



2010 Housing Action Plan

Also known as Chapter IV Housing Plan from the 2030 Comprehensive Plan

Our Vision.... Burnsville provides sustainable and quality housing to meet the needs of our changing and developing population.

Our Objective: To enhance Burnsville's housing stock, provide alternative living options and a mix of housing styles and values to accommodate our residents' life cycle needs and desires.



There is a variety of desirable housing in the City of Burnsville to meet the needs of all sectors of our population. Existing housing stock will be well maintained while new housing will be designed to meet the needs and desires of our residents. Neighborhoods are treasured assets to the city and new housing will be integrated and designed to be sensitive to the neighborhoods in which it will be located. New housing will be sustainable incorporating energy efficiency, green construction and flexibility for modification over time based on changing family needs.

CHAPTER IV – HOUSING PLAN

TABLE OF CONTENTS

	Page
1.0 EXECUTIVE SUMMARY.....	1
2.0 HOUSING GOALS & POLICIES.....	1
3.0 HOUSING PROFILE.....	3
3.1 Current Housing Supply.....	3
3.2 Housing Units.....	4
3.2.1 Single Family Home Styles.....	4
3.2.2 Manufactured Homes.....	5
3.2.3 Multiple-Family Homes.....	6
3.3 Building Permits.....	6
3.4 Age of Housing Stock.....	7
3.5 Housing Condition.....	9
3.5.1 Foreclosed Properties.....	10
3.6 Vacancy.....	11
3.7 Tenure.....	12
3.8 Housing Cost.....	13
3.8.1 Income.....	15
3.8.2 Rental Housing.....	17
3.9 Senior Citizen Housing.....	17
3.10 Assisted Housing – Rental.....	18
3.11 Assisted Housing – Home Ownership Programs.....	19
3.12 Housing Studies.....	21
4.0 AFFORDABLE HOUSING.....	21
4.1 Livable Communities Act.....	21
4.1.1 Affordable Housing Status.....	22
4.1.2 2020 LCA Goals.....	24
4.2 Benefits to LCA Participation.....	27
5.0 FUTURE HOUSING DEMAND.....	28
5.1 Future Forecasts & Projections.....	28
5.2 Demographic Projections.....	30
6.0 HOUSING PLAN STRATEGIES AND OPTIONS.....	31

FIGURES

Figure 1 – Historical Housing Units by Type, 1964-2006.....	3
Figure 2 – Housing Units by Type, 2006.....	4
Figure 3 – Style of Housing in the City of Burnsville, 2004.....	5
Figure 4 – Manufactured Home Parks.....	6
Figure 5 – Residential Building Permits 1995-2006.....	7
Figure 6 – Age of Housing and Percent of Total.....	7
Figure 7 – Age of Residential Housing.....	8
Figure 8 – Exterior Housing Condition.....	9
Figure 9 – Zoning Code Enforcement 2002-2007.....	10
Figure 10 – Housing Vacancy Rates: 1990 – 2000.....	12

CHAPTER IV – HOUSING PLAN

TABLE OF CONTENTS

Page

FIGURES *Continued...*

Figure 11 – Housing Tenure (Occupied Units).....	12
Figure 12 – Tenure by Housing Type (Occupied Units).....	13
Figure 13 – Tenure by Age of Householder, 2000.....	13
Figure 14 – Value of Owner-Occupied Units, 1990-2000.....	14
Figure 15 – Value of Owner-Occupied Units, 2002.....	14
Figure 16 – Burnsville Residential Building Permit Valuation.....	15
Figure 17 – Burnsville Household Income: 2000.....	16
Figure 18 – Percent of Owner Income Spent on Housing Costs.....	16
Figure 19 – Percent of Income Spent on Rent.....	16
Figure 20 – Summary of Burnsville’s Rental Market 2000-2007.....	17
Figure 21 – 2007 Comparison of Burnsville/Dakota County Rental Data.....	17
Figure 22 – Senior Citizen Housing.....	18
Figure 23 – Assisted Rental Housing, January 2008.....	18
Figure 24 – Chowen Bend Rental Townhomes.....	19
Figure 25 – Housing Assistance for Homeowners, January 2008.....	20
Figure 26 – Burnsville Progress – LCA Agreement.....	22
Figure 27 – CDA Affordable Rental Housing Developments in Dakota County Completed or Underway by 10/31/07.....	24
Figure 28 – 2007 LCA Housing Performance Scores.....	24
Figure 29 – Twin Cities Region Affordable Housing Needed, 2011-2020.....	25
Figure 30 – LCA, Affordable Housing Comparison 1995 & 2007.....	27
Figure 31 – LCA Funding Programs.....	28
Figure 32 – Metropolitan Council Forecasts, City of Burnsville.....	29

CHAPTER IV – HOUSING PLAN

1.0 EXECUTIVE SUMMARY

As a maturing community Burnsville has many challenges and opportunities to maintain and provide housing choice and life-cycle housing for our residents. Burnsville considers its housing stock to be a critical building block of our neighborhoods and community development efforts. The livability and appearance of neighborhoods and the housing within them, is a quality of life indicator for our community. As a sustainable community, Burnsville will provide housing opportunities for our workforce, young professionals, families, special needs and senior residents as well as our business and corporate owners. Diverse housing supports economic development by keeping existing residents, attracting new people from all social and economic classes and is essential for sustaining an ever changing and developing population. Businesses need employees and employees need housing. The city has been a leader at providing for workforce and affordable housing and will continue to provide opportunities for additional housing for all segments of our population.

As the city’s demographics change and transition, the city will need to accommodate a wider variety of housing types, including mixed use, live/work units, higher end “executive,” and transitional housing while maintaining the character of existing neighborhoods. The city will continue to enforce housing and property maintenance codes, promote rehabilitation loan and grant programs, housing fairs and neighborhood programs aimed at sustainability, green building practices, and energy efficiency.

This Housing Plan satisfies the requirements of the Mandatory Planning Act and stipulations of Chapter 462C of Minnesota Statutes which requires a housing plan prior to the sale of mortgage revenue bonds. This Plan provides housing goals and policies, a housing profile indicating the status of Burnsville’s housing, affordable housing, future housing demand and strategies/recommendations to accomplish the stated goals and policies. The following City Council “ends and outcomes” statement and subsequent goals and policies establish Burnsville’s housing objectives through the year 2030.

Burnsville “End Statement” on Housing

“People feel Burnsville has quality housing”.

1. *Promote home ownership: Goal is 70% owner occupied, 30% rental.*
2. *Promote and encourage the upgrade, enhancement and maintenance of existing housing stock.*
3. *Partner with organizations to achieve affordable home ownership.*
4. *Community and agency partnerships will result in measurable quality of life improvements at multi-family housing sites.*
5. *Complete Implementation of Best Management Practices for rental housing.*

2.0 HOUSING GOALS AND POLICIES

1. Develop and maintain the quality of housing in residential neighborhoods to meet the needs of current and future residents.

- *Provide a variety of housing types to accommodate all life cycle stages for Burnsville residents.*

- *Encourage diversity and a variety of housing options within neighborhoods to avoid high concentrations of low and modest-cost housing in any portion of the city.*
- *The city will identify multi-family properties in need of upgrading and will work with the owners to improve site and building conditions.*
- *Develop sustainable housing that is energy efficient, utilizes green building techniques, and targeted funding programs for housing rehabilitation.*

2. Promote efforts to upgrade, enhance and maintain existing housing stock.

- *Define funding mechanisms to upgrade existing substandard housing stock for homeowners and landlords.*
- *Continue to implement the STAR (Safe Tenant and Rental) program for rental properties.*
- *Partner with agencies and community groups to institute quality of life improvements at distressed housing sites and encourage reinvestment in older properties to maintain their appearance, functionality and value.*
- *Promote organization of neighborhood groups to organize residents, identify and address issues and advocate for neighborhood preservation, enhancement and assistance.*
- *Advertise programs offered by the Minnesota Housing and Finance Agency, Dakota Community Development Agency and others to upgrade and remodel lower income housing units and multiple family complexes in Burnsville.*
- *Continue to monitor housing stock condition through periodic housing condition surveys followed by targeted programs for areas where problems are identified.*
- *Continue property maintenance inspections to inform property owners of compliance issues and ways to correct problems to bring sites into compliance with property maintenance codes and zoning standards.*
- *Update ordinances to maintain housing functionality, livability and to address new technologies, market trends and resident needs.*

3. Accomplish adopted Livable Communities Goals for affordable housing.

- *Maintain strong partnerships with the Dakota County Community Development Agency (CDA), Metropolitan Council and other agencies/programs such as Habitat for Humanity to provide affordable housing, support programs and services, and for assistance with the available financing programs.*
- *Incorporate future affordable housing units (funded by other agencies) as part of mixed-use (with residential) projects and/or as a component of new owner-occupied multiple-family projects.*

4. Achieve city-wide housing goal of 70% owner-occupied units and 30% rental units.

- *Work with lenders and social service agencies to provide financial literacy and special programs to encourage and increase homeownership.*
- *Concentrate housing redevelopment efforts toward providing more owner occupied units to balance the oversupply of senior and rental housing in Burnsville.*

3.0 HOUSING PROFILE

3.1 Current Housing Supply

Figure 1 - Historical Housing Units by Type, 1964-2006 illustrates the growth in housing units between 1964 and 2006. By 1990, the numbers of each type of housing increased dramatically. However, single family detached homes ceased to be the predominant housing type in the city. Multiple family housing units (consisting of duplex/town homes and condominium/apartments) comprise 53% of the city’s housing stock. Approximately 47% of the housing in Burnsville consists of single family detached structures. This transition is remarkable considering that single family homes comprised 92% of the total units in Burnsville in 1964.

**Figure 1
Historical Housing Units by Type, 1964-2006**

Housing Type	1964		1978		1990		1998		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single Family Detached	1,752	92%	6,102	54%	9,538	47%	11,779	50%	12,096	47%
Duplex/Townhome	--	--	--	--	2,950	15%	3,961	17%	3,304	13%
Condo /Apartment	110	6%	4557	40%	6,997	34%	7,254	31%	9,418	37%
Manufactured Housing	36	2%	663	6%	759	4%	766	3%	766	3%
TOTAL	1,898	100%	11,322	100%	20,244	100%	23,760	100%	25,584	100%

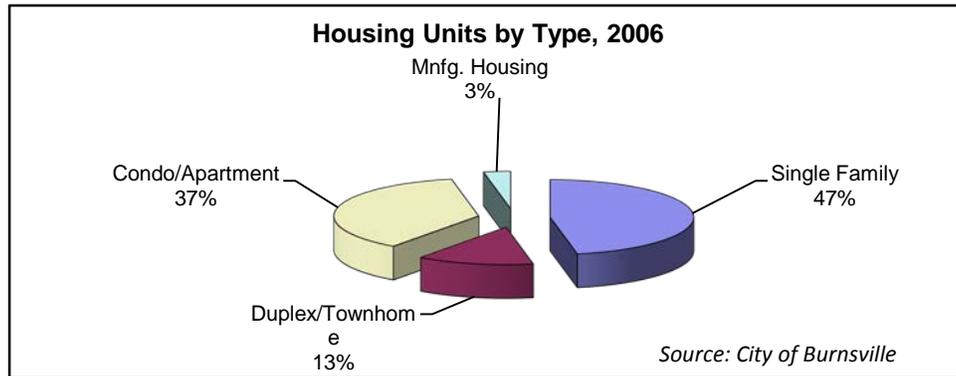
Source, City of Burnsville

During the public input process part of this plan update, a number of people requested information related to the number of condominium versus apartment units in Burnsville. For formal reporting purposes, building permits do not differentiate between apartment and condominiums as these are forms of ownership as opposed to a structure type. To address the question, this section offers insight based on general multi-family unit tracking that the city has maintained. The city maintains a map and list of multi-family developments which indicates the name of the project, site location, contact information, number of buildings and units, whether the units were proposed to be owner occupied or rental units at the time of project approval, if the project is senior or assisted living and the type of unit (apartment, condominium, townhome etc). As of April 2005, the multi-family development list contained 13,305 units, 37% (4,972 units) of which were approved as owned units and 63% (8,333 units) were approved as rental units. When townhomes are removed from the list, there were 2,273 condominium (owned) units and 7,545 apartment (rental) units. It is important to note that this list comprises approved projects not actual units constructed. Many projects are built in phases and not all phases of all multi-family projects are complete as of the date this section was written (April 2008). Also, some projects never are constructed due to market conditions, financing and other matters.

3.2 Housing Units

The City of Burnsville had 24,425 total residential housing units according to April 1, 2006 housing estimates from the Metropolitan Council. Half of the housing stock is considered to be single-family with 47% traditional single-family detached units and 3% manufactured housing. Attached housing in the form of duplex, townhome and condominium/apartments comprise half of the housing units as shown below.

Figure 2



3.2.1 Single Family Home Styles

Much of the single-family housing stock in Burnsville consists of ramblers and split-entry homes; however, single-family development in the 1970 - 1980's expanded into a greater variety of architectural types, sizes and styles. By today's standards, most of the homes of this type are regarded as "move-up" homes. Figure 3 - Style of Housing in the City of Burnsville, 2004 illustrates the location and style of single family homes in Burnsville.

Figure 3
Style of Housing in the City of Burnsville, 2004



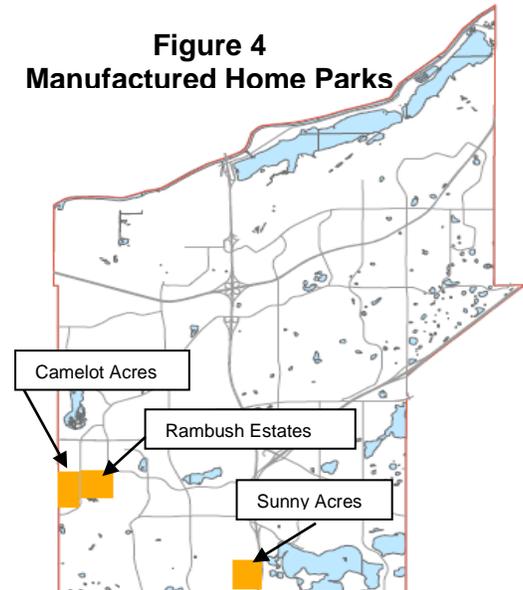
With a large amount of the existing single family housing stock falling into the one story or split level categories the city has benefited by two multi-city efforts to create remodeling handbooks, one for ramblers and one for split levels that provide real examples, plans and how-to information to expand these homes, make interior room changes to modernize for today's family needs. This effort was further supported with ordinance changes made in 2003 to reduce typical setback standards to make homes more livable for growing families. These ordinance modifications allow people to remodel homes to add contemporary features desired by residents and keep the city's housing stock functional and livable.

3.2.2 Manufactured Homes

Burnsville is home to three manufactured/mobile home parks, with a total of 766 lots. People own their unit but do not own the underlying land and as such, they can be faced with enormous relocation costs if the park owner sells the park for another use. To protect mobile/manufactured housing park residents, the Burnsville City Council enacted an ordinance that requires the owner and/or developer to pay reasonable relocation costs to the residents. The city is not aware of any planned park closures.

In 2004 the city considered policy changes in an effort to ensure mobile/manufactured homes remain in good condition and continue to be a valued style of housing for community residents. A study was conducted by Decision Resources, LTD via telephone interviews of 267 owners and renters of mobile/manufactured homes. The study found that 97% own and 3% rent their manufactured/mobile home unit. Most desired the affordability of the mobile/manufactured home and saw themselves continuing their residency. Eighty-five percent of residents living in the mobile/manufactured home parks cited no problems with their home. The study included demographic information on the survey respondents including data on household tenure, income, education and employment.

**Figure 4
Manufactured Home Parks**



3.2.3 Multiple-Family Homes

Multiple family homes consisting of duplexes, townhomes, apartments and condominiums comprise 50% of the housing stock in Burnsville. Construction of multiple family units increased as the amount of available land for residential development decreased. In general, multiple-family dwellings are considered to be sustainable in that these housing units typically cost less and better utilize space, utilities, infrastructure and transit. Future housing and population are likely to be accommodated in multiple as opposed to single family detached units due to the fact that Burnsville is fully developed. Multiple-family housing is also more transitional in that people can move into these units when they no longer desire or are able to maintain single family detached units. Multiple-family housing can accommodate all people of all life-cycles and income ranges. To do so most effectively, necessary support services such as transit stops and recreation areas should be located within a short walking distance of the multiple-family housing.

In 2004 the city adopted the “Housing Improvement Area Policy” that established financing tools for private owner occupied housing improvements designed to accomplish the following objectives:

- To promote neighborhood stabilization and revitalization by the removal of blight and/or the upgrading of the existing housing stock in a neighborhood.
- To correct housing or building code violations.
- To maintain or obtain FHA mortgage eligibility for a particular condominium or townhome association within the Housing Improvement Area.
- To increase or prevent the loss of tax base.
- To stabilize or increase the owner-occupancy level within a neighborhood or association.
- To meet an objective of the Ends and Outcomes as adopted by the Burnsville City Council.

Since 1991, the City of Burnsville has conducted EAW, Environmental Assessment Worksheets, for all high-density (20 dwelling units per acre or higher), residential projects. The city adopted this formal policy requiring discretionary EAW’s to assure high-density residential projects are assessed for their potential environmental effects and impacts/demand for municipal services

3.3 Building Permits

As illustrated in Figure 5 - Residential Building Permits 1995-2006, the city increased its housing supply by 4,499 units between 1995 and 2006. The greatest numbers of apartment/condominium permits were issued in 1995. The 506 apartment/condominium permits issued that year did not come anywhere near

the peak issuance of 1,262 permits in 1985. Between 2000 and the present the largest growth occurred in apartment/condominium and town home development as the number of single family permits continued to decline to their lowest point (11 permits issued in 2006). This clearly represents a shift in local housing demand due to lack of land availability to meet the population changes.

The greatest number of townhome permits (202), were issued in 1997, after recovering from a marked decline that began in 1988. Over the past 10 years, single family home construction continued to decline from a high of 75 permits issued in 2001, to a low of 11 permits issued in 2006. Since Burnsville is 98% developed, building permits for all housing types will never reach the same numbers that the city experienced in the 1980's. During 2006 the city, like other communities, experienced a sharp decrease in residential permit activity due to the oversupply of residential units on the market and the national sub-prime lending issues. Due to increasing land/development costs and the fact that Burnsville has a limited residential land supply, we anticipate future residential construction to occur as part of mixed use projects to meet future growth projections. According to population projections, another 4,320 housing structures will be built as infill or redevelopment thru 2030.

**Figure 5
Residential Building Permits 1995-2006**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
Single Family Detached	69	53	38	25	47	56	75	30	27	43	28	11	502
Twin Homes	8	10	4	0	0	0	0	0	0	0	0	0	22
Townhouse	99	93	220	65	62	66	48	90	38	15	25	9	830
Condo/ Apartment	506	279	139	301	353	41	45	248	136	170	161	0	2,379
Mobile Homes	0	0	766*	0	0	0	0	0	0	0	0	0	766
Total	682	435	1,167	391	462	163	168	368	201	228	214	20	4,499

Source: City of Burnsville * Total lots available

3.4 Age of Housing Stock

The housing stock in Burnsville is beginning to age as about 78% of the total housing units were built prior to 1990. Structures reaching 20 years of age begin to require major repairs such as siding, roof and furnace replacements, and lack of regular maintenance begins to show. In 2000, there were a total of 14,033 residential housing structures in Burnsville, of which, 29% were more than 30 years old. In 2020, 85% of the total housing structures will be more than 30 years old. By 2030, 95% of the number of homes in Burnsville will be more than 30 years old.

**Figure 6
Age of Housing and Percent of Total**

Year Built	Units	Percent
Pre-1960	637	2.0
1960-1969	4,330	17.0
1970-1979	7,565	30.0
1980-1989	7,346	29.0
1990-1999	4,345	17.0
2000 - 2006	1,362	5.0
TOTAL - 2005	25,584*	100.0

Source: U.S. Census

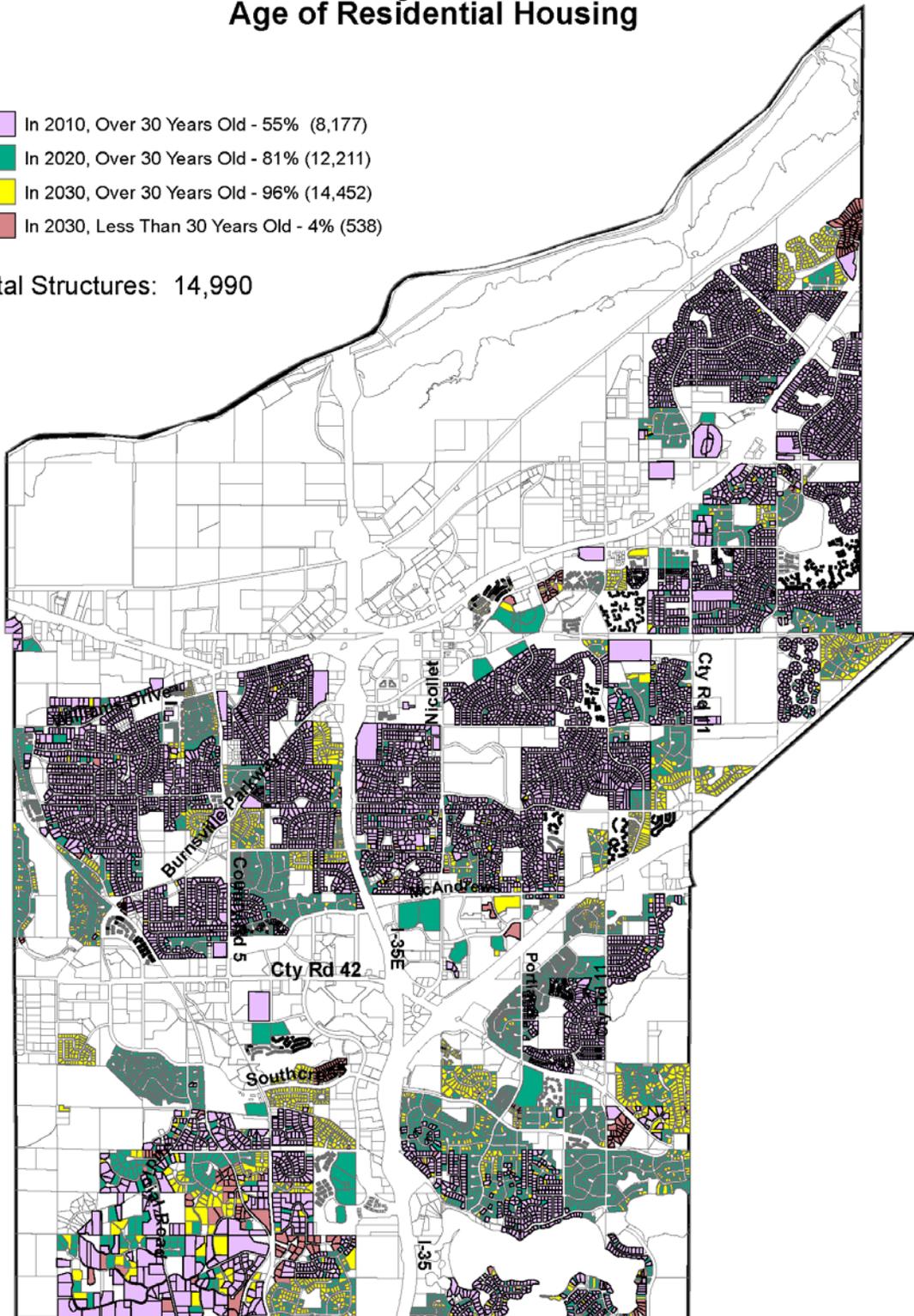
*Source - Best Estimate: Census + city Permits

The current policy of the city is to encourage housing and property maintenance through inspections and code enforcement procedures. Inspectors notify property owners of code compliance issues, provide information on available funds/programs for improvements and work together with owners to achieve compliance with city standards. As the housing stock continues to age, it may be necessary to increase inspections/compliance activities and/or look to alternative programs to encourage property maintenance. The map on the following page displays locations of where older stock is located by year.

**Figure 7
Age of Residential Housing**

- In 2010, Over 30 Years Old - 55% (8,177)
- In 2020, Over 30 Years Old - 81% (12,211)
- In 2030, Over 30 Years Old - 96% (14,452)
- In 2030, Less Than 30 Years Old - 4% (538)

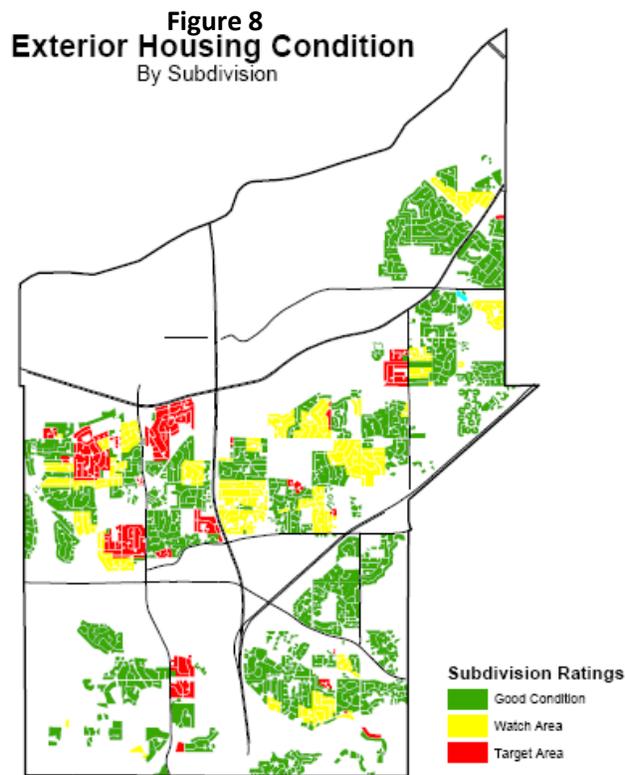
Total Structures: 14,990



3.5 Housing Condition

Burnsville is committed to maintaining its housing supply in good, marketable condition in order to preserve the quality of its neighborhoods and its tax base. Housing and property conditions are visible indicators of the health of a neighborhood and community. The appearance of homes and yards was one of the top issues raised by the public during the Comprehensive Plan Update process. To monitor single family housing conditions, the city began surveying housing conditions in 1993.

The most recent survey was conducted in 2005 and followed a similar methodology as earlier studies consisting of a drive-by windshield survey of over 9,000 homes including all single family housing over 15 years of age. The study considered the conditions associated with the following criteria: 1) Paint and Siding, 2) Trim and Gutters, 3) Roofing, 4) Landscaping and Lawn, 5) Garage and Garage Door, 6) Windows, 7) Driveway, and 8) Sidewalk and Concrete Porch. All housing was then rated. The overall housing rating and subdivision rating were mapped to create the following Exterior Housing Condition by Survey Map.



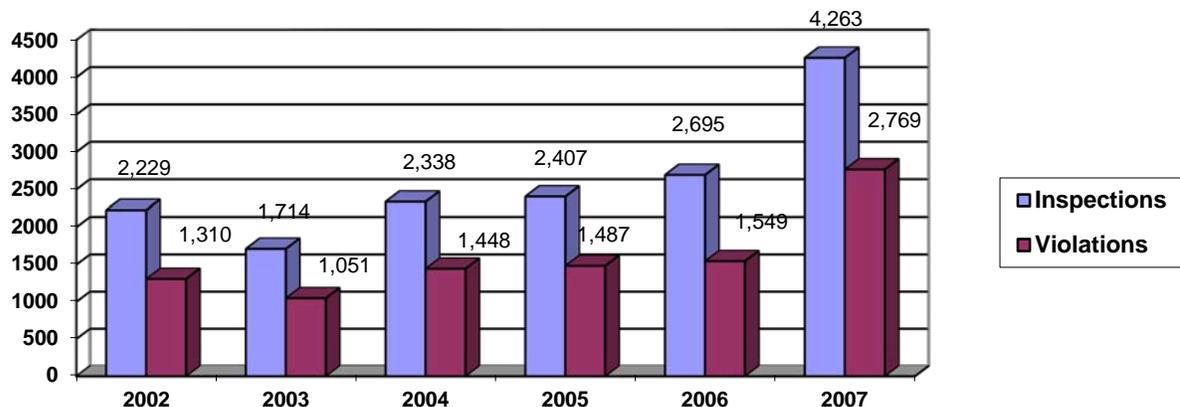
“Target” areas represent the highest 15% of all subdivisions inspected and “Watch” areas is the next highest 15%. The remaining 70% of the inventoried subdivisions were considered average. The “Watch” areas are subdivisions that are beginning to show signs of deterioration, where some of the houses will need substantial repair on one or more of the eight elements identified above. “Target” areas are subdivisions where some of the housing is showing immediate signs of distress in multiple categories and indicate where the city should direct immediate attention in the form of rehabilitation loans, grants and/or property maintenance.

The results of the 2005 study found that Burnsville’s housing stock is in good condition and not in immediately need of substantial rehabilitation. The city will continue its property and housing maintenance efforts and to target programs to those areas in need of attention. Inspections may be increased for watch and target areas in addition to financial programs to encourage owners to maintain their properties and/or bring them into compliance with current property maintenance codes.

As of 2006, the city licenses all rental properties and implements the STAR (Safe Tenant and Rental) program that is a voluntary program developed to provide property owners and landlords the opportunity to partner with the community, to promote and maintain Burnsville’s high quality of life. The STAR Program has varying levels of commitment by property owners. Properties are awarded a STAR Level of A, B or C depending on these commitments. In addition to the goodwill generated by attaining a high STAR level, owners/landlords may lessen their exposure to fines for their participation in the program. There is no fee to participate in the STAR program, and the benefits help protect property investments and maintain neighborhood viability. Rental licensing has been effective in maintaining rental properties.

Due to the city’s emphasis on housing and property maintenance, housing conditions in Burnsville are improving. City inspectors implement the zoning code by contacting and working with property owners to gain cooperation and compliance. The city addresses zoning code enforcement issues by responding to individual complaints and through regular inspections of target areas. It is important to note that the zoning code enforcement includes property maintenance such as weed, garbage, junk vehicles and recreational vehicles in addition to structural maintenance for items such as broken windows, missing doors, roof damage etc. Figure 9 - Zoning Code Enforcement 2002-2007 provides a year to date comparison of zoning code compliance inspections and activities for the past six years.

Figure 9
Zoning Code Enforcement 2002-2007

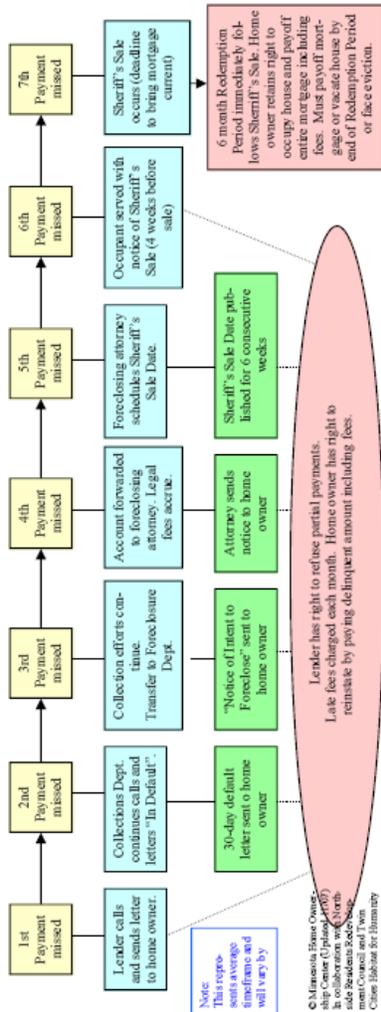


While housing conditions are improving, the city is experiencing sizeable increases for property maintenance violations. In 2007, there were 2,769 violations (a 79% increase over 2006) were reported. Citizens reported 612 of the violations with the rest (2,157) initiated by City staff based on conditions found in the field. In 2007, 1,568 more code enforcement inspections (a 58% increase over 2006), were conducted. This was accomplished by the addition of one seasonal full-time inspector in 2007.

3.5.1 Foreclosed Properties

Due to the downturn of the national economy, housing market decline and the subprime mortgage crisis, the number of foreclosed properties in Dakota County has escalated since 2006. When properties become vacant as they go through the foreclosure process, property maintenance and security issues often arise. When a number of foreclosures occur in close proximity to each other, there can be negative impacts to the neighborhood. The Dakota County CDA provides information to the public about foreclosed properties and programs available to owners who face foreclosure. To address potential property and neighborhood impacts the city developed a brochure in 2008 to address property maintenance issues and to ensure the vitality, safety and livability of neighborhoods.

Foreclosure Process in Minnesota



City Contacts

- Police Department**
Call 911 (Emergency)
952-322-2323 (General Police Information)
- Community Development**
651-675-4555 (CDA Home Improvement Loans)
952-895-4444 (Building Inspections & Permits)
952-895-4695 (Zoning)
- Public Works**
952-895-4534 (Water Line Breaks)
- Utility Billing**
952-895-4480 (Utility/Water Bill Questions)

Foreclosure Resources for Burnsville Residents

- Contact Your Mortgage Company**
Ask for *Loss Mitigation* or the department who will help you with loan and payment options.
- Dakota County CDA**
1288 Town Centre Drive, Eagan, MN 55123
Information Line: 651-675-4400
Foreclosure Prevention: 651-675-4555
www.dakotacda.org (30+ Programs available)
- Minnesota Home Ownership Center**
651-659-9336 www.hocmn.org
- HOME Line—Info for Renters**
612-728-5767 www.homelinemn.org
- Don't Borrow Trouble MN Campaign**
612-312-2020 www.dontborrowtroublemn.org
- Minnesota Housing Finance Agency**
400 Sibley St, Ste 300, St Paul MN 55101
www.mhfa.state.mn.us 651-296-8215
- Neighborhood Development Alliance**
Serving Spanish Speaking clients in Twin Cities



Foreclosures & Vacant Properties

- Information
- Assistance
- Maintenance



City of Burnsville
100 Civic Center Parkway
Burnsville, MN 55337-3817
Phone: 952-895-4430
Fax: 952-895-4453
Website: www.burnsville.org

In addition to public communication efforts, the city is reviewing options and tools to require registration of vacant properties so they can be monitored and be re-inspected prior to occupancy. The draft regulations under consideration would require owners/managers to register all vacant properties or the city will register them and then assess fees to recover costs associated with utility shut off and connections. An annual fee may be instituted to cover the costs incurred by the city to track foreclosed vacant properties and to address any property maintenance issues. To ensure properties are viable to occupy, the city is considering a requirement that the vacant foreclosed properties be inspected prior to sale/occupancy to ensure that there are no obvious life/safety issues.

3.6 Vacancy

According to the 2000 Census, Burnsville had a homeowner vacancy rate of 0.4%. The city's vacancy rate for rental units was 3.4% in 2000 and 6.05% in 2005. The higher vacancy rate for rental units was a market trend experienced by most cities in the Metropolitan Area due to low mortgage interest rates. According to the Dakota County CDA, the overall vacancy rate for Burnsville in 2007 was 4.18%, down from 6.95% in 2006. Vacancy rates were lower for one and two-bedroom units and higher for efficiency and three-bedroom units when compared to Dakota County averages. Vacancies in Burnsville accounted for 28.37% of the vacancies county-wide, most likely because Burnsville has a higher portion of rental units available.

Figure 10
Housing Vacancy Rates: 1990 - 2000

Total Vacant Units					Homeowner Vacancy Rate		Rental Vacancy Rate		Seasonally Vacant Units	
2000	% of All Units	1990	% of All Units	% Change	2000	1990	2000	1990	2000	% of All Units
574	2.4%	1,117	5.5%	-48.6%	0.4%	1.4%	3.4%	3.1%	87	0.4%

Source: U.S. Census, 1990, 2000

3.7 Tenure

The city's goal for tenancy is to achieve 70% ownership and 30% rental. Burnsville is moving towards an increase in home ownership. In 2000 and 2007, 68% of the housing units were owner-occupied and 32% were renter occupied. This is an increase from 65% owner-occupied units in 1990. By comparison, in 2000 twenty-two percent of the housing in Dakota County was renter-occupied. If multi-family senior housing-only is removed from the equation, the 2007 the owner occupied ratio is 69.7%. (Multi-family senior rental makes up about 5% of Burnsville's total housing units). The city is continuing efforts to increase home ownership opportunities for residents. New multi-family developments have focused on owner occupied units versus rental units.

The average household size in Burnsville is decreasing from a high of 4.24 in 1964 to 2.50 in 2006. The Metropolitan Council estimates that household size will continue to decrease to 2.44 persons per household in 2010 and to 2.26 in 2030. The decline of household size is a result of the aging population and the rise in the number of one-person households. This is a national trend.

Figure 11
Housing Tenure (Occupied Units)

Type	1990	2000	Change	% Change
Total Occupied Housing Units	19,127	23,684	4,557	23.8%
Renter-occupied housing	6,706	7,497	791	32%
Owner-occupied housing	12,421	16,187	3,766	68%
Average household size of renter-occupied units	2.2	2.1	0.1	-4.5%
Average household size of owner-occupied units	2.9	2.7	-0.2	-6.8%

Source: U.S. Census, 2000

In 2000 renters accounted for 3% of the occupied single family homes, 3% of the occupied townhomes and about 25% of occupied multiple family homes. The percentages for the tenure of occupied housing by housing type have remained fairly constant since 1990.

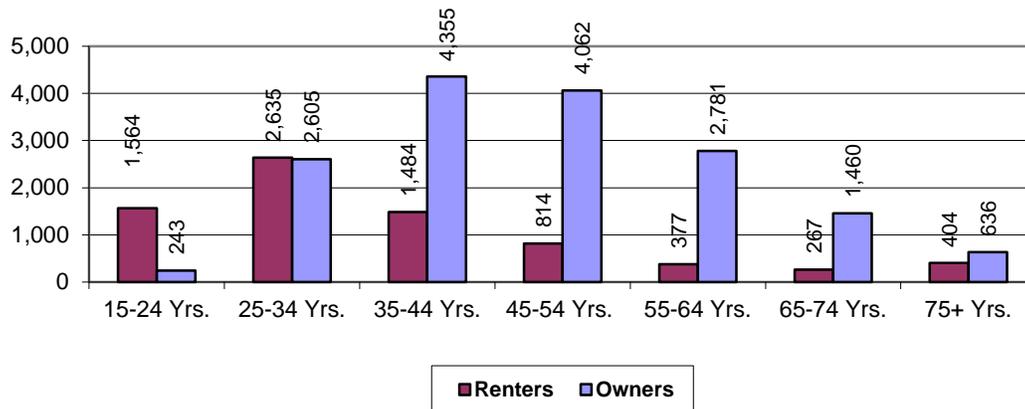
**Figure 12
Tenure by Housing Type (Occupied Units)**

	1990		2000	
	Units	Percent	Units	Percent
Occupied Units	19,127	100%	23,684	100%
Of Owner Occupied				
Single-Family	11,079	58%	14,269	60%
Townhome (2-9 units attached)	173	1%	406	2%
Multiple Family (10+ units attached)	522	3%	773	4%
Mobile Home	611	3%	739	3%
Other	36	0%	0	0%
	12,501			
Of Renter Occupied				
Single Family	948	5%	807	3%
Townhome (2-9 units attached)	684	4%	821	3%
Multiple Family (10+ units attached)	4,928	26%	5,853	25%
Mobile Home	113	0%	16	0%
Other	33	0%	0	0%

Source: U.S. Census, 2000 – Tenure by Units in Structure, 1990

According to the 2000 Census, in Burnsville the highest percentage of renters were the 25-34 year olds followed by 15-24 year olds and then 35-44 year olds. The following graphic illustrates the breakdown:

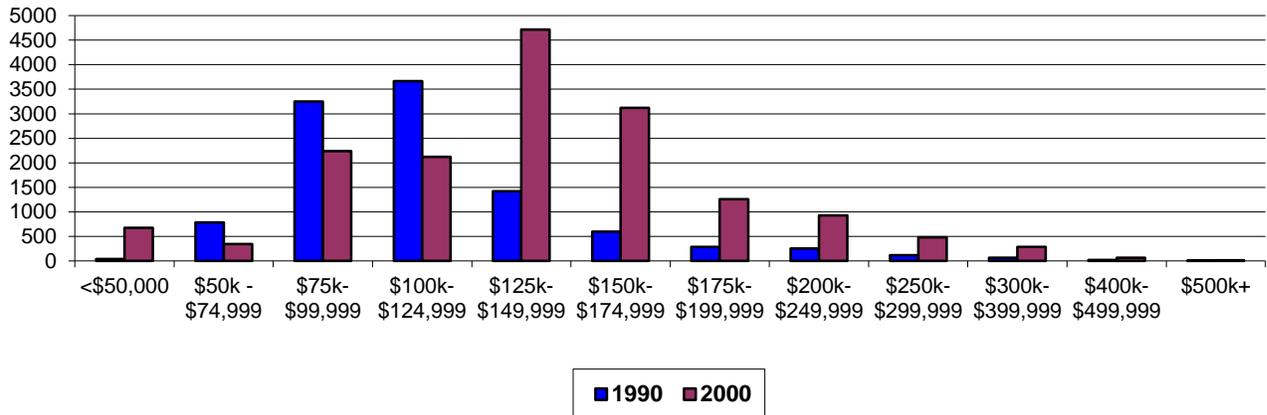
**Figure 13
Tenure by Age of Householder, 2000**



3.8 Housing Cost

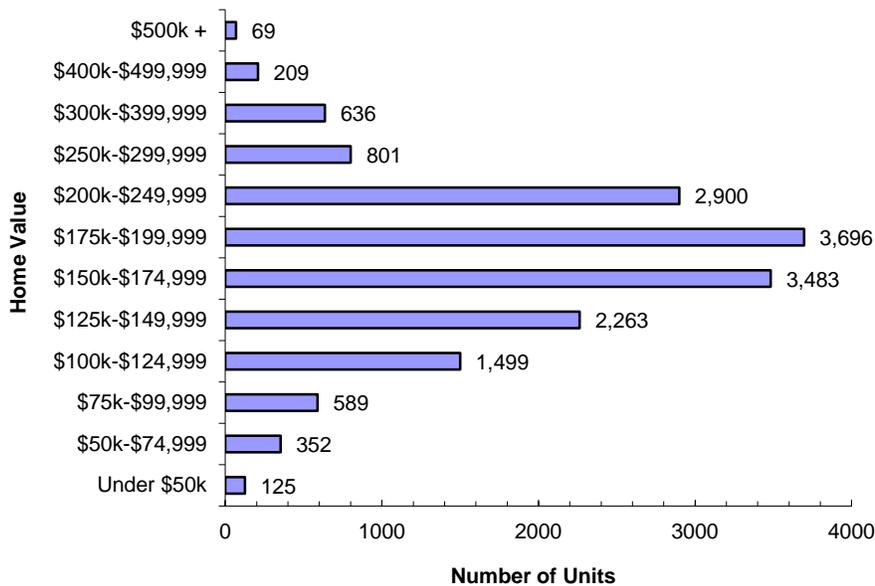
The cost of housing is an increasing concern throughout the region. Housing costs influence the ability of both young adults and seniors to remain in the community and can affect the ability of local employers to find workers. Housing costs are influenced by a variety of factors including land cost, labor and materials, community regulations and interest rates. In Burnsville the costs for housing are further affected by the lack of vacant land supply. Redevelopment is typically much more costly as land assembly and clearance costs have to be factored into the equation. Costs for home ownership continue to rise. A comparison of 1990 and 2000 Census data shows the increasing value of the owner occupied housing stock in Burnsville.

Figure 14
Value of Owner-Occupied Units, 1990-2000



The following graphic illustrates the value of owner-occupied units in 2002 based upon Dakota County Assessors’ data and shows that 90% of Burnsville’s owner occupied housing units were valued at \$250,000 or less. Business leaders indicated that affordable housing is a benefit to the city. In general workers can afford to live in the community as well as work here. Homes are affordable in Burnsville in part, due to the age of the housing stock. The lack of housing stock (1%) valued from \$400,000 and up, documents that there is a need in Burnsville to increase opportunities for people to live in higher valued homes. This is also a concern of the Business Community as few opportunities for executive type housing exist, to live and work in Burnsville. The desirability of higher valued home options was identified during the Comprehensive Plan Update public input process. Because the city is 98% developed, opportunities for higher valued housing will likely be in southwest Burnsville and single-family zoned infill sites.

Figure 15, Value of Owner-Occupied Units, 2002



Costs for new housing development are significant. The two primary factors influencing typical new home costs are land and construction costs. In Burnsville, the costs are further amplified due to redevelopment costs such as land holding, clearing, polluted site cleanup and land assembly. Figure 16 -

Burnsville Residential Building Permit Valuation indicates Building Permit Values for single family, townhome and multiple-family new construction in Burnsville from 2000 to 2007. During this time period, the average construction value per unit for single family and townhomes increased 65%, and multi-family units increased over 150%.

Figure 16
Burnsville Residential Building Permit Valuation (does not include land value)

Year	New Single Family Units				New Townhome Units				New Condo/Apartment Units		
	# Units	Total Value	Average Value		# Units	Total Value	Average Value		# Units	Total Value	Average Value
2000	56	\$10,387,577	\$185,493		66	\$7,984,245	\$120,973		41	\$2,607,313	\$63,593
2001	75	\$13,649,420	\$181,992		48	\$6,409,117	\$133,523		45	\$300,000	\$6,667
2002	30	\$5,477,448	\$182,582		86	\$10,714,142	\$124,583		248	\$29,161,891	\$117,588
2003	27	\$7,823,467	\$289,758		38	\$4,667,416	\$122,827		136	\$13,809,039	\$101,537
2004	43	\$16,708,914	\$388,579		15	\$2,300,468	\$153,365		170	\$29,057,435	\$170,926
2005	28	\$10,030,527	\$358,233		25	\$4,635,304	\$185,412		161	\$25,762,625	\$160,016
2006	11	\$3,186,028	\$289,639		9	\$1,759,197	\$195,466		0	\$0	\$0
2007	10	\$3,117,075	\$311,708		24	\$4,782,478	\$199,270		0	\$0	\$0

Source: City of Burnsville

According to a report by the Dakota County Community Development Agency (CDA) in 2005 the average price of new homes in Burnsville was calculated at \$650,000 for single-family homes and \$280,000 for townhomes/condominiums. (This value includes both land and buildings). Meanwhile, the average resale price of existing homes was calculated at \$237,800 for single-family homes and \$181,000 for townhomes/condominiums.

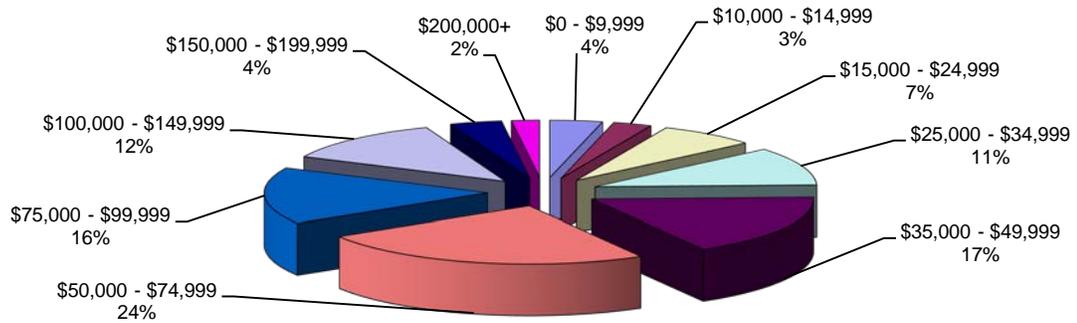
In reference to current market conditions the average sale price for a home in Burnsville in March 2006 was \$246,876 and one year later in March 2007 was \$222,659. (Source: Southern Twin Cities Association of Realtors) During 2006, 11 new single family homes were constructed with an average value of \$289,639 (this figure does not include land cost). During 2006, the average value for multi-family new construction in Burnsville was \$195,466. When coupled with rising land costs, the total construction costs for housing have pushed new construction options outside of the affordable range in Burnsville.

While housing demand is currently down overall due to market conditions, new for-sale housing product in Burnsville is satisfying demand for move-up and executive buyers. Many of the new single family opportunities have been through unique master planned residential developments specifically geared towards the move-up level which historically has been missing in Burnsville's overall housing mix. The city's older existing homes are providing ample opportunities for entry-level first time homebuyers.

3.8.1 Income

Income levels have a significant effect on local housing demand and has the greatest impact on a consumer's housing choice. Figure 17 indicates 2000 Census household income levels.

Figure 17
Burnsville Household Income: 2000



Measures of affordability often compare housing costs to gross household incomes. The general industry standard is that housing is affordable if housing expenses equal 30% or less of gross household income. The Census includes a calculation of monthly housing costs as a percent of median household income as an attempt to measure affordability. Figure 18 - Percent of Owner Income Spent on Housing Costs illustrates that in 2000, 17% of families who owned their home in Burnsville spent more than 30% of their income on housing costs.

Figure 18
Percent of Owner Income Spent on Housing Costs

	2000	
	# Units	Percent
< 20 percent	7,495	54%
20-24 percent	2,517	18%
25-29 percent	1,357	10%
30-34 percent	789	6%
35% or more	1,558	11%
Not computed	50	1%
Total	13,766	100%

Source: U.S. Census 2000

Figure 19 indicates that in 2000, 33% of families who rented housing in Burnsville spent more than 30% of their income on housing costs. This is lower than the State of Minnesota's 2000 average of 35%.

Figure 19
Percent of Income Spent on Rent

	2000	
	# Units	Percent
< 20 percent	2,444	33%
20-24 percent	1,233	16%
25-29 percent	1,193	16%
30-34 percent	697	9%
35% or more	1,772	24%
Not computed	150	2%
Total	7,489	100%

Source: U.S. Census 2000

3.8.2 Rental Housing

Burnsville has 31.9% of the rental market in Dakota County. Rental rates are influenced by multiple factors including age, location, size and amenities available within the complex. Figure 20 - Summary of Burnsville's Rental Market 2000-2007, indicates the trend for rental rates for all rental unit types has increased nearly 10% between 2000 and 2007.

Figure 20
Summary of Burnsville's Rental Market 2000 - 2007

	2000 Average Burnsville Rents	2007 Average Burnsville Rents	\$ Amount of Change	Percent Change
Efficiency	\$596	\$646	+ \$49	8%
One-Bedroom	\$702	\$764	+ \$61	9%
Two-Bedroom	\$829	\$916	+ \$86	10%
Three-Bedroom	\$1,043	\$1,140	+ \$97	9%

Source: Dakota County CDA 2007 Rental Market Survey

When compared to Dakota County, Burnsville's rental rates during 2007 were somewhat higher than the average rental rates for Dakota County with the exception of 3-Bedroom units. During 2007 the average rent in Burnsville for a 3-Bedroom unit was \$1,140 versus the Dakota County average rent of \$1,199. Burnsville's vacancy rate for all types of rental units is lower than for Dakota County.

Figure 21
2007 Comparison of Burnsville/Dakota County Rental Data

	0 BR	1 BR	2 BR	3 BR	Totals
# Units Burnsville	150	2,600	3,268	580	6,598
# Units Dakota County	536	7,889	10,688	1,575	20,688
% of Market Burnsville	2.27%	39.41%	49.53%	8.79%	100%
Average Rent - Burnsville	\$646	\$764	\$916	\$1,140	\$869
Average Rent - Dakota County	\$592	\$738	\$912	\$1,199	\$973
# Vacancies - Burnsville	6	97	149	24	276
# Vacancies - Dakota County	20	340	549	64	973
Vacancy Rate - Burnsville	4.00%	3.73%	4.56%	4.14%	4.18%
Vacancy Rate - Dakota County	3.73%	4.31%	5.14%	4.06%	4.70%

Source: Dakota County CDA 2007 Rental Market Survey

3.9 Senior Citizen Housing

As the city's population continues to age many senior citizens will move into housing that better accommodates their needs and lifestyles. Burnsville has been a strong leader providing senior housing in a range of unit types, care and income levels. Most developments have been constructed since 1996. The projects serve a diverse population, with some being subsidized rental (at or below 50% of median income), some affordable (at or below 51 to 80% of the median income), market rate and market rate with services including assisted living, memory care and nursing care. All of the developments are performing well with high occupancy indicating a strong need exists for senior housing not only in the community but the county as whole. Currently, there are 1,324 housing units in Burnsville available to senior citizens. Figure 22 - Senior Citizen Housing, details the existing senior housing units in Burnsville.

Figure 22

Senior Citizen Housing

Facility Name - Assisted Living	# Units	Facility Name - Independent Living	# Units
Arbors at Ridges	45	Eagle Ridge Place	60
Cardenas Friendship House (2 locations)	10	Ebenezer Ridge Point Apartments	42
Carefree Living	95	Gramercy Club	126
Emerald Crest	60	Meadowwood Village	92
Leah's Apartments	17	Parkway Cooperative	102
Regent at Burnsville	60	Park Ridge Place	66
Rivers Manor	58	Realife Cooperative (2 Complexes)	221
West Apartments	24	Regent at Burnsville	76
		Rivers Estates	120
		Woodhurst East Condos	50
# Assisted Living Units Subtotal	369	# Independent Living Subtotal	955

In addition to the units identified above, many senior citizens have moved into market rate townhouse or condominium developments to retain home ownership without extensive maintenance obligations. These opportunities are expanding with the rise in urban style townhome development particularly in the mixed use HOC. Two townhome developments and three condominium buildings have been constructed and two more are approved but not built. The city is looking at future redevelopment opportunities where additional higher density and more urban style development will occur.

3.10 Assisted Housing - Rental

Although the City of Burnsville provides a variety of low- and moderate-income housing opportunities to its residents, the demand for subsidized housing continues to increase. Rental Assistance is primarily provided by the Dakota County Community Development Agency. Based upon statistics from January, 2008, the various types of assisted rental housing currently provided in Burnsville are illustrated in Figure 23 - Assisted Rental Housing, January 2008.

Figure 23, Assisted Rental Housing, January 2008

Assisted Housing	Elderly Handicapped/ Disabled	Family	Total
Section 8 Housing:			
Vouchers	265	358	623
Portable	36	71	107
Project Based	0	89	89
202 (elderly/handicapped)	42	0	42
811 (handicapped)	41	0	41
236 Rental	0	200	200
HOME TBRA	7	13	20
Low Rent Housing (HUD)	0	61	61
CDA Bond Financed Senior Housing	126	0	126
CDA Tax Credit Housing	0	56	56
Non-CDA Bond Financed Housing	0	106	106
Non-CDA Tax Credit Housing	0	105	105
MAX 200 (Short Term Senior)	5	0	5
Shelter + Care	3	0	3
Bridges	0	10	10
DVP (Disaster Voucher Program)	0	3	3
Total Assisted Housing	525	1,069	1,594

Source: City of Burnsville, Dakota County CDA

The City of Burnsville currently has 1,594 assisted affordable rental units in the community serving seniors, families and people with special needs. Many of these, especially senior units are fairly new. Two low and moderate income housing developments are located in the HOC including 46 apartment units in Grande Market Place and a CDA townhome project containing 34 units. These units are served by convenient access to transit, shopping and services.



Figure 24
Chowen Bend Rental Townhomes

The city supports reinvestment in existing neighborhoods and for rental properties. The picture above is Chowen Bend, a 32 unit affordable rental townhome development that was built in 1981. The development is located in west Burnsville, south of Highway 13 and adjacent to the Rudy L. Kramer Nature Preserve. This project was recently renovated in 2006 and all of the units received new appliances, the addition of washers, dryers and dishwashers. Roofs, siding and windows were replaced and a new community building was constructed to provide a place where residents may utilize onsite services and outreach programs. The renovation will preserve this Section 8 rental housing for low-to moderate-income families for the next 20 years.

3.11 Assisted Housing – Home Ownership Programs

Due to the fully developed nature of the community fiscal programs have been aimed at maintaining and improving existing housing stock. With the aging housing stock, housing rehabilitation and the ability of property owners to fund rehabilitation will continue to be important to maintain the quality of the Burnsville housing stock.

Most property owners want to maintain their properties, but some do not have adequate resources to do so. The city offers and promotes programs to improve housing stock in Burnsville, and works with the Dakota County Community Development Agency (CDA) to offer zero and low interest rate rehabilitation loans. These loans utilize a variety of funding sources including Community Development Block Grant (CDBG), Minnesota Housing and Finance Agency (MHFA), and Department of Energy funds. Assistance is available from various sources including:

- MHFA Local Participation
- MHFA Home Improvement Loans
- MHFA Home Rehabilitation Loans
- MHFA Home Energy Loans
- CDBG Rehabilitation Loans
- CDBG Mobile Home Rehabilitation Loans
- HOME Program Rehabilitation Loans
- Weatherization Programs

The CDA programs are further summarized as follows:

Zero and Low Interest Rate Rehabilitation Loans

These loans utilize a variety of federal funding sources including Community Development Block Grant (CDBG), Minnesota Housing and Finance Agency (MHFA), and Department of Energy funds. Community Development Block Grant (CDBG) funds are used to preserve and enhance housing quality and to improve neighborhoods.

Home Remodeling Grants

The Home Remodeling Grant program is designed to assist low-to-moderate single family homeowners bring their homes up to code. Up to \$4,500 in improvement dollars are available per applicant and no matching funds are required. This program is administered by the CDA which reported a 2007 balance of approximately \$61,000 to continue this program. There are currently three homeowners in Burnsville who participate in the program. The city also offers CDBG funds for chore services, appliance and furniture removal for low-to-moderate income seniors.

Home Improvement Loan Program

The CDA offers a Home Improvement Loan Program, which assists low- and moderate-income homeowners with making repairs and improvements to their homes. Funds are commonly used for roof replacement, furnace replacement, electrical and plumbing repairs, insulation and special needs improvements (i.e. ramps, bathroom and kitchen modifications). Eligible applicants must own their home, have sufficient equity in the property, a satisfactory credit history and a gross annual income within the program income limits. The CDA offers two types of loans for homeowners - Deferred and Installment. Both loans have a maximum loan amount of \$25,000.

Housing assistance is also provided to homeowners through community development funding programs. Figure 25 - Housing Assistance for Homeowners, January 2008 identifies the various community development funding programs and number of owner occupied units that have benefitted from the programs as of January 2008.

Figure 25
Housing Assistance for Homeowners, January 2008

Community Development Assistance Programs – Homeowners	Elderly Handicapped/ Disabled	Family	Total
CFUF	0	1	1
MHFA Home Improvement Loan	1	24	24
MHFA Home Rehab Loan	5	7	12
CDBG Rehab Loan	45	142	189
CDBG Rehab Loan – Mobile Home	5	32	37
Habitat for Humanity	0	13	13
First Time Homebuyer	0	697	697
HOME Program – Rehab Loan	1	0	1
Weatherization	67	334	401
Total Community Development	126	1,249	1,375

Source: City of Burnsville, Dakota County CDA

The Burnsville Chamber of Commerce in partnership with the city organizes an “Annual Home Remodeling Fair” that features home improvement vendors, seminars, and prizes. Residents can attend the fair to learn how to do various home improvement projects, housing maintenance and to see what products and new innovations are available from local vendors.

Affordable Housing Partners

The city partners with organizations such as Twin Cities Habitat for Humanity and others to provide affordable home ownership opportunities in Burnsville. The three Habitat for Humanity's projects in Burnsville (total of 15 units) have all been supported by the local organization MICA South which is a partnership between several faith communities includes congregations of Mary Mother, Risen Savior and Prince of Peace Church, which support affordable housing and partner with Habitat for Humanity.

3.12 Housing Studies

Burnsville annually studies various topical issues faced by the community including housing. The city may also conduct special studies to analyze new programs, policies or ordinance amendments to solve issues or problems. Several housing related studies, each of which are detailed in Appendix A – Background Report [provide link here to www.burnsville.org](http://www.burnsville.org), Appendix A – Background Report, have been conducted in the past seven years on various topics including:

- Model for Strategic Residential Neighborhood Building, A White Paper
- Best Practices for Rental Housing
- Rental License Program
- City of Burnsville 2004 Mobile/Manufactured Homes Study
- City Wide Surveys (residential and business surveys conducted every other year)
- Housing Conditions Surveys
- Housing Improvement Area Policy (HIA)

In 2005, the CDA completed a Dakota County Housing Study to help determine where their efforts should be focused. Like Burnsville, the CDA has recognized in its report that Burnsville has done its part to provide affordable and senior housing. The CDA report looks strongly at preservation and supports the maintenance and rehabilitation of existing housing stock. Burnsville supports the upgrade and maintenance of housing units and will continue to do so in the future. The report recommended the CDA will need to:

- Increase the number of Home Improvement loans issued to low/moderate-income households.
- Develop two to three additional 24 to 36 unit family townhome neighborhoods over the next 10-years in Burnsville.
- Preserving the quality of the existing stock of older apartment in the community will continue to be an important challenge to providing housing to lower-income renters. To accomplish this, promote the use of rental rehabilitation programs to owners of buildings to maintain long term affordability of the units.
- Promote more mixed-use opportunities with the prospect for mixed-income through higher densities.

4.0 AFFORDABLE HOUSING

4.1 Livable Communities Act (LCA)

The Minnesota Legislature created the Livable Communities Act (LCA) in 1995. The LCA is a voluntary, incentive-based approach to help the Twin Cities Metropolitan Area address affordable and lifecycle housing needs. Through the LCA program, funds are provided to communities to assist them in carrying out their LCA agreements. The Metropolitan Council awards grants to participating communities to help them

1. Clean up polluted land for redevelopment, new jobs and affordable housing
2. Create development or redevelopment that demonstrates efficient use of land and infrastructure through connected development patterns and
3. Create affordable housing opportunities.

To compete for LCA funding, communities must negotiate long-term affordable and life-cycle housing goals with the Metropolitan Council and develop an action plan to accomplish the goals. The City of Burnsville entered into a Livable Communities Agreement in 1996 that established affordable housing goals for the city through the year 2010.

4.1.1 Affordable Housing Status

The existing LCA Agreement articulated Burnsville’s affordable housing goal as a percentage of affordable units to be accomplished by 2010. The following table illustrates how the city is meeting the LCA goals and provides percentages and unit counts based upon the most current information available (January 2007). The percentages can be translated into units which are calculated every year by the Metropolitan Council.

Figure 26
Burnsville Progress – LCA Agreement

2010 GOALS	Affordable Owner Units	Affordable Owner Progress 1996-2005	Affordable Owner Balance	Affordable Rental Units	Affordable Rental Progress 1996-2005	Affordable Rental Balance
Burnsville	917	673	244	0	174	0

Source: City of Burnsville, Metropolitan Council, Dakota CDA

So far, the city has done a good job of moving towards the goals. The city has exceeded the LCA affordable rental benchmark but needs to add 244 additional affordable owner occupied units by the end of 2010. (Based on 2007 data, an affordable home in Burnsville [at 80% median income], could cost no more than \$193,700. The Dakota County median income in 2007 was \$77,600).The city may not realize this goal due to the lack of high density zoned land and current downturn in the residential market. However, the city will come close based on pending projects and projects that have received approval but have not yet been constructed. Affordable owner occupied housing is available in Burnsville in the form of single-family detached units, two-family homes, townhouses and mobile/manufactured housing.



Grande Market Place is an example of how affordable rental units can be integrated within a mixed-use development. Grand Market Place offers 113 studio through 2-bedroom apartments and 30,000 square

feet of commercial space including a culinary school. Fifty of the apartment units are affordable to individuals with incomes at or below 50% of the area median income (2007 median family income for Dakota County \$77,600). In 2007, for a rental unit to be affordable (at 50% median income), the unit rent cannot exceed \$1,100 per month. The Minnesota Housing Finance Agency provided \$3,150,000 in funding for the project through two Agency programs designed to serve and encourage development of workforce housing. The development is receiving tax credits, as well as funding from the Dakota County Community Development Agency, the Family Housing Fund and the City of Burnsville.



**CDA Affordable
Townhome Project**

Another affordable rental project is the CDA 34-unit, “row house style” family townhomes located on the east side of Nicollet Avenue in the HOC. This project has won architectural design awards and is a great example of how affordable units can be incorporated into an overall mixed-use project. The one, two and three bedroom townhomes designed by LHB Madsen architects feature a brick and stucco exterior finish along with decorative stone caps in window areas. The 34 units are contained in eight buildings; seven of those buildings are two or three stories. The remaining structure is a one-story handicapped accessible building. The Dakota County CDA owns and manages the property. All units are rental and restricted to families meeting income guidelines.

During the public input process for the Comprehensive Plan Update, there was a perception by the public that Burnsville has too much assisted and affordable housing. The city currently has 1,594 affordable assisted rental units serving seniors, families and people with special needs. The rental assisted housing constitutes 6% of the total number of housing units in the city.

As outlined in Figure 26 - Burnsville Progress – LCA Agreement as of January 2007 the city has added 847 affordable housing units since 1997. For comparison purposes, Figure 27 - CDA Affordable Rental Housing Developments in Dakota County indicates the number of CDA affordable rental housing developments in Dakota County. Eagan has the highest number of CDA affordable rental units followed by Burnsville, Lakeville, Apple Valley and Hastings. The amount of affordable rental units in Burnsville is comparable to other Dakota County Cities with similar population.

Figure 27
CDA Affordable Rental Housing Developments in Dakota County
Completed or Underway by 10/31/07

City	# Senior Housing	# Family Housing	# Public Housing	Total	% of Total
Apple Valley	110	66	51	227	11%
Burnsville	126	56	61	243	12%
Eagan	245	76	30	351	18%
Hastings	103	80	20	203	10%
Inver Grove Heights	111	54	11	176	9%
Lakeville	115	99	22	236	12%
Mendota Heights	125	24	1	150	7%
Rosemount	44	32	31	107	5%
South St. Paul	110	0	0	110	6%
West St. Paul	101	0	90	191	10%
ALL CITIES TOTAL	1,190	487	317	1,994	100%

Figure 28 - 2007 LCA Housing Performance Scores compiled by the Dakota CDA indicate that Burnsville is ranked second only to the City of South St. Paul in Dakota County for LCA Housing scores. This means that Burnsville has done a great job in meeting its affordable lifecycle housing benchmarks. The city and 5 other Dakota County Cities are included in the top 20 metro area communities for LCA Housing Performance.

Figure 28
2007 LCA Housing Performance Scores

City	2007	Average	Rank
Apple Valley	63	62	7
Burnsville	81	84	2
Coates	13	14	15
Eagan	52	41	10
Farmington	36	51	9
Hampton	28	26	12
Hastings	85	78	3
Inver Grove Heights	74	67	5
Lakeville	82	72	4
Lilydale	15	14	16
Mendota	14	13	17
Mendota Heights	31	43	11
Miesville	9	9	19
New Trier	11	11	18
Randolph	21	24	13
Rosemount	80	63	8
South St. Paul	91	88	1
Sunfish Lake	3	3	20
Vermillion	17	17	14
West St. Paul	79	67	6

Source: Dakota CDA

4.1.2 2020 LCA Goals

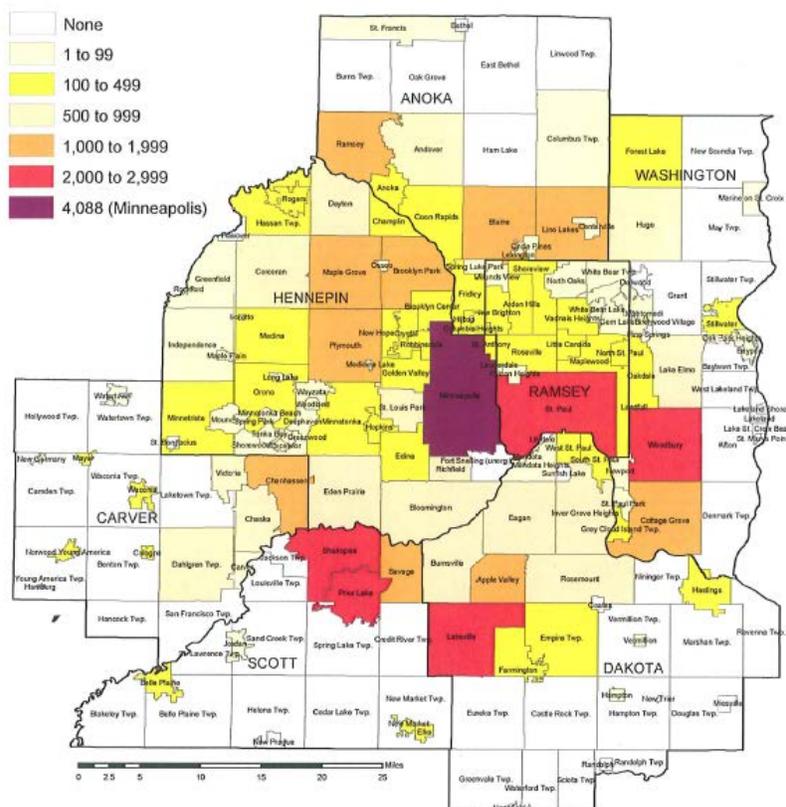
As part of the 2030 Regional Development Framework, the Metropolitan Council estimates that approximately 51,000 additional affordable housing units will be needed in the region during the

planning period from 2011 to 2020. Due to the fact that the first round of LCA agreements will end in 2010, the Metropolitan Council anticipates that communities will negotiate new LCA agreements to formally establish housing affordability goals for the next decade (2011 – 2020). The 2007 Metropolitan Council definition for affordable housing is a unit priced at or below 30% of gross income of a household earning 60% of the Twin Cities median family income. This overall affordable housing need has been allocated to all communities within the region based on the following four criteria:

- Household growth potential
- Ration of local low-wage jobs to low-wage workers
- Current provision of affordable housing
- Transit service

Figure 29 - Twin Cities Region Affordable Housing Needed, 2011-2020 illustrates by community, the number of affordable housing units the Metropolitan Council believes are needed to address the region’s needs through 2020. The Metropolitan Council will begin working with communities to adopt new LCA agreements in 2011. As part of this Comprehensive Plan Update process, the Metropolitan Council is looking for Burnsville and other communities to provide opportunity areas where future affordable housing can be provided. The map shows that Burnsville, Eagan, Inver Grove Heights and Rosemount will need to add between 500 and 1,000 new affordable housing units each during the next decade. Apple Valley, Savage and Lakeville will need to add substantially more affordable units (1,000 to 3,000 each) during the next decade.

Figure 29
Twin Cities Region Affordable Housing Needed, 2011-2020



Based upon regional analysis, the Metropolitan Council believes that Burnsville's need for affordable housing will remain strong through 2020 due to the large entry-level job market associated with the Burnsville Center, periphery shopping/service and restaurant areas and also due to transit opportunities and direct service to both downtowns and adjacent communities. As part of the public input process for this update, Burnsville's largest employer (I.S.D. 191) identified that there is a need to provide workforce housing that is affordable to its teachers and administrative staff. Business leaders indicated at the Business Forum meeting that there is need to provide workforce housing to bolster employment for this sector of the community. Burnsville has been the leader in providing workforce housing and variety of senior housing developments, many of which are affordable. The city's focus has been and will continue to be to maintain the existing housing stock, both owner and renter occupied, while looking towards reasonable opportunities for the creation of new affordable housing.

The Metropolitan Council's new affordable housing goal for Burnsville is to create 737 new affordable housing units between 2011 and 2020. The new affordable housing goal has yet to be agreed to by the city. Negotiations for new LCA Agreements are expected to commence in 2011. However, this plan does address where multiple-family (the most affordable type of housing) could develop in the future. Chapter II - Future Land Use Guide Plan Chapter addresses this further. [\(Provide a link to Chapter II – Section 10.2.1 High Density Residential \(HDR\) and 10.2.2 Heart of the City \(HOC\) and Mixed-Use \(MIX\) Neighborhood Oriented Mixed-Use Centers Sections\)](#) Considering a total of 1,800 new households are projected to be added to Burnsville by 2020, the goal (737 new affordable units), suggests that 41% of all new units are to be affordable. (Based on 2007 figures, for a family of 4 to be considered at the 60% affordable bracket, their income cannot exceed \$47,100 and their approximate rent cannot exceed \$1,100 per month or the purchase price of their home cannot exceed the approximate value of \$150,000). The median homes sale price in Burnsville in 2006 was \$233,000.

Further complicating matters is that the Metropolitan Council affordability formula to be applied to future LCA agreements has changed. The current LCA agreement defines affordability as a unit priced at or below 30% of gross income of a household earning 80% of the Twin Cities median income for owner occupied and 50% for rental. The new affordability formula that will apply to future LCA agreements is based on 60% of median income for both owner occupied and rental. The impact of the change is that when Burnsville is asked to negotiate a new LCA Agreement in 2011, our affordable housing status will not be as favorable as it is today. For example in 1995, an affordable owner occupied unit needed to be less than \$115,000. In 2007, an affordable occupied unit could cost no more than \$193,700. When the new Metropolitan Council affordability formula (60% of median income) is applied, an owner occupied unit can cost no more than \$152,000. ***Housing prices have outpaced increases in income for the region and as a result, fewer homes are considered affordable. This problem is facing all cities with LCA agreements and future affordable housing goals.***

Figure 30 - LCA Affordable Housing Comparison 1995 & 2007 depicts the status of Burnsville's affordable housing based on our current (1996) LCA Agreement and the changes in affordability based on the new 60% of median income affordability standard. Assuming the market remains relatively stable with respect to housing process and income the next few years, this representation is a good estimate of where the city will be when we are requested to negotiate a new LCA Agreement in 2011. Note that progress is shown based on the 1995 Metropolitan Council's affordability definitions: affordable rental = 50% of the median income and affordable owner occupied = 80% of the median income. These figures apply to units constructed between 1995 and 2010. In 1995 to be affordable owner occupied the units needed to be less than \$115,000. With the proposed LCA goals for years 2011 – 2020, the Metropolitan Council has set the affordability guideline at 60% of the median income for both rental and owner

occupied units. With all other things remaining equal, the change in the formula will result in more of our rental units considered affordable and less of our owner occupied units considered affordable.

**Figure 30
LCA, Affordable Housing Comparison 1995 & 2007**

1995 Figures	2007 Figures
Median Family Income \$54,600	Median Family Income \$77,600
Multi-Family Rental Units- Total 5,789	Multi-Family Rental Units- Total 6,769
LCA Affordable rental = <u>50%</u> median income 52% of all rental is affordable 3,010 units are affordable	Future Affordable= <u>60%</u> median income 52% of all rental is affordable 3,503 units are affordable
Owner Occupied Units- Total-15,572	Owner Occupied Units- Total 16,764
LCA Affordable owner = <u>80%</u> median income 69% of owner occupied units are affordable 10,745 owner occupied units are affordable	LCA Affordable Owner= <u>60%</u> median income 13% of owner occupied units are affordable 2,158 owner occupied units are affordable
<i>Source-1996 Council background</i>	<i>Source- CDA Note- rental does not include senior assisted units. Owner Occupied includes 766 Mobile Homes (considered affordable).</i>

Burnsville faces the situation that over time, less and less of our existing housing stock is considered to be affordable. For example, in 1995, 69% of all existing owner occupied housing units were considered to be affordable. According to the Metropolitan Council, by 2005 only 28.2% of all existing owner occupied units in Burnsville were affordable. The new Metropolitan Council affordability formula (60% versus 80% of median income for owner occupied units) further reduced the Burnsville's percentage of affordable owner occupied units to 13% (based on 2007 data).

Achieving the new affordability goal or anything close will be very difficult without the funding tools that have been offered by the Metropolitan Council and other agencies in the past. Burnsville will work towards the new goal but our efforts are limited due to the lack of available residential land supply and funding mechanisms. We anticipate some residential unit additions as part of aging strip center redevelopment shift into mixed use higher density. However, this is dependent upon owner interest in redevelopment. None of the center owners have expressed an interest in redevelopment. This effort can only be done with the cooperation and partnership of land owners, tenants, developers, financial programs and adequate funding support while working alongside the city and its flexible development standards. Long-range opportunities exist for the MRQ however, without funding for infrastructure, land assembly, clearance and polluted site cleanup, development opportunities in the MRQ may not occur for many years. Areas of focus for redevelopment will be discussed in more detail within the Land Use Chapter.

4.2 Benefits to LCA Participation

There are a number of benefits available to cities that participate in the LCA program including the ability to apply for funding through one of three different programs. In 1999, the city received \$1.6 million and in 2000 the city received \$2.5 million from Livable Communities funding for the HOC. In 2002, the Dakota County CDA received \$300,000 for family townhomes in the HOC from the Local Housing Incentive program. Burnsville has applied for various other projects from LCA funding sources over the years, however, has not been successful in achieving additional funding. The amount of funding varies from year to year. The following figure depicts 2006 and 2007 funding availability.

**Figure 31
LCA Funding Programs**

LCA Funding Program	2006	2007
TBRA- brownfield redevelopment, job creation, and affordable housing with link to existing transit	\$5.8 million (28 grants to 13 communities)	\$6.6 million
LCDA- dev/re-dev to create efficient and connected jobs housing, and services	\$8.8 million (10 grants to 7 communities)	\$8 million
LHIA- preserve and create affordable housing	\$1.6 million (9 grants to 7 communities)	\$1.9 Million

5.0 FUTURE HOUSING DEMAND

Through the public input process element of the Comprehensive Plan Update, people indicated that there is a need for maintenance free, one-level housing options in Burnsville. This type of housing is sustainable and would remain functional as younger families, single residents, seniors and special needs populations utilize this home-style. The public also indicated that there is a need for work/live units where people could purchase a housing unit and also operate a business. The city currently allows home occupations with certain limitations. Future mixed-use projects could accommodate more intense live/work units in a commercial environment (street level units would be designed for business use) and upper levels could be used for loft type or other family living arrangements. This housing option would also be sustainable and promote living close to work environments without the need for automobile use to access employment. At some point in the future, the city may look to revise certain residential standards to allow for a higher intensity of live/work units. Many people indicated that the HOC is a good example of housing choice and mix of values and that this should be a model for future development, to integrate housing, business, entertainment, parks and recreation uses and transit.

The public input process also identified that there is a need to provide higher value housing options to provide “move-up” housing for families and corporate/employment leaders. The city’s housing stock does not currently provide many opportunities for higher value homes and it is anticipated that this form of housing will likely be constructed in areas with natural amenities (i.e. wooded areas, adjacent wetlands, rolling topography) and in southwest Burnsville where opportunities for acreage lots are still available. There are a few areas in the city where acreage parcels exist and where executive type housing could be developed however, these sites are privately held by individuals and families that do not have plans to further subdivide their properties at this time.

Burnsville will continue to have a healthy housing market, due to its close proximity to downtown Minneapolis/St. Paul, the MSP International Airport, attractive residential neighborhoods, parks and natural amenities. Good schools, ample jobs, natural areas and new urban style redevelopment such as the HOC, extensive park system, diversity of housing and the numerous recreational lakes and parks continue to attract buyers from throughout the metropolitan area. Burnsville will continue to be a strong leader in providing a wide mix of housing choices and serving the full spectrum of ages and needs locally and regionally. Future creation of high-density mixed use/mixed income projects through redevelopment of strip centers, infill and the MRQ will meet housing demand for the planning period of 2030 and beyond.

5.1 Future Forecasts & Projections

Forecasts for future housing growth to the year 2030 were prepared by the Metropolitan Council and are shown on Figure 32 – Metropolitan Council Forecasts.

Figure 32
Metropolitan Council Forecasts for City of Burnsville

	2000 Census	Forecasts		
		2010	2020	2030
Population	60,220	61,400	63,000	65,000
Households	23,687	25,200	27,000	28,700
Employment	31,765	37,700	41,200	43,300

Source: Metropolitan Council

The Metropolitan Council’s (April 1, 2006 population/household estimates for Burnsville indicated 61,048 people living in 24,425 housing units. Metropolitan Council forecasts show that Burnsville will add 3,952 people and 4,275 housing units over the next two decades for a total population of 65,000 by the year 2030. This results in an average of 186 new units per year for the next 23 years.

As a fully developed community this new growth can only be accomplished through redevelopment efforts and infill. Most of the remaining vacant residential land is located in southwest Burnsville. Redevelopment poses more challenges and substantially higher costs than new development. Factors that complicate and increase costs for redevelopment include land assembly, multiple property owners with differing objectives, existing buildings, tenants, land clearance, environmental constraints, and neighborhood issues.

The city is committed to redevelopment efforts such as the HOC where numerous partnerships, public and private investment and support from agencies such as the Metropolitan Council and Dakota County CDA resulted in a successful mixed use neighborhood. Since 2000 several projects have been approved and built in the HOC bringing new commercial, office and residential opportunities. In addition, Nicollet Commons Park was built as the HOC’s community gathering area. New developments approved include 623 residential housing units with a mixture of rental apartments and for-sale condominiums and townhomes. Of the 623 approved, 360 have been constructed.

The success of the HOC demonstrates that walkable, transit oriented, well designed and integrated multi-use mixed use developments work best when private/public partnerships strongly support the redevelopment effort. With true partnerships, the private sector can provide financing, design, construction and the mix of residential, business and services that will support the development. The public partnerships need to be equally strong to provide assistance to assemble and acquire land, provide necessary public infrastructure (transit links, transportation, utilities, recreational amenities) and services to support the development. Both public and private partners need to maintain on-going relationships to address changing conditions and to find ways to provide opportunities that may not normally be supported by the market for things like public art, affordable housing, and service needs for special populations.

Burnsville will meet future housing needs through redevelopment efforts similar to the HOC, but on a smaller scale through redevelopment of older retail strip centers and multi-family infill projects. The MRQ provides long-range opportunities for mixed use development. Chapter II, Future Land Use Guide Plan explores opportunities to accomplish this. Most redevelopment will occur by guiding the land to mixed use designations and zoning properties PUD, which will provide the most flexibility in density as the amount of vacant land in higher density areas is minimal (37 net acres in R3B and R-3C zoning districts).

5.2 Demographic Projections

The Metropolitan Council predicts that the number of people in their 20's will increase at the same time the number of people in their 60's will be on the rise. This will result in an increased demand for townhouses, apartments, and condominiums. These units will range from affordable housing for senior citizens and single parents, to amenity-rich townhomes for empty nesters with more disposable income or single people living alone. The aging senior population will demand more assisted living quarters. Burnsville will be well-prepared to provide life-cycle housing to accommodate these changing demographics.

Burnsville has experienced changes in the distribution of households by age group over the past three decades. The number of households with people in the age groups from 35 and older has been increasing over time. The number of households in the 15-24 year old age category decreased in the 1980's but has remained fairly level since that time. The only age category that experienced a decline is the 25-34 year olds. It is apparent that a growing proportion of Burnsville's residents are aging, and as a result, the type of housing to accommodate increasingly older and a larger proportion of the aging population may change in the future.

Housing needs tend to vary according to the age of the population. This can be used to determine what types of housing needs exist. For housing purposes, the Metropolitan Council makes certain generalizations about each age group. This information is important in terms of developing plans to provide a variety of housing to meet the needs of these different age groups and to maintain a strong and vital community. Usually, people between the ages of 0 and 19 are assumed to be students living with their parents. Those between the ages of 20 and 24 are often single renters and do not often become first time home-buyers until they reach between the ages of 25 and 34 (the typical range for young families). People aged 35 to 49 often are in their peak earning years, have older children and can afford to buy a larger home with more amenities, referred to as move-up housing. Empty nesters are usually between the age of 50 and 64 and many of them decide to move to smaller housing, as do young seniors, between the ages of 65 and 74. Older seniors may begin to require some level of assisted housing however, its important to point out that while older population groups are rising in number many desire to maintain an active lifestyle.

The 25-34 year-old age group, the first-time homebuyers, constituted the greatest percentage of the population in 1980 and 1990 however as of 2000 it has dropped and the 35-44 age group is the leader. This age group often seeks to purchase their second home with larger living spaces and amenities necessitating the need for move-up housing. This transition also makes available more affordable or entry-level homes for the 25-34 age group. The second largest age group is 45-54 who often find themselves as empty-nesters and perhaps desiring a smaller home, rental or condominium style. As the community is predicted to age, variety of housing stock will be imperative to provide a balanced life-cycle community with housing choice across the ages.

The trend towards an aging community is not unique to Burnsville, the county or state. Nationally the rise in population growth is highest among the 65-74 cohort and above. Many residents who purchased their first home in the city have remained in Burnsville, are now aging and looking for different housing options. The city has responded well to the need for senior and empty-nester housing alternatives to retain residents while making first time buyer housing an available choice when these empty nesters move.

6.0 HOUSING PLAN STRATEGIES AND OPTIONS

The following ideas outline some options and strategies that the City Council could consider for the future to implement aspects of the Housing Plan.

1. Promote Housing Rehabilitation

- Promote partnerships to provide needed housing rehabilitation services for those with special needs.
- Coordinate programs to assist home owner associations to improve association rules/regulations to allow the associations to make needed property and home improvements.
- Consider options for private property enhancement/cost sharing in coordination with city street reconstruction projects.
- Continue to support CDA rental rehabilitation programs to enhance the quality of life for tenants and promote long-term affordability of existing older apartments.

2. Expand Housing Opportunities and Improve Conditions

- Continue partnership with the CDA to provide funding and administer housing and property maintenance programs.
- Undertake a study to determine what efforts could be implemented to attract young adults to Burnsville and to ascertain if current youth are able/desire to remain in Burnsville through adulthood.
- Work with the private sector to provide live/work units within mixed use development to attract young adults and families to live in integrated neighborhoods.

3. Expand Neighborhood Services

- Promote programs to encourage maintenance of existing housing stock. This effort combined with the city's active protective inspections program will continue to preserve the important entry-level housing stock within the city.
- Periodically review options to increase homeowner responsibility for housing maintenance and upkeep.
- Coordinate with School Districts, local church groups and civic organizations to utilize volunteers and students for assisting older adults and those with special needs so they can maintain and clean up properties (activities such as paint-a-thons, leaf raking, snow removal etc.).

4. Promote a wide range of life-cycle housing options

- Provide a variety of living choices within neighborhoods and integrate affordable units into mixed-use redevelopment utilizing a scaled down model similar to HOC. The HOC is one

example where a mix of housing types, values and design have been developed close to retail, office and professional services and transit services. One way to provide affordable housing is to allow owners an option to live in an area that is walk-able and provides necessary services without needing an automobile for every trip.

- Utilize methods to provide convenient, affordable access to employment, markets, medical services, parks, and recreation, as a way to provide alternative living options, affordable homes and a mix of housing values to accommodate our residents' life-cycle needs and desires.
- Participate in the Livable Communities Act Local Housing Incentives Program to meet adopted LCA benchmarks.
- Burnsville will provide opportunities for affordable and workforce housing, recognizing the City is responsible for a share of the 2030 regional housing goals.
- Encourage developers and home owners to develop and remodel utilizing green and sustainable practices to decrease environmental impacts and increase energy efficiency.
- Promote upscale housing opportunities in areas of the city where services and transit are available such as the HOC, MRQ and Burnsville Center Area. For example, upscale housing could be developed at or connected to the Burnsville Center similar to Edina's Edinborough Park which provides a combination of upscale living units, indoor park, connected retail etc, located on transit lines.
- Promote development of neighborhood "lifestyle centers" that incorporate amenities and activities people desire. Lifestyle centers could incorporate housing in close proximity to neighborhood restaurants, daycare, medical services and groceries. Safe access to parks and schools, the ability to walk, bike ride, and access transit and public gathering places. Future lifestyle centers could be connected to key areas of the city such as the MRQ, HOC, Burnsville Center and major recreational areas.
- Work with the development community to locate and design housing in new and redevelopment areas that focus on park front property with a recreation orientation and feel.

5. Monitor Housing Trends and Resident Needs

- Periodically review ordinances and standards. Update accordingly to address changes in the housing market and needs of Burnsville residents.
- Undertake a study with appropriate partners to determine how well senior transition is working in Burnsville – to find out if seniors are staying in the community or if they have to leave the city for housing elsewhere
- Periodically review local ordinances to address change. For example, as the population ages it may be necessary to modify standards to allow for seniors to stay with younger relatives. Cultural differences and increasing diverse populations may result in more

people/generations sharing a home or group of homes. These transitions may need to be reflected in local ordinances and regulations may need to change as a result.

- Consider revisions to ordinances to expand the current home occupation standards to allow existing housing stock to be used as live/work units. Areas for consideration should be accessible to transit, be located close to business/retail and entertainment areas, parks and have pedestrian access to schools and services such as medical clinics, churches etc.
- Periodically review land use regulations to determine if current ordinances are encouraging additions and modifications to keep the existing housing stock desirable and livable.

