively marketing for-sale housing developments found in the recent publications of the Fall and Spring Parade of Homes. This provides information on market position and product type within each community. We conducted interviews with local real estate agents and others familiar with market trends in the community. We also contacted the cities to determine planned or proposed housing developments.

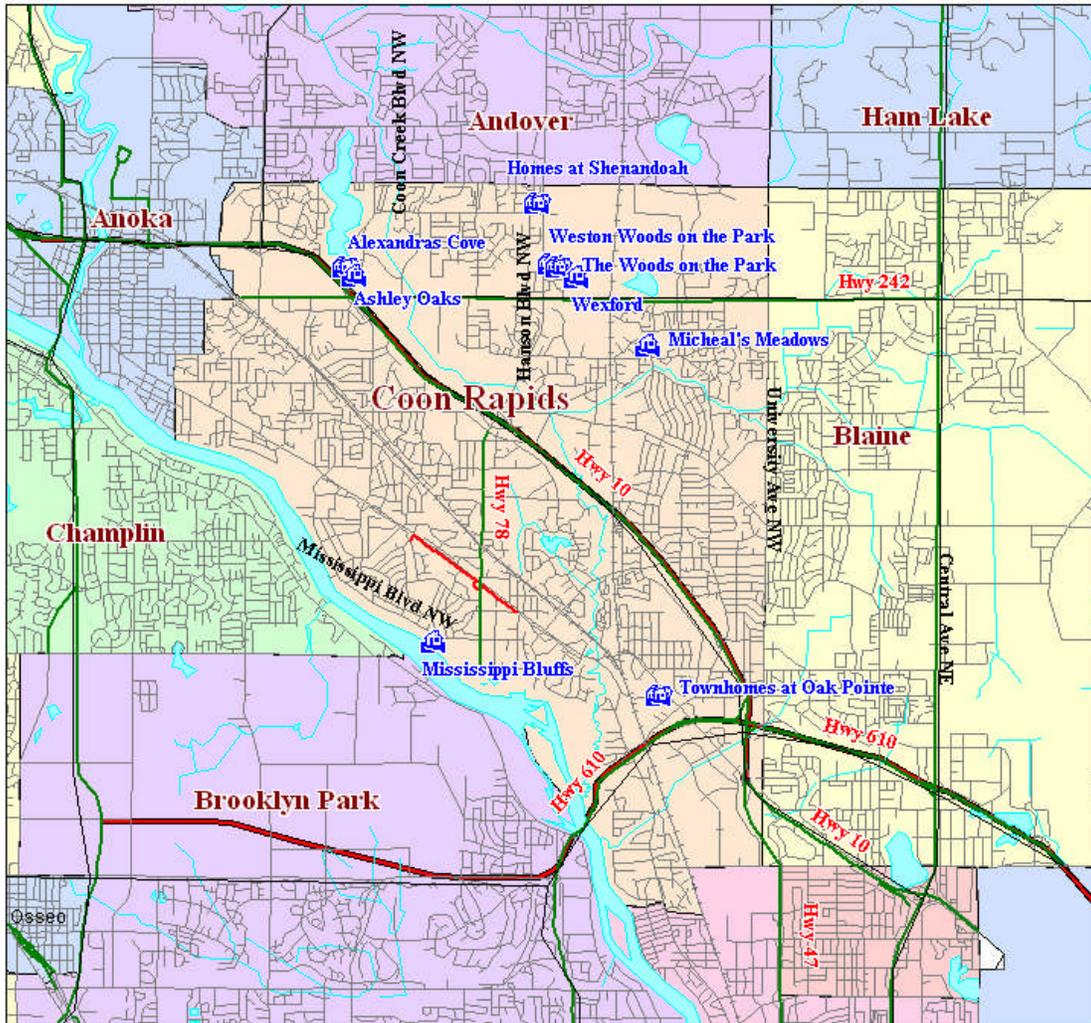
- Coon Rapids has eight for-sale developments that are actively marketing. Four of these are single-family developments and four are multifamily developments (all are attached or detached townhomes). Most of the new single-family homes in Coon Rapids range in price from \$225,000 to \$500,000; Mississippi Bluffs has a model priced at \$750,000. New multifamily homes in Coon Rapids range in price from \$200,000 to \$375,000.
- Andover has 17 for-sale developments that are actively marketing. Twelve of these are single-family developments, four are multifamily developments (both townhome and condominium), and one is a mix of single-family homes and townhomes. New single-family homes in Andover range in price from \$250,000 to \$900,000 with most falling into the \$350,000 to \$550,000 price range. New multifamily homes range in price from \$180,000 to \$450,000.
- Blaine has 15 for-sale developments that are actively marketing. Seven of these are single-family developments, four are multifamily developments (all are attached or detached townhomes), and four are a mix of single-family homes and townhomes. New single-family homes in Blaine range in price from \$270,000 to over \$2,000,000 with most falling into the \$300,000 to \$600,000 price range. New multifamily homes ranged in price from \$180,000 to over \$1,000,000 with most falling into the \$200,000 to \$500,000 price range.

TABLE 21
ACTIVE NEW FOR-SALE HOUSING DEVELOPMENTS
COON RAPIDS, MINNESOTA
April 2007

Developments	Type	Price		Style	Location
		Min	Max		
Ashley Oaks	Single-Family	\$225,000	\$300,000	Rambler	West of 128th Ave. & Coon Creek
Alexandras Cove	Detached TH	\$230,000	\$400,000	Rambler	Blvd on 127th Lane.
Wexford	Single-Family	\$385,000	\$500,000	Rambler & 2-Story	Avocet St. & 127th Ave.
Mississippi Bluffs	Single-Family	\$475,000	\$800,000	2-Story	Bittersweet St. & Mississippi Blvd.
Micheal's Meadows	Single-Family	\$300,000+		N/A	Olive St. & 122 nd Ave.
Homes at Shenandoah	Detached TH	\$230,000	\$275,000	2-Story	Grouse St. NW. & 118th Lane NW.
Townhomes at Oak Pointe	TH & Twin Homes	\$200,000	\$250,000	1-Level	Norway St. near Coon Rapids Blvd.
The Woods on the Park	TH & Twin Homes	\$290,000	\$400,000	1-Level	
Weston Woods on the Park	Townhomes	\$220,000	\$300,000	2-Story	East of Hanson Blvd. & 127th Ave.

Source: Fall 2006 & Spring 2007 Parade of Homes; Maxfield Research, Inc.

For-Sale Developments



Maxfield Research, Inc.

- There are 19 planned or proposed developments in Coon Rapids (2), Andover (3), and Blaine (14). All three in Andover are single-family developments; one has approvals while the remaining two are in the application stage. The two in Coon Rapids are both multifamily developments; one apartment building and one townhome development. Both of these developments are in the application stage. Two of the projects in Blaine are have been proposed but not approved, eight of the projects have been approved and three of these contain future expansions that will need approvals, four of the projects are future projects that the city knows about but no formal application has taken place. The developments in Blaine are estimated to contain over 3,500 housing units, though many of these units are slated for development many years into the future.

- Interviews with area real estate agents, developers, and other people familiar with the North St. Paul Market Area for-sale housing market were conducted to solicit their impressions of current market conditions. They commented that homes in Coon Rapids are seen as more affordable than those in Andover and in parts of Blaine. Realtors indicated that a buyer can get “more house for their money” in Coon Rapids. Impressions are that homes in Andover are on larger lots.
- Interviewees indicated that Coon Rapids has an older housing stock than both Andover and Blaine.
- Some people urged Coon Rapids to emphasize its natural amenities when considering development. They suggested promoting the bike trails, the River, and area parks.
- There was consensus among those interviewed that Coon Rapids has more townhomes in the community than what is demanded and that no additional townhome developments should be pursued at this time. They indicated that there is between a 12-and 18-month supply of townhomes in Coon Rapids at this time. Some sellers have had to cut their prices in order to sell their homes.
- Single-family homes were identified as the product type the City should spend their time pursuing. There were two buyer groups identified as potential target markets for new single-family home development. The first was first-time/entry-level home buyers. These households would be most interested in homes priced under \$225,000. As the population ages the second target market, the senior population, will become interested in new housing. This target market will be interested in age-restricted communities. They will require more features and amenities in these developments; however, they will be willing to pay for them. They will require single-level and maintenance free living, among other features. Detached townhomes would most likely satisfy some of the demand from seniors in the community.

Conclusions and Recommendations

Tables 22 through 25 presents our conclusions and housing demand calculations for new housing (both for-sale and rental) in Coon Rapids between 2006 through 2020. The following points summarize our demand calculations.

- Demand for Coon Rapids is based on household growth projections and trends. Table 22 shows household growth trends and projections based on US Census data and Metropolitan Council projections. Between 2006 and 2020, Coon Rapids is expected to grow by 2,100 households. This growth accounts for 13% of the growth in the Market Area. Most of that growth will be seen in the latter half of the 2000s (57% from 2006 to 2010) with the remainder coming after 2010.

- We have Calculated two scenarios for for-sale demand, one at 70% of growth and the other at 50% of growth for for-sale demand. Scenario 1 is for high for-sale demand and scenario 2 is for moderate for-sale demand.
- Scenario 1 - High for-sale Demand - Coon Rapids is expected to grow by roughly 2,100 households between 2006 and 2020. Based on building trends, we estimate that 70% of the new households will seek for-sale housing, resulting in demand for nearly 1,500 for-sale units and about 630 rental units. Based on demographic growth trends, current market conditions, and recent home construction trends, we estimate that 50% of for-sale demand will be for single-family units and 50% of for-sale demand will be for townhome units resulting in overall demand for 735 for-sale units each. All of the demand for rental units would be in multifamily products.
- There is a portion of the demand that will come from outside the Market Area. We estimate this to be about 15%. Including this demand from outside the Market Area, **total demand in Coon Rapids is calculated for 865 for-sale single-family units, 865 townhome units, and about 741 rental units between 2006 and 2020.** This translates into annual demand for 62 single-family units, 62 townhome units, and 53 rental units in Coon Rapids.
- Scenario 2 - Moderate for-sale Demand - Coon Rapids is expected to grow by roughly 2,100 households between 2006 and 2020. Based on building trends, we estimate that 50% of the new households will seek for-sale housing, resulting in demand for roughly 1,050 for-sale units and about 1,050 rental units. Based on demographic growth trends, current market conditions, and recent home construction trends, we estimate that 50% of for-sale demand will be for single-family units and 50% of for-sale demand will be for townhome units resulting in overall demand for 525 for-sale units each. All of the demand for rental units would be in multifamily products.
- There is a portion of the demand that will come from outside the Market Area. We estimate this to be about 15%. Including this demand from outside the Market Area, **total demand in Coon Rapids is calculated for 618 for-sale single-family units, 618 townhome units, and about 1,235 rental units between 2006 and 2020.** This translates into annual demand for 44 single-family units, 44 townhome units, and 88 rental units in Coon Rapids.

**TABLE 22
 HOUSEHOLD TRENDS AND PROJECTIONS
 COON RAPIDS MARKET AREA
 1990 to 2020**

City	US Census		Projections			Change					
	1990	2000	2006	2010	2020	2006-2020		2000s		2010s	
Coon Rapids	17,449	22,578	24,391	25,600	26,500	2,109	8.6%	3,022	13.4%	900	3.5%
Andover	4,430	8,107	10,503	12,100	14,600	4,097	39.0%	3,993	49.3%	2,500	20.7%
Blaine	12,825	15,926	20,770	24,000	29,300	8,530	41.1%	8,074	50.7%	5,300	22.1%
Anoka	6,394	7,262	7,645	7,900	8,500	855	11.2%	638	8.8%	600	7.6%
Fridley	10,909	11,328	11,491	11,600	11,900	409	3.6%	272	2.4%	300	2.6%
Total	52,007	65,201	74,800	81,200	90,800	16,000		15,999		9,600	

City	Percentage of Market Area							
	1990	2000	2006	2010	2020	2006-2020	2000s	2010s
Coon Rapids	33.6%	34.6%	32.6%	31.5%	29.2%	13.2%	18.9%	9.4%

Source: US Census, Met Council, Maxfield Research, Inc.

TABLE 23
PROJECTED HIGH FOR-SALE DEMAND FOR NEW HOUSING
COON RAPIDS MARKET AREA
2006 to 2020

	<u>Total</u>	<u>For-Sale</u>		<u>Rental</u>
Projected new housing unit demand from household growth, 2006 to 2020	2,100			
(times) Estimated ownership demand	x <u>70%</u>			
(equals) Projected Coon Rapids demand for new for-sale housing units	=	1,470		
(equals) Projected Coon Rapids demand for new rental units	=			630
		Single-Family	Townhome	
(times) Estimated percent of for-sale demand for Single-Family / Townhome units	x	50%	50%	
(equals) Projected Coon Rapids demand for Single-Family / Townhome units	=	735	735	
(plus) Demand from outside Coon Rapids (15%)	+	130	130	111
(equals) Total demand for new housing in Coon Rapids	=	865	865	741
(equals) Total annual demand for new housing in Coon Rapids	=	62	62	53
Source: Maxfield Research Inc.				

TABLE 24
PROJECTED MODERATE FOR-SALE DEMAND FOR NEW HOUSING
COON RAPIDS MARKET AREA
2006 to 2020

	<u>Total</u>	<u>For-Sale</u>		<u>Rental</u>
Projected new housing unit demand from household growth, 2006 to 2020	2,100			
(times) Estimated ownership demand	x <u>50%</u>			
(equals) Projected Coon Rapids demand for new for-sale housing units	=	1,050		
(equals) Projected Coon Rapids demand for new rental units	=			1,050
		Single-Family	Townhome	
(times) Estimated percent of for-sale demand for Single-Family / Townhome units	x	50%	50%	
(equals) Projected Coon Rapids demand for Single-Family / Townhome units	=	525	525	
(plus) Demand from outside Coon Rapids (15%)	+	93	93	185
(equals) Total demand for new housing in Coon Rapids	=	618	618	1,235
(equals) Total annual demand for new housing in Coon Rapids	=	44	44	88
Source: Maxfield Research Inc.				

The City of Coon Rapids is almost entirely built-out. With an aging housing stock and the continued growth occurring in the North Metro Area, Coon Rapids is in a position to capture a portion of that growth through redevelopment that could provide housing products currently desired by the market; similar to what is being offered in the higher growth communities of Andover and Blaine. The City must accommodate growth with very little available land and must balance the cost of redevelopment with supplying a product that is desirable.

Our interviews with local area agents indicated that the current market for additional entry-level townhomes seems to be soft. Conversely, the market for single-level townhomes continues to attract empty-nesters and seniors, resizing from their single-family homes. Detached product also remains popular, but pricing of these units may extend beyond the market.

Single-family homes, at all price levels, are in high demand in Coon Rapids. Additionally, demand for twin-homes and detached villas are popular with empty-nesters and seniors. There still remains limited demand for entry-level townhomes. The tightening of the for-sale housing market has led to increased demand for rental housing. There is some demand for general-occupancy rental housing and high demand for senior rental housing. Demand for these product types is increasing again due to shifts in market cycle.

With a limited number of redevelopment sites, the City will have to balance market demand for specific product types with the costs in bringing these sites to market. In most cases, redevelopment costs could push the product types toward higher density development. Through subsidies or special financing, the City may be able to push down pricing for some of these product types to support lower density. Conversely, the City may be able to encourage different product types that increase density, but still provide features the market desires (i.e. small lot, single-family, etc.). In the Coon Rapids housing market, price is an important issue, and will need to be addressed when considering future development.

TABLE 25
POPTENTIAL DEVELOPMENT HOUSING TYPES
COON RAPIDS, MINNESOTA
April 2007

Name	Location	Recommended Housing Type
1 - Sod Field	Hwy 242 & University Ave NW	Single-Family, Moderate Density Res.
2 - Sod Field	Hwy 242 and Shenandoah Blvd	Single-Family, Moderate Density Res.
3 - River Walk	Near Egret Blvd and Coon Rapids Blvd	Moderate to High Density Res.
4 - Lawrence Properties	Coon Creek Blvd & Hwy 242	Single-Family, Moderate Density Res.
Name	Current Use	Size
1 - Sod Field	Vacant - Low wet acres	40 Acres
2 - Sod Field	Vacant - Drainage issues	65 Acres
3 - River Walk	Cleared for redevelopment	31.6 Acres
4 - Lawrence Properties	Agricultural, Rocket Oil Facilities	80 Acres

Source; City of Coon Rapids, Maxfield Research, Inc.

Summary of the City of Coon Rapids Housing Programs Attachment 2 - Section 4

Program	Summary	Status	Funding	Value Increase	Observation/Suggested Strategy
<p>Zero Interest Home Rehabilitation Loan/Grant</p>	<p>A zero interest loan/grant specifically for low- moderate income homeowners for home improvements necessary to meet minimum housing quality standards. Up to fifty percent of the loan is converted to a grant over time. The remaining loan becomes payable when the home is sold or is no longer the principal resident of the recipient of the funds or, under certain conditions, when a mortgage is refinanced.</p>	<p>70 loans closed since 2004 for \$1.3 million in loans closed.</p>	<p>Federal Community Development Block Grant program. Fund Balance as of the end of January 2007 is \$242,133.82.</p>	<p>Currently not available</p>	<p>Demand for the program is high and funds are typically spent by mid-year. How do the households who are not able to access these funds make necessary improvements? Are they making the improvements at the risk of not being able to afford other expenses? Are they financing with a higher interest rate? Are the improvements not being made and maintenance deferred?</p> <p>The City should ensure that they are supplementing this program to assist those in need and to ensure that necessary housing improvements are being completed. Proper communication is beneficial to offer existing home improvement and/or home rehabilitation assistance programs when the CDBG Program funds are no longer available.</p>

<p>Home Improvement Incentive Loan Program:</p>	<p>Loans up to \$25,000 at a sliding interest rate dependant upon income for most types of home improvement projects -- siding, roofing, windows, kitchen and bath remodels, plumbing, wiring, driveways, sidewalks, carpet, flooring, furnace and central air, basements, garages, fences, landscaping, and more!</p>	<p>34 loans closed since 2005 for a total of \$503,465 in loans with the average loan being approximately \$14,808. The most loans were issued to people with incomes above 110% or the area median income (AMI) at 17 total loans.</p>	<p>Coon Rapids Mortgage Assistance Foundation and the City of Coon Rapids. Fund Balance as of the end of December 2006 is \$296,535.00</p>	<p>The total value market increase from 2006 to pay 2007 on properties assisted with loans is \$568,400 which is an overall value increase of 8%. The largest value increase on any one property is 15% with the lowest at -1%.</p>	<p>Approximately 1/2 of the loans are provided to households with incomes above 110% of the area median income.</p> <p>The program provides a lower interest rate than market loans. To further encourage larger home renovations, the CRMAF should consider matching these funds with design assistance and providing larger loan amounts for larger renovations. Particular focus should be on second story additions and projects that increase the square footage of homes as well as provide exterior modernization and street appeal. (Refer to implementation strategies)</p>
<p>Home Rehabilitation Assistance Program</p>	<p>Provides loans for necessary repairs or improvements to meet housing code standards. Low interest or deferred no interest loans up to \$30,000 provided to people with income ranges between 110% and below 30% of the AMI.</p>	<p>36 loans closed since 2005 for total of \$592,175 in loans with the average loan amount of \$17,417. The most loans were issued to people with incomes between 50-80% of AMI at 18 total loans.</p>	<p>Funds committed from the Coon Rapids Mortgage Assistance Foundation and the City of Coon Rapids. Fund Balance as of the end of December 2006 was \$331,943.</p>	<p>The total value increase from 2006-2007 on properties assisted with loans is \$646,400 which is an overall increase of 11%. The largest value increase for any one property is 22% and the lowest if 5%.</p>	<p>The program is being accessed by those with incomes below 80% of the area median income with the majority below 50% of the AMI.</p> <p>Additional targeted marketing on the program should be considered to those residents with lower value homes. In addition, code enforcement officials should continue to provide information regarding the program within violation letters. This provides the homeowner with a solution rather than just a problem.</p>

					The City may want to consider doing neighborhood sweeps, with prior notification, to encourage clean-up and improvement while providing access to program resources. (Refer to implementation strategies)
Two-family Home Improvement Loan Program	Provides incentive to owners of two-family homes to undertake exterior maintenance and rehabilitation projects at the same time as the adjoining tenant to ensure that the exteriors of both units remain compatible.	6 loans closed since 2005 for a total of \$93,309 in loans.	Coon Rapids Mortgage Assistance Foundation and the City of Coon Rapids. Fund Balance as of the end of December 2006 at \$60,000.00	The total value increase from 2006-2007 on two-family properties assisted with loans is \$99,900 which is an overall increase of 11%. The market value of like units tends to differ from one unit to the other. However, the value increase seems to rise consistently between the two units.	The program is valuable to ensure that improvements between units are being made consistently. The program also promotes neighborliness.
Emergency Home Repair Loan Program	Provides funds for homeowners that have emergency repair needs but who do not qualify for other home improvement loan programs.	1 loan for \$2,573 in loans.	Coon Rapids Mortgage Assistance Foundation and the City of Coon Rapids. Fund Balance as of the end of December 2006 at \$20,000.00	The value increase from 2006-2007 on the home that was provided with emergency funding is \$5,400 which is an increase of 3%.	The success of the program hinges upon ensuring that there is sufficient communication to code enforcement staff to enable them to have the resources to address emergency home repair items at little to no-cost to the homeowner. For severe code issues, the CRMAF may want to consider loan payments being deferred until resale of home or collected through the abatement of taxes. There are

					cases where making the improvement resolves a broader neighborhood concern and helps to stabilize the neighborhood as well as the specific property.
MHFA Fix-Up Fund	Loans at a 7.25% interest rate to qualifying homeowners. The Fix-Up Fund was established to improve the basic livability and/or energy efficiency of the borrower's home.	32 loans closed since 2002 with only 4 loans closed in 2006.	Funding provided by the Minnesota Housing Finance Agency. Annual appropriation provided.	No available at this time	Evaluate why only 4 loans were closed in 2006? Is this because the CRMAF is providing other loans at a better interest rate? These issues should be reviewed to develop ways to enhance the use of the program. The City does take advantage of the Community Fix-Up Program that targets the loan programs to specific community need such as credit counseling, renovation of ramblers & cape code's which provides a lower interest rate.
First Time Homebuyer Loans	Low interest first mortgages provided to first time homebuyers within Anoka County	10 out of 30 total loans were provided to Coon Rapids residents which is more than any one Anoka County community for a total of \$1,594,742 in total loans.	Funding provided by MHFA and administered by Anoka County. Annually funded. In April 2007, \$4,368,974 in funds is available for first time homebuyer loans in Anoka County.	The average value of the homes purchased with the First Time Homebuyer Funds is \$157,610. The average incomes of those purchasing the homes are 47,640.	The program is very successfully used in Coon Rapids typically due to the affordability of the existing housing stock. CRMAF should focus on additional marketing of this program rather than providing any funds toward first time home buying.
Scattered Site Replacement	On a voluntary basis, purchase lower value homes with significant	Since the program began in 1999, 6 homes have been	City of Coon Rapids and the	Significant value increases should be	Review the development of the lots in conjunction with non-

	<p>maintenance issues, tear down and support the construction of a new home sold at a higher market value.</p>	<p>purchased for a total acquisition cost of \$626,438 or an average of \$104,406. Due to the lot size and situation, 2 of the properties were subdivided, 4 lots were resold for a total price of \$227,845 and new homes constructed. Four lots still remain in inventory.</p>	<p>CRMAF</p>	<p>realized upon full valuation on new homes constructed. Loss on most transactions but the benefits of increase value and neighborhood improvement is paid back over time.</p>	<p>profit housing builders.</p> <p>Evaluate the opportunity to secure County and/or Metropolitan Council funding to fill the gap in the construction of new homes that could be resold to first time homebuyers.</p>
<p>Housing Improvement Area</p>	<p>The program provides a method of public financing for common area improvements associated with condominiums and townhome developments. The program goes through a public notification and hearing process to designate an area where fees would be assessed to the properties to repay the City for providing lower-interest and longer term financing for the improvements. The program is initiated through a petition process by at least 25% of property owners within the specific target area.</p>	<p>Since June of 1998, 10 Housing Improvement Areas have been created. These 10 areas include 202 f townhome and condominium units and \$2.4 million in improvement costs which are being paid back by the owners through an assessment to each individual owner taxes.</p>	<p>Initial funding is provided by the City of Coon Rapids and is repaid through an assessment to the affected property owners.</p>	<p>It is difficult to anticipate the increased valued for the HIA's. However, the City deterred experiencing a value reduction for the deferred maintenance.</p>	<p>Coon Rapids has successfully used the program to address insufficient fund balances for common area improvements in ownership townhome and condo projects. HIA's should continue to be the main method to reduce deferred maintenance within these communities.</p>

**COON RAPIDS HOUSING STRATEGY
PROGRAM EXAMPLES - SURROUNDING COMMUNITIES
ATTACHMENT 3 - SECTION 4**

Community	Program	Description	Funding	Comments
St. Louis Park	Remodeling & Architectural advice	To promote high quality home remodeling, the City of St. Louis Park partners with the Center for Energy and Environment (CEE) to make the services of a remodeling advisor available to St. Louis Park homeowners. In addition, architect advice can be provided through a partnership with AIA for a \$25 fee (value of to \$250).	Tax funds	CR – remodeling advisor currently made available. May want to consider partnership with AIA for architect advice.
	Move up in the Park	The primary function is to provide incentives for people to expand their homes and stay in the community	Tax dollars	Program to encourage home additions to increase value of home.
	Remodeling Loans -Community Fix-up Fund Loans	Loans up to \$35,000 - 6 percent interest Household income cannot exceed \$90,000 OR 5 percent interest Household income cannot exceed \$63,000	MHFA	CR – currently available
	Home Energy Loans	Loans up to \$10,000 - 7.25 percent interest - no income limit - Maximum 5 year repayment term	CEE	CR – currently available
	Emergency Repair Grant	Grants up to \$4,000 - 0 percent interest/no repayment required - Grants are for low income households; eligibility is determined by family size and household income. Household income is approximately \$26,950 annually.		CR – currently available

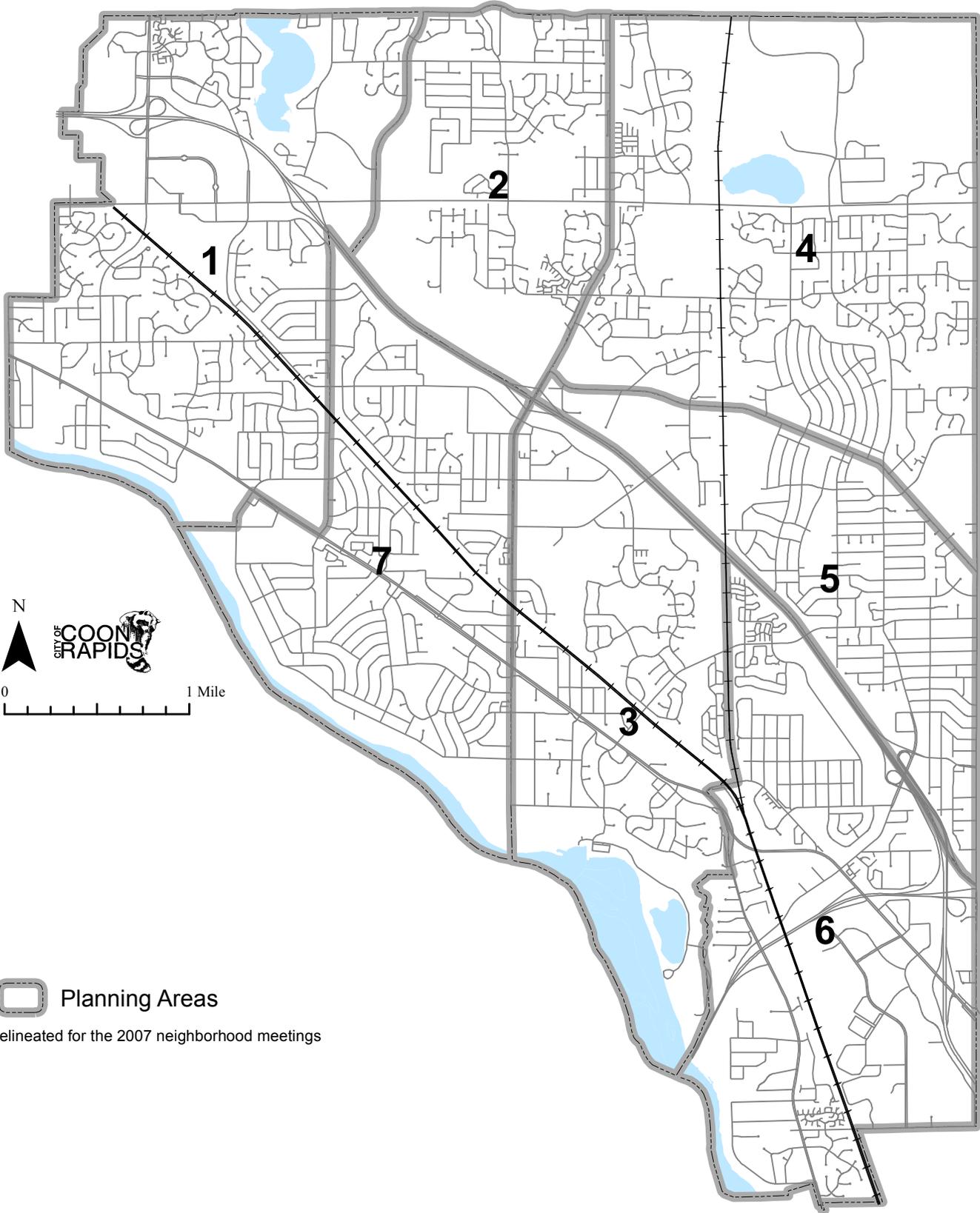
	St. Louis Park Deferred Loans	Loans of up to \$20,000 - 0 percent interest - Loans are for low income families; eligibility is determined by family size and household income. Example: Annual income for a household of two is \$30,800 or less. - Applicants' assets may not exceed \$25,000.		CR – currently available
	Point-of-Sale Program	Requires that homes are brought up to code prior to sale. A home must have an inspection and receive a certificate of compliance prior to sale.	General Levy for staff and supported by charging fees.	
Richfield	Home Energy Loan	The Home Energy Loan is available to help make your home more energy-efficient, including replacement of windows, doors, insulation and heating. The maximum loan amount is \$10,000. There are no income limits.	Call Center for Environment and Energy at 612-335-5884	CR – currently available
	HOME Accessibility Program	The Program offers up to a \$35,000 loan that comes with no interest and no monthly payments. Eligibility is based on household income and the value of your property after rehabilitation	Hennepin County	
	Rehabilitation Deferred Loan	zero interest, no monthly payments, and a maximum loan amount of \$25,000 per household. Income is determined by household size		CR – currently available
	Transformation Homes	For homeowners who are investing \$50,000 or more into their remodeling project, the Transformation Homes Loan provides incentive financing - 15% of contracted remodeling costs, up to \$15,000. The loan is interest free and		Good program to encourage larger renovation of homes and new family interest in rambler style homes

		payable upon future sale of the home or forgiven after 30 years. Funds are limited.		
	Fix-Up Fund	If your annual household income is \$89,000 or less, you can borrow up to \$35,000 at a reasonable interest rate.	MHFA	CR – Currently available
	Point-of-Sale	Requires that homes are brought up to code prior to sale. A home must have an inspection and receive a certificate of compliance prior to sale.	General Levy for staff and supported by charging fees	
Brooklyn Park	The Duplex Conversion Program Also, used for single family scattered site acquisition.	Voluntary acquisition/cash sale on the part of the duplex owner and no sales fees/commissions are paid for the transaction. Property owners will receive fair market value (FMV) for their properties based on appraisals. Properties for purchase will be considered as funds are available.	Funded by the EDA and CDBG	CR – could use scattered site program for duplex conversion – if this is an issue.
	Fix-up Loans	Low interest renovation loans for single family and rental property	BP CDBG \$ - Home Imp Loans GMHC Hsg Resource Center CEE	CR – available currently
	Home Energy Loan	The Home Energy Loan is available to help make your home more energy-efficient, including replacement of windows, doors, insulation and heating. The maximum loan amount is \$10,000. There are no income limits.	CEE	CR – available currently

	NCRC - sell or rent affordable housing in participation with cities to act as a stabilizing force in both the lives of the families involved and the community in which they live.	Develop affordable homes for sale or rent to those with incomes at 50-80% of AMI. 2 nd mortgage financing	NCRC sells the homes and city does the rehab using CDBG and EDA funds	Evaluate non-profit housing options for development of scattered site lots.
	Reviewing the use of Land Trust for affordable housing	Creates long term affordable homes	most likely CDBG & EDA funds will be used	Consider within redevelopment areas to meet affordability requirements associated with grant funding.
	Point-of-Sale	Requires that homes are brought up to code prior to sale. A home must have an inspection and receive a certificate of compliance prior to sale.	General Levy for staff and supported by charging fees	
Plymouth	First Time Homebuyer Program	Assist a minimum of 5 first time homebuyers annually by providing down payment and closing cost assistance. Maintain affordability by using restrictive covenants and the right of first refusal to maintain affordability.	CDBG funding.	CR – available currently through Anoka County
	Housing rehab program	Preserve the existing housing stock and assist low and moderate homeowners with needed repairs.	CDBG funding.	CR – available currently
	New Affordable Housing Development	Review the use of set-back requirements, density bonuses and minimum lot widths that can be adopted by the City Council and used as		Consider for specific affordable housing development in

		tools to produce additional affordable units. Support the buy-down of certain city fees related to residential development to help decrease costs for affordable housing		redevelopment areas.
Burnsville	Senior Assistance Programs	Assist seniors to remove appliances, furniture or electronics from their homes, we have funds to assist seniors with Chore Services from DART, such as snow removal and yard care	CDBG funds	May help in code compliance cases where a senior is involved. Some programs already available through the County.
	Home Remodeling Grants	Up to \$4,000 grant per qualifying homeowner for home remodeling and to bring homes up to code.	CDBG funds	CR – currently available
	Home Improvement installment and deferred loan program	Provides up to \$25,000 installment or deferred loans for home improvement based upon income	Dakota County funding	Similar to CR loan and deferred loan programs.
Blaine	Manufactured Home Loan Program	Qualified homeowner may borrow between \$2,500 and \$7,500 at an annual percentage rate of 5% with a repayment term not to exceed eight years.	Bond Sale funds	Coon Rapids to review as a method to address maintenance in its manufactured home park
	First Time Home Buyer Program	Funds for low-interest fixed rate mortgage loans to qualified first time homebuyers. Additional funds may also be available through their Homeownership Assistance Fund to help with entry costs such as down payment, closing and, in some cases, monthly payments.	funded by the Minnesota Housing Finance Agency. MHFA, through its Minnesota Mortgage Program (MMP),	CR – currently available through Anoka County

	CEE Home Energy Loan Program	The CEE Home Energy Loan offers 7.25% financing up to \$10,000 with a maximum term of 5 years	CEE	CR – currently available
	Revolving Loan Fund (5%)	This loan can be used to make improvements to any age or type of home; you may borrow up to \$25,000 at 5% interest. Income limits apply	Bond Sale Funds	CR – similar to existing loan programs.
	Discount Loan Fund	This program is available to fix-up rambler style (one story) or cape cod (one and a half story) homes built prior to 1970. You may borrow up to \$25,000 and take up to 20 years to repay the loan as long as your gross income for 2003 will not exceed \$87,000. Eligible projects include the same improvements as listed above.	Bond Sale Funds	CR – similar to existing loan programs.
	Last Resort/Deferred Loan Program	The program is designed for homeowners that have home improvement needs but do not qualify for other home improvement loan or grant programs.	Bond Sale Funds	CR – currently available using CDBG funds

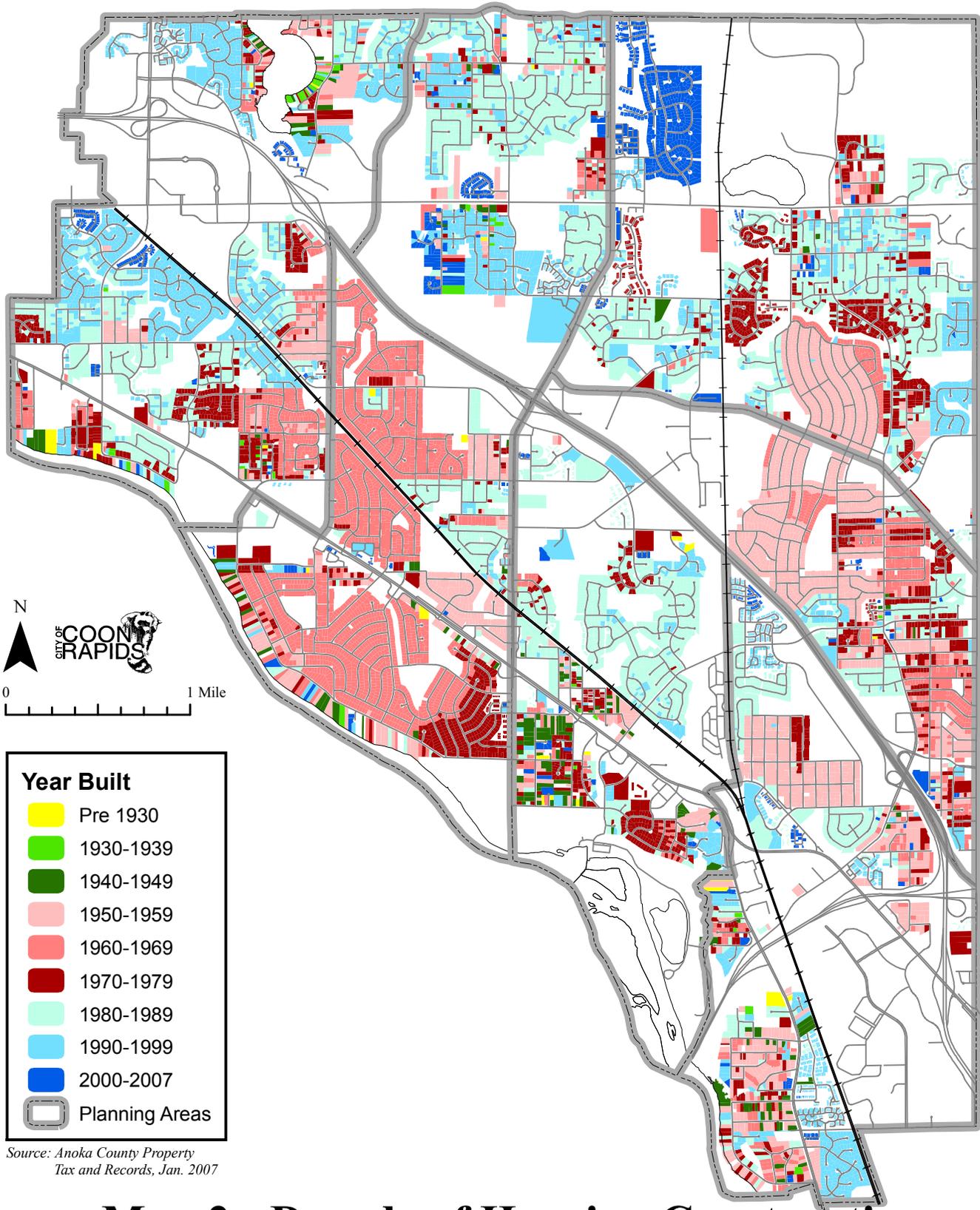


CITY OF COON RAPIDS

Planning Areas

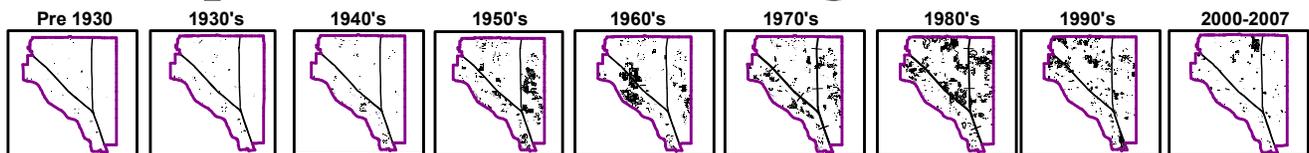
Delineated for the 2007 neighborhood meetings

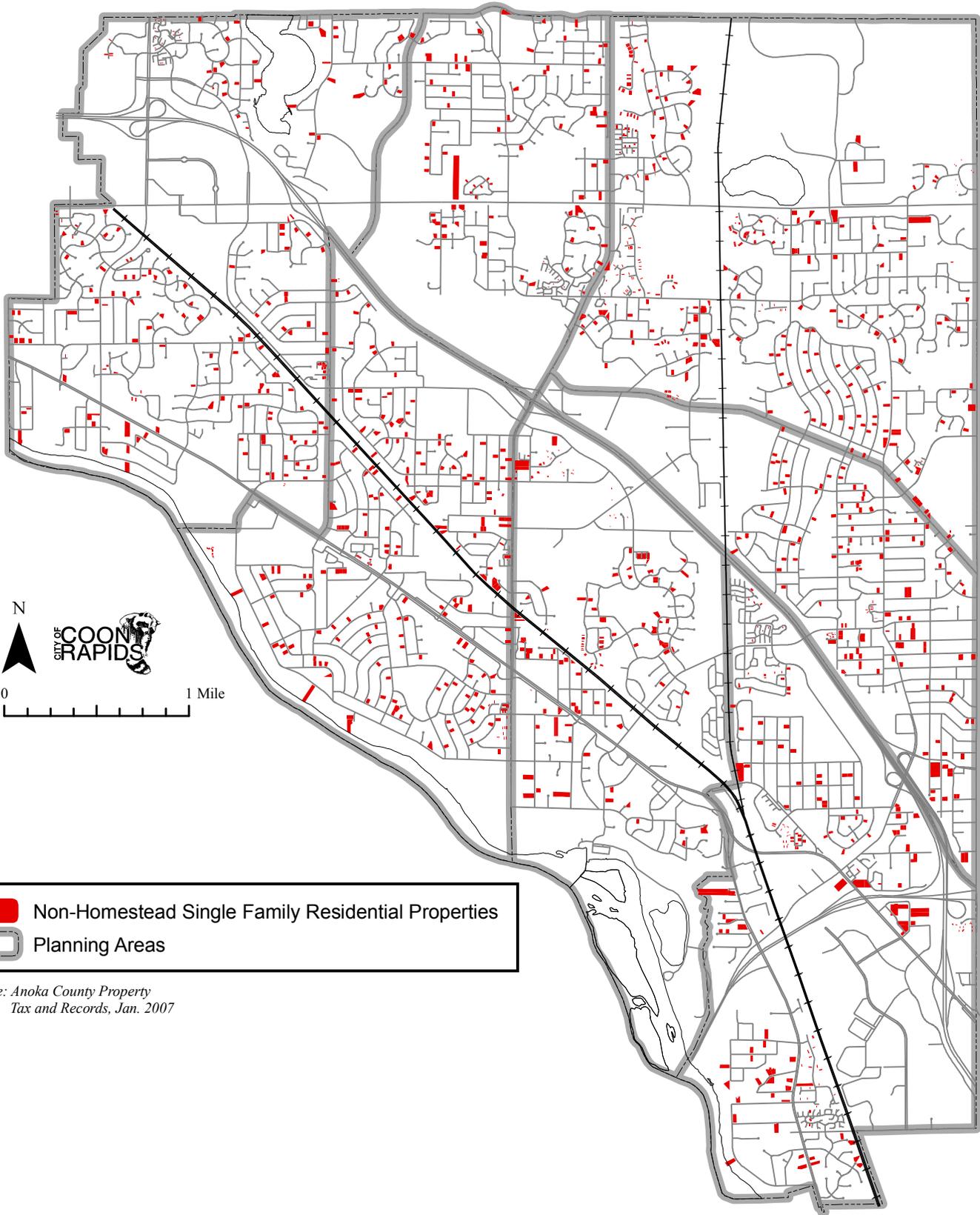
Map 1 - Planning Areas
City of Coon Rapids Comprehensive Housing Strategy



Source: Anoka County Property Tax and Records, Jan. 2007

Map 2 - Decade of Housing Construction

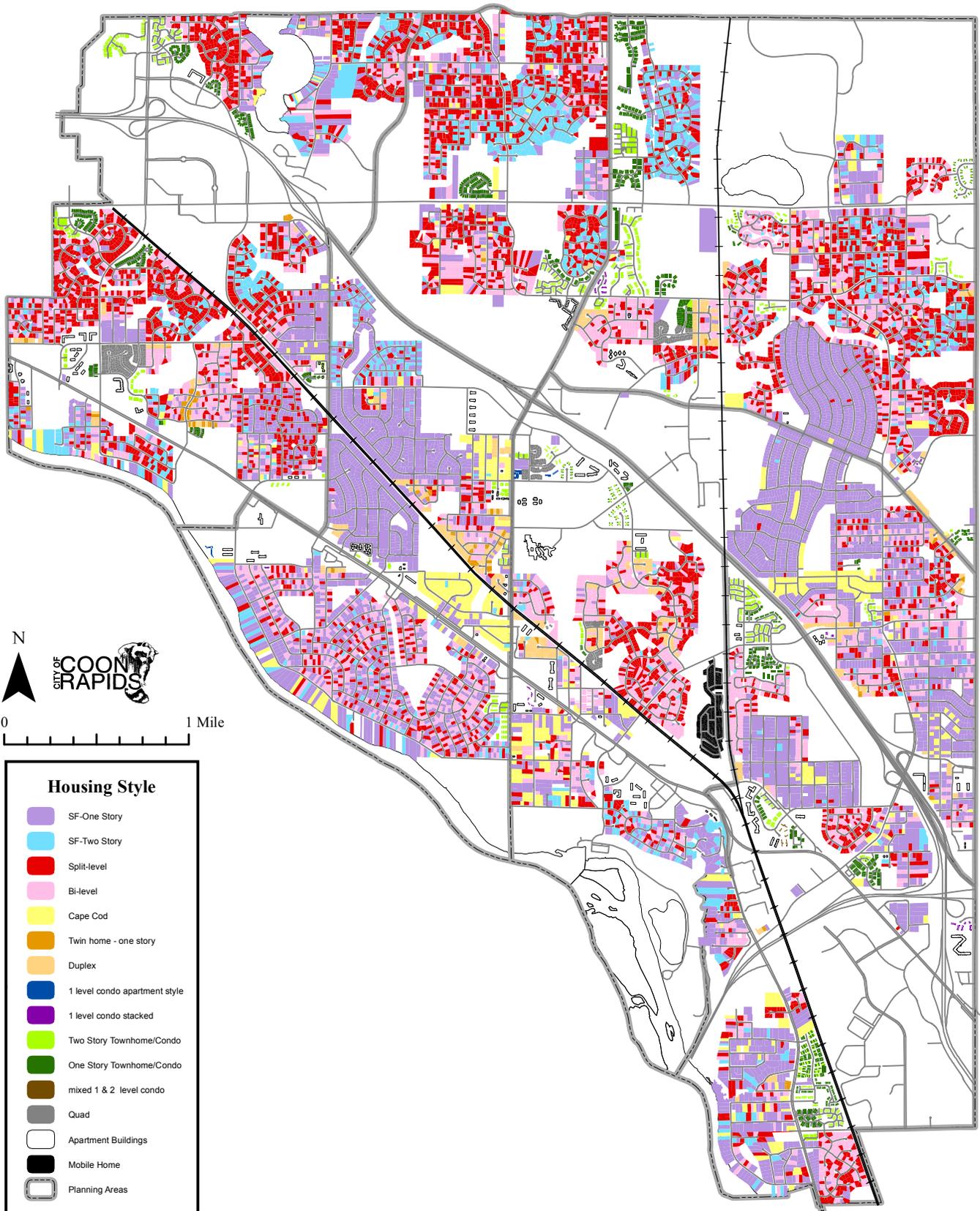




Source: Anoka County Property
Tax and Records, Jan. 2007

Map 3 - Non-Homestead Residential Properties

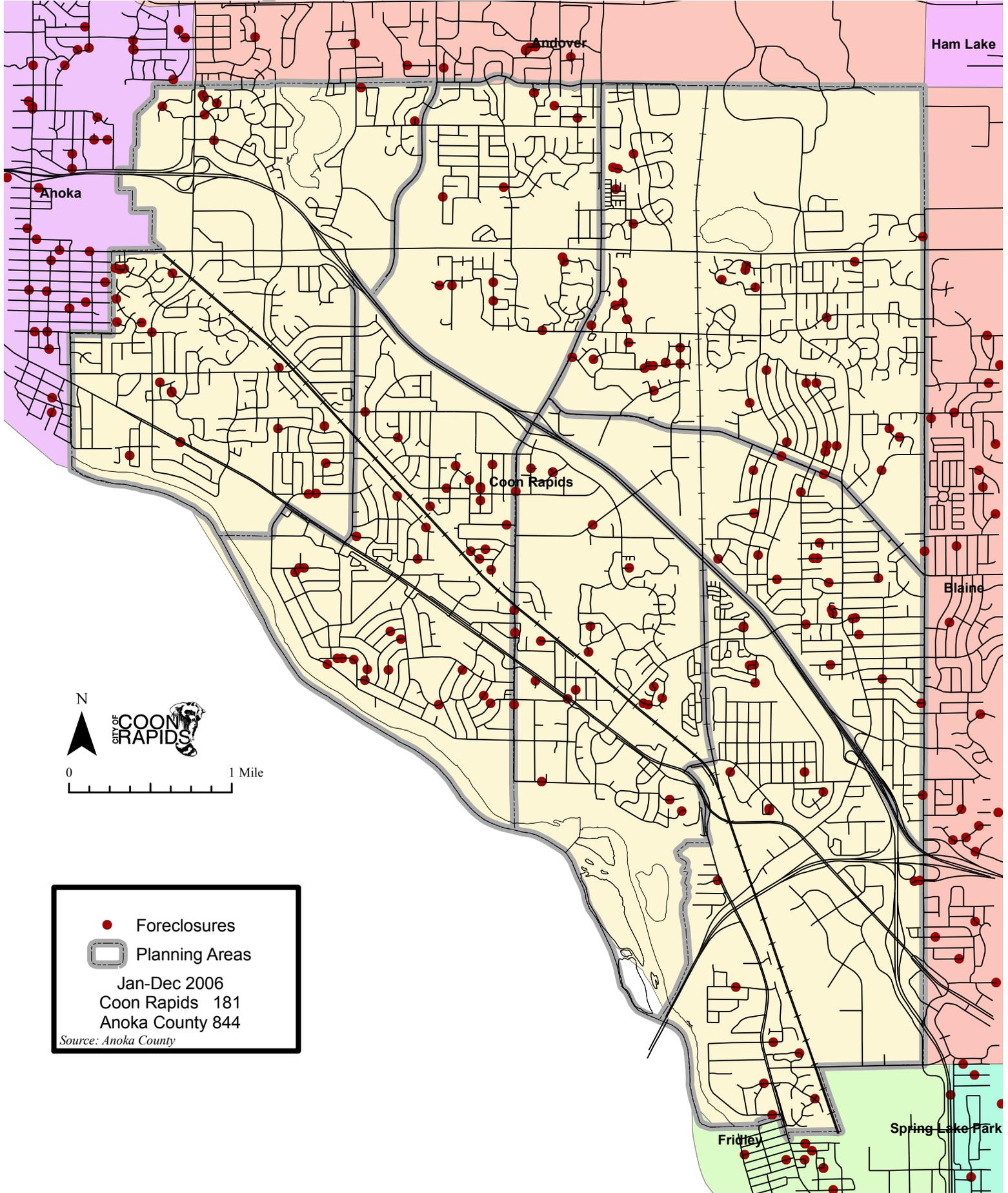
City of Coon Rapids Comprehensive Housing Strategy



Source: Anoka County Property Tax and Records, Jan. 2007

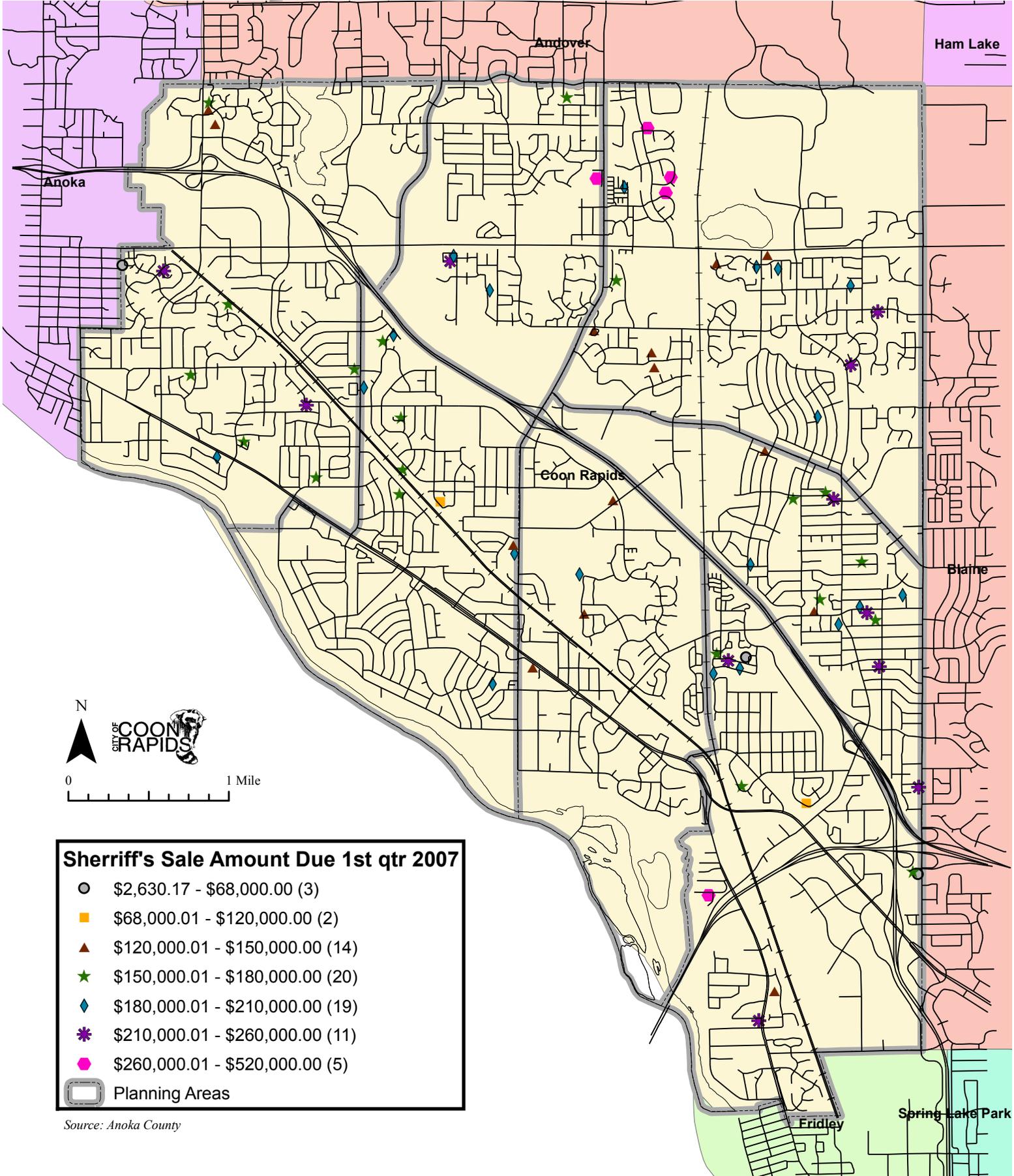
Map 4 - Housing Style

City of Coon Rapids Comprehensive Housing Strategy



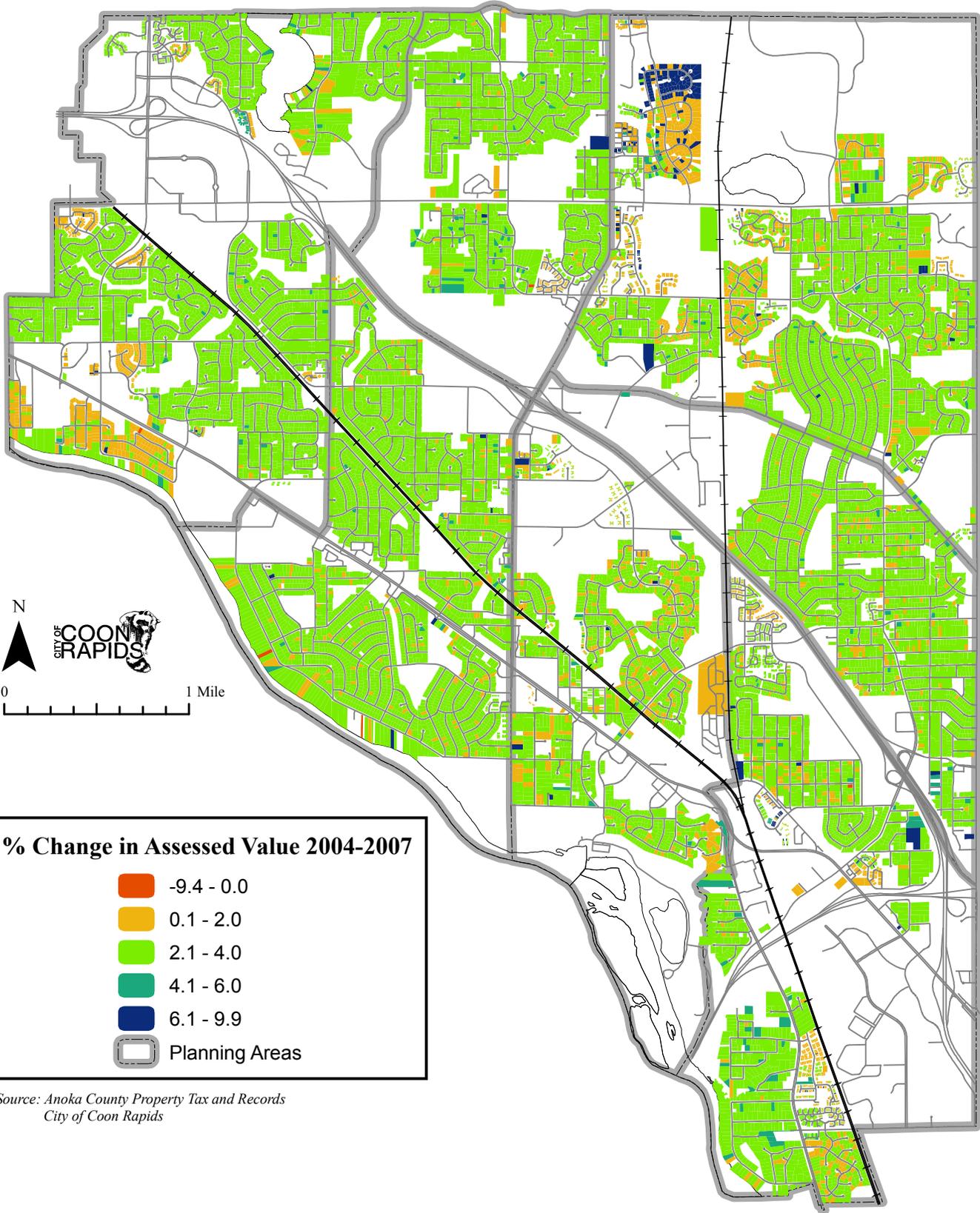
Map 5 - Foreclosures

City of Coon Rapids Comprehensive Housing Strategy



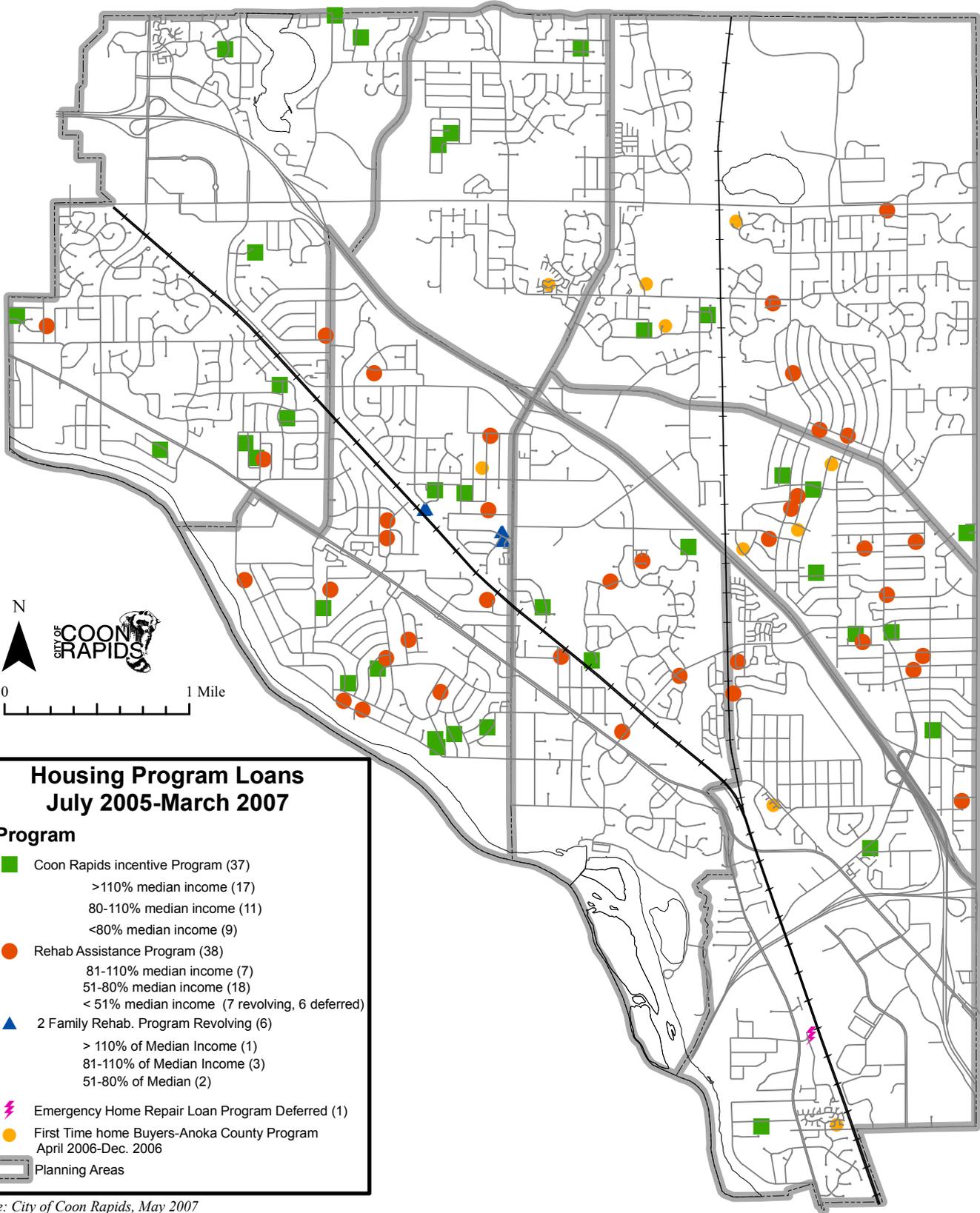
Map 6 - Sherriff's Sale Price

City of Coon Rapids Comprehensive Housing Strategy



Map 7 - Value Change

City of Coon Rapids Comprehensive Housing Strategy



Source: City of Coon Rapids, May 2007

Map 8 - CRMAF Loans

City of Coon Rapids Comprehensive Housing Strategy