

Life-Cycle Housing

Making sure all our residents can find a place to call home...

City of Prior Lake

June 12, 2017



Your Presenters ...



Housing

- Julie Siegert – Housing Director
Scott County CDA



Julie



Stacy



Jo

Economic Development – First Stop Shop

- Stacy Crakes – Business
Development Director
Scott County CDA – First Stop
Shop
- Jo Foust – Business
Development Specialist
Scott County CDA – First Stop
Shop

Purpose of this Presentation

Life-Cycle Housing

- To provide you with information to assist with the update of your Comprehensive Plan Housing & Economic Competitiveness Chapters
- Introduce information from the Scott County Housing Study
- Analyze resident employment and jobs in our communities
- Look at current and projected housing needs and how you are planning for these

** This information is not designed to provide you with all the answers, rather it is intended to set the stage for further discussion as you update your comprehensive plan.



AGENDA

- LIFE-CYCLE HOUSING – HOUSING STUDY
- WHAT DOES “AFFORDABLE” LOOK LIKE?
- DEMOGRAPHICS, LABOR FORCE & LOCAL JOBS
- YOUR LOCAL HOUSING STATISTICS: TEST YOUR KNOWLEDGE
- YOUR EXISTING AND FUTURE LIFE-CYCLE HOUSING



HOUSING TYPES AND LIFE-CYCLE HOUSING

Types of Housing – Exercise

Please place a circle sticker next to each type of housing you have lived in:

Single family home

Apartment

Dorm

Duplex

Townhouse

Active Senior Living

Manufactured Home

Note: the same unit may fall under two categories. Please mark both (i.e. active senior living and apartment).



Types of Housing



Apartment/Condo



Single Family Home



Manufactured Home

Dormitory

Duplex

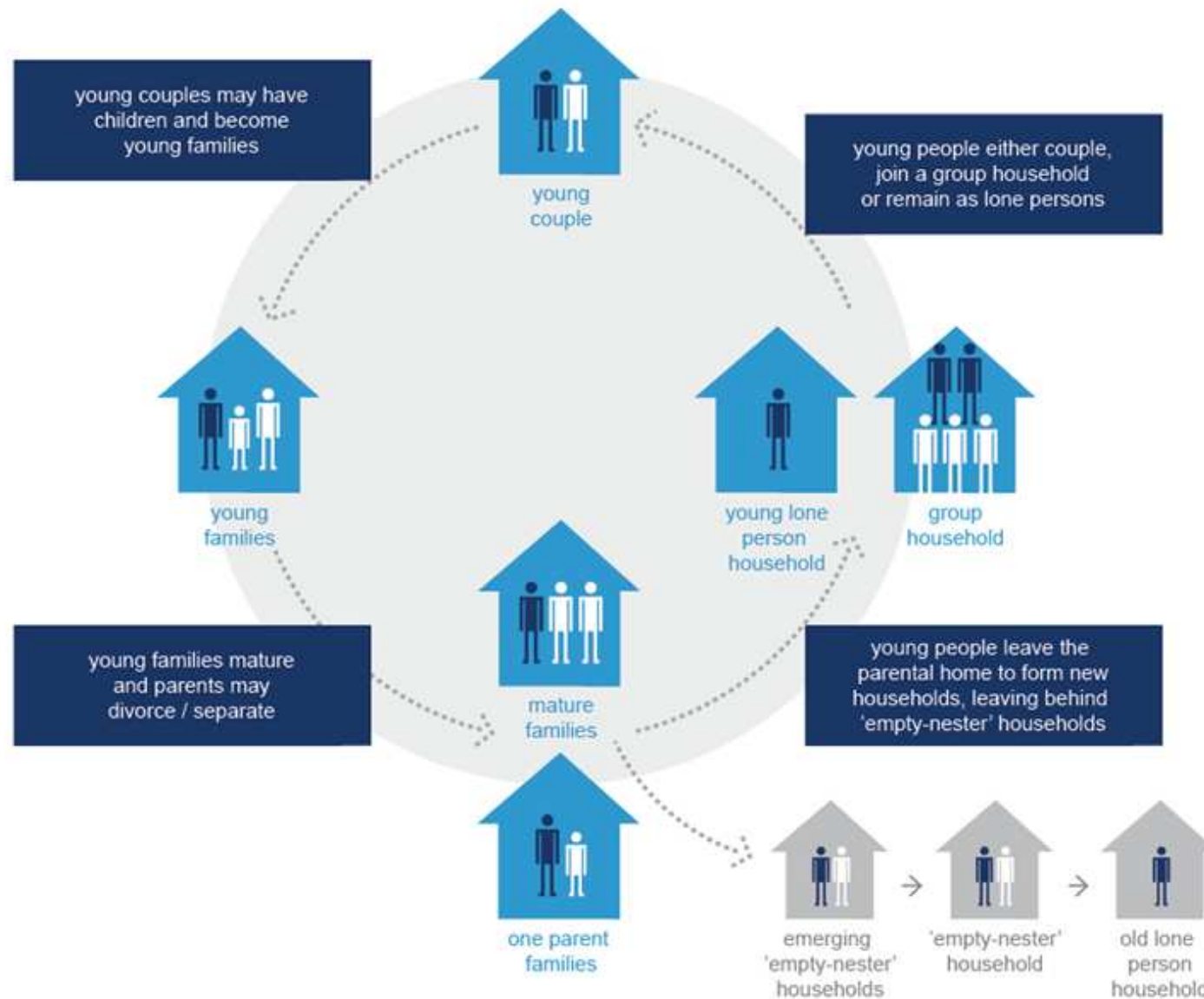


Townhome

Active Senior Living



What is Life-Cycle Housing??



What is Life-Cycle Housing??

1 – Entry-level householders

- Often prefer to rent basic, inexpensive apartments
- May need low or moderate income rental housing if incomes are low
- Usually singles or couples without children in their early 20's
- Will often “double-up” with roommates in apartment setting

2 – First-time Homebuyer & Move-up Renters

- May purchase modestly-priced single-family and townhomes or rent more upscale apartments
- Usually married or cohabiting couples, some with children, in their mid-20's to mid-30's, growing group that prefer rent

3 – Move-up Homebuyers

- Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
- Typically families with children where householders are in their late 30's to late 40's or early 50's

4 – Empty-Nesters & Never-Nesters

- Prefer owning, but an increasing proportion seek lower maintenance housing products, ownership and rental
- Generally couples in their late 50's to late 60's



What is Life-Cycle Housing??

5 – Younger Independent Seniors

- Had preferred owning, but growing group that wants to rent
- Increasing proportion moving to lower-maintenance housing
- Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
- Generally in their early 70's to early 80's

6 – Older Seniors

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally single females (widows) in their early 80's or older

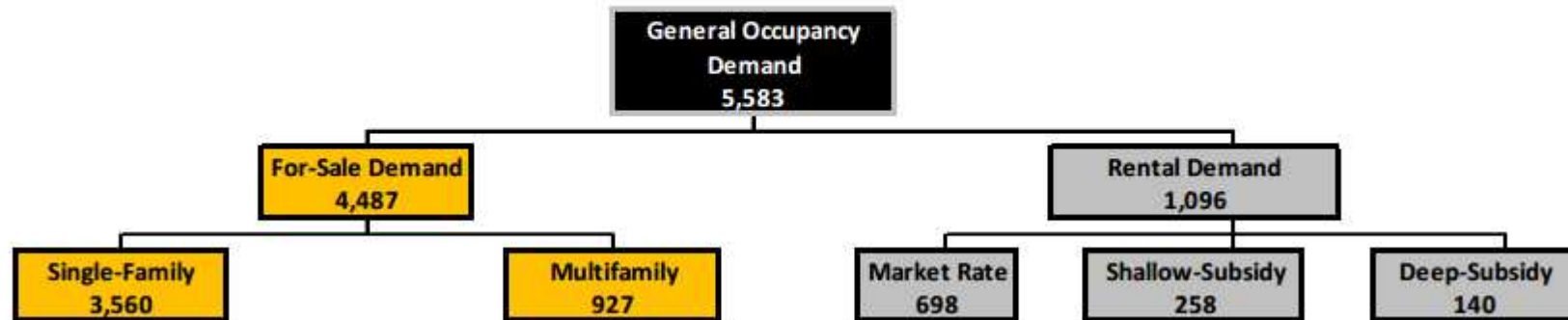




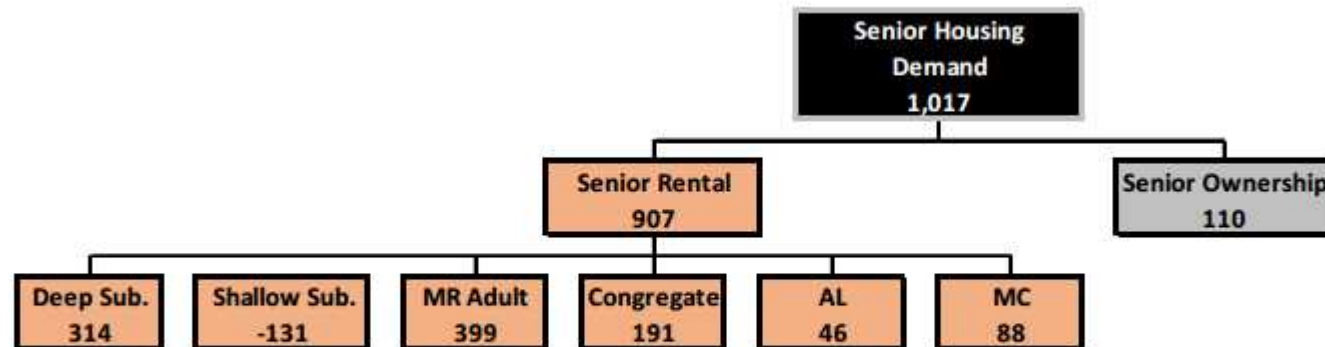
LOCAL HOUSING DEMAND (MAXFIELD)

Maxfield Study – Housing Demand

Prior Lake Projected General Occupancy Housing Demand, 2017 to 2040



Prior Lake Projected Senior Housing Demand, 2040



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

Maxfield Study – Rental Terms

Market Rate

All rental projects that do not have income restrictions, regardless of housing affordability. Renters pay flat rent amount.



Shallow Subsidy

Units targeted to moderate income households, typically restricted to 60% of the Area Median Income (AMI) or below. Renters pay flat rent amount.

Deep Subsidy

Units targeted to extremely low income households (30% of AMI). The renter pays 30% of their income towards rent and the housing provider receives a Federal subsidy





WHAT DOES “AFFORDABLE” LOOK LIKE?

What is "Affordable" Housing?

As a "rule of thumb", housing is affordable if a household is spending no more than 30% of their income on housing expenses (mortgage, taxes & insurance).

Levels of Affordability Twin Cities Region, 2016, HUD

% of Area Median Income (AMI)	Income limit Family of 4	30% Housing per month	Est. home to purchase w/ 5% down
30%	\$25,750 (\$12.38 per hour)	\$644	\$83,189
60%	\$51,480 (\$24.75 per hour)	\$1,287	\$166,314
80%	\$65,700 (\$31.58 per hour)	\$1,643	\$212,254
120%	\$102,950 (\$49.50 per hour)	\$2,574	\$332,595
data source	https://www.huduser.gov/portal/datasets/il.html		
	https://www.huduser.gov/portal/datasets/mtsp.html		

In 2016, HUD's AMI for a household (HH) of four (4) in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area is \$85,800

What is "Affordable" Housing?

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Levels of Affordability Twin Cities Region, 2016, HUD

% of Area Median Income (AMI)	Income limit Single Person HH	30% Housing per month	Est. home to purchase w/ 5% down
30%	\$18,050 (\$8.68 per hour)	\$451	\$ 65,000
60%	\$36,060 (\$17.34 per hour)	\$902	\$ 150,000
80%	\$46,000 (\$22.12 per hour)	\$1,150	\$ 175,000
120%	\$72,050 (\$34.64 per hour)	\$1801	\$ 290,000
data source	https://www.huduser.gov/portal/datasets/il.html		
	https://www.huduser.gov/portal/datasets/mtsp.html		

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What is “Affordable” Housing?

As a “rule of thumb”, housing is affordable if a household is spending no more than 30% of their income on housing expenses (mortgage, taxes & insurance).

HOUSEHOLD A (LOW INCOME)	HOUSEHOLD B (HIGH INCOME)
Family of four	Family of four
Monthly gross income: \$3,500	Monthly gross income: \$15,000
30% of income (housing costs): \$1,050	30% of income (housing costs): \$4,500
Income for other life expenses (transportation, food, clothing, child care, insurance, etc.) \$2,450	Income for other life expenses (transportation, food, clothing, child care, insurance, etc.) \$10,500

Presuming both households succeed in locating a unit at or below the 30% rule of thumb, we can reasonably say they are both affordably housed. Presuming their spending on other life essentials is on par—let’s say other life necessities cost both households an average of \$1,800 per month—it becomes clear that not only does Household B enjoy much more discretionary income (\$8,250 to Household A’s \$650), it could theoretically spend an additional \$7,600 per month on housing alone and still have the same amount of money left over as Household A for college funds, retirement savings, or an occasional vacation.

Source: 2040 Thrive MSP Housing
Policy Plan

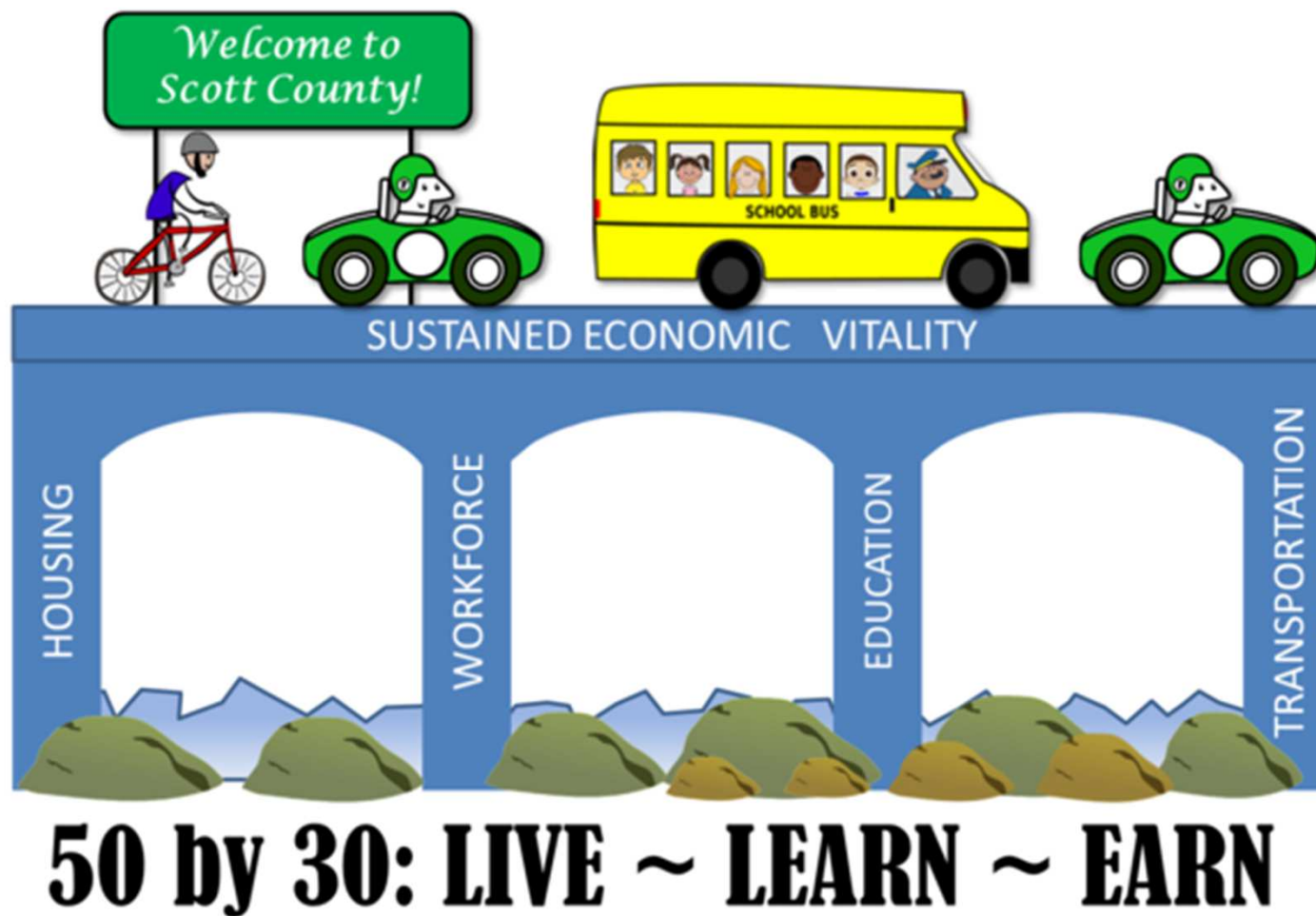




DEMOGRAPHICS, LABOR FORCE & LOCAL JOBS

Housing and Economic Development?

Why is First Stop Shop involved in a presentation about housing?

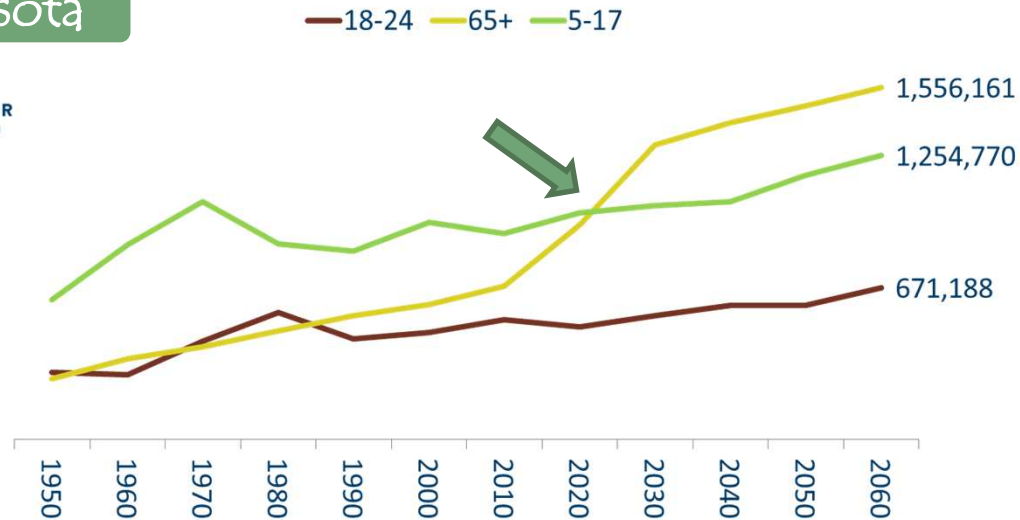


Changing Demographics – Age Trends

State of Minnesota

mn MINNESOTA STATE
DEMOGRAPHIC CENTER
DEPARTMENT OF ADMINISTRATION

**1 in 5
Minnesotans will
be 65+ by 2030**

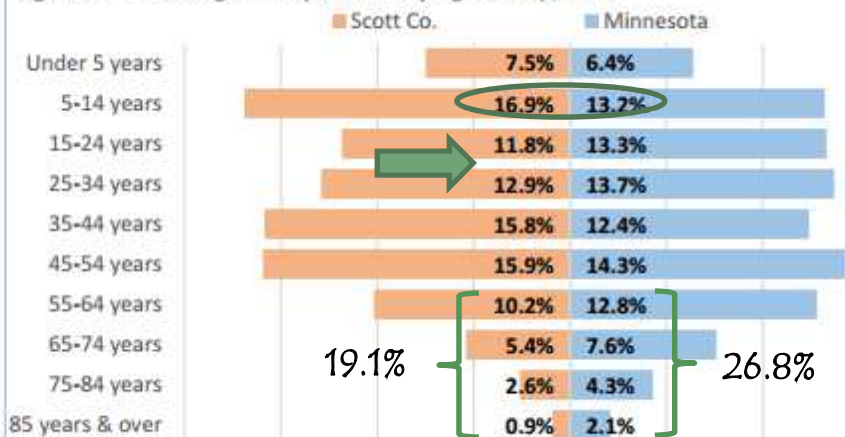


Scott County

Table 2. Population by Age Group, 2015	2015 Population by Age Group	
	Number	Percent
Scott Co.		
Under 5 years	10,294	7.5%
5-14 years	23,187	16.9%
15-24 years	16,266	11.8%
25-34 years	17,725	12.9%
35-44 years	21,762	15.8%
45-54 years	21,874	15.9%
55-64 years	13,971	10.2%
65-74 years	7,415	5.4%
75-84 years	3,585	2.6%
85 years & over	1,243	0.9%
Total	137,322	100.0%

Source: 2011-2015 American Community Survey

Figure 2. Percentage of Population by Age Group, 2015



Source: 2011-2015 American Community Survey

Changing Demographics – Labor Force

Growth in Minnesota's Labor Force



MINNESOTA STATE DEMOGRAPHIC CENTER
DEPARTMENT OF ADMINISTRATION

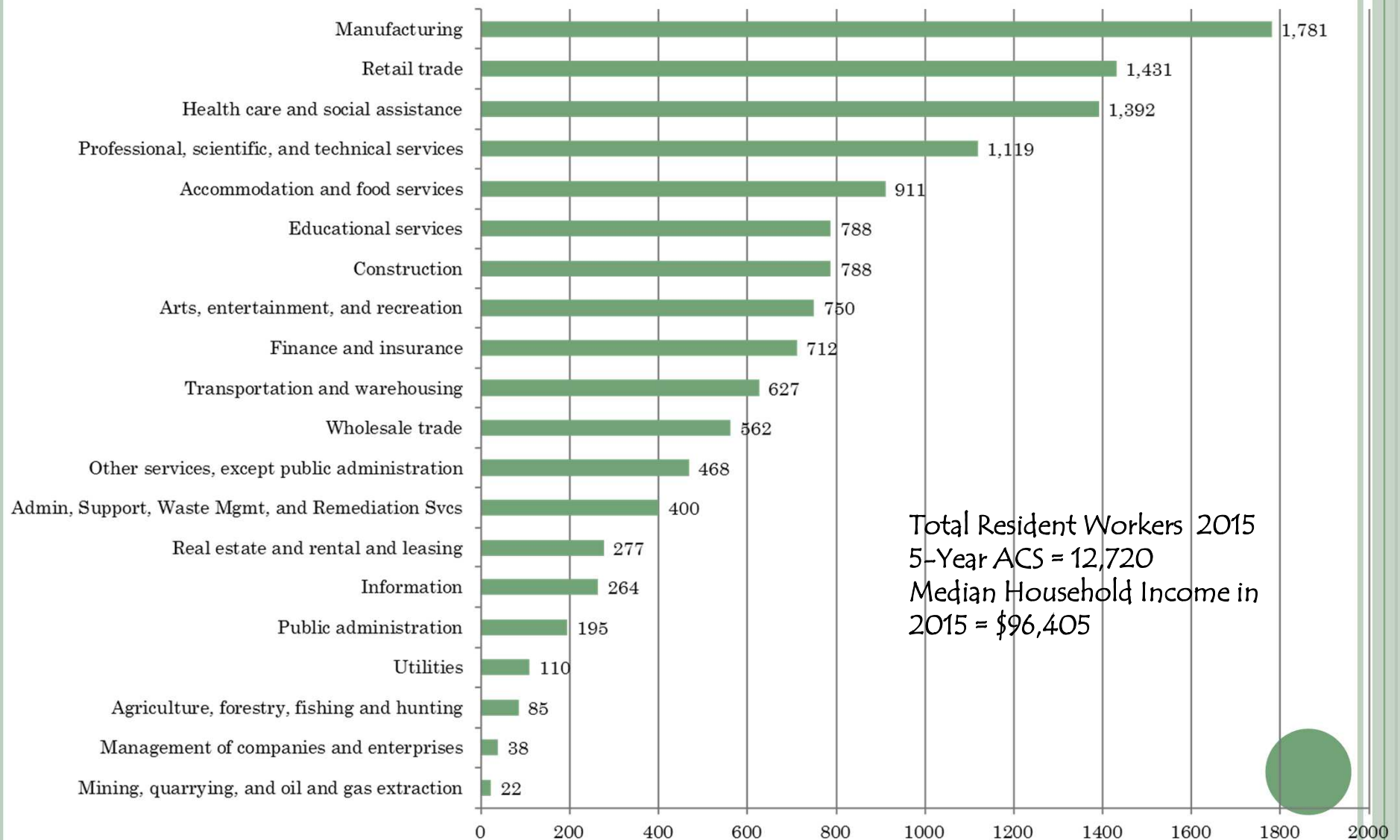
Source: Tabulated from the Integrated Public Use Microdata Series

Scott County's Projected Labor Force to 2025

Source: DEED, Calculated from Minnesota State Demographic Center population projections and 2011-2015 American Community Survey 5-Year Estimates

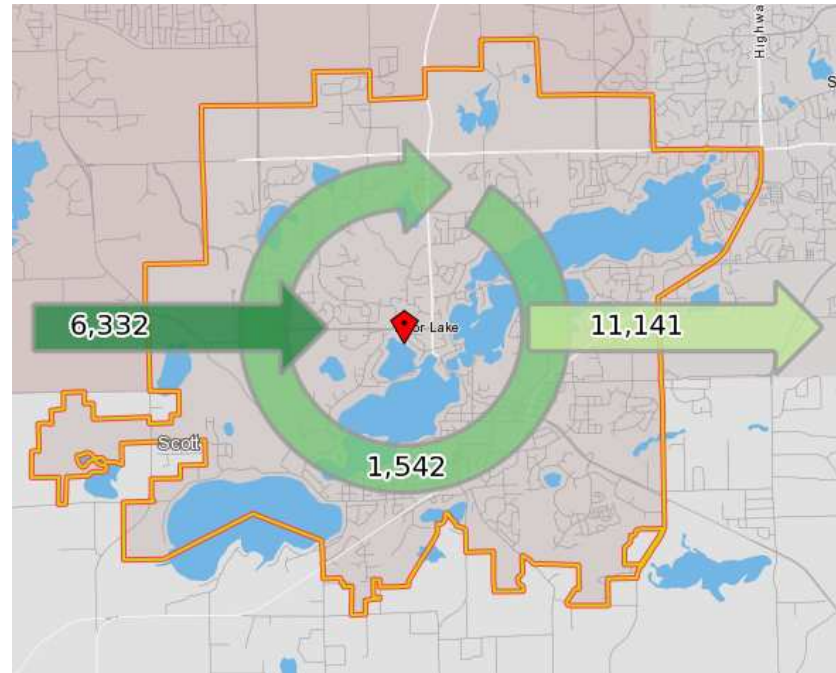
Table 7. Labor Force Projections, 2015-2025				
Scott Co.	2015	2025	2015-2025 Change	
	Labor Force Projection	Labor Force Projection	Numeric	Percent
16 to 19 years	4,681	4,789	109	2.3%
20 to 24 years	5,704	8,338	2,635	46.2%
25 to 44 years	37,311	35,930	-1,380	-3.7%
45 to 54 years	22,774	21,277	-1,497	-6.6%
55 to 64 years	12,126	17,910	5,784	47.7%
65 to 74 years	2,629	4,810	2,181	83.0%
75 years & over	422	788	366	86.7%
Total Labor Force	85,647	93,843	8,197	9.6%

Labor Force – People Living in Prior Lake



Source: DEED – Compiled from American Community Survey (ACS)

Labor Force – People Living in Prior Lake



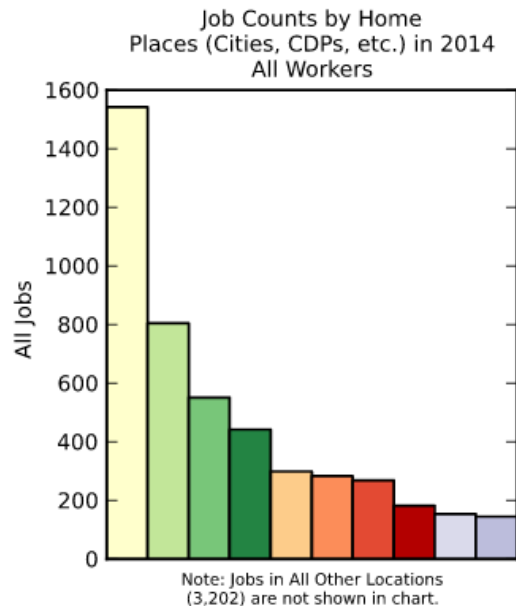
2014 – All Jobs Data		Count	Share
Jobs in Prior Lake	Total Employed (Jobs) in Prior Lake	7,874	100.0%
	Employed in Prior Lake but Living Outside	6,332	80.4%
	Employed and Living in Prior Lake	1,542	19.6%
Prior Lake Resident Workers	Workers Living in Prior Lake	12,683	100.0%
	Living in Prior Lake but Employed Outside	11,141	87.8%
	Living and Employed in Prior Lake	1,542	12.2%

Source: <https://onthemap.ces.census.gov/>

Labor Force

Jobs Located In Prior Lake

Where Are The Workers Coming From?

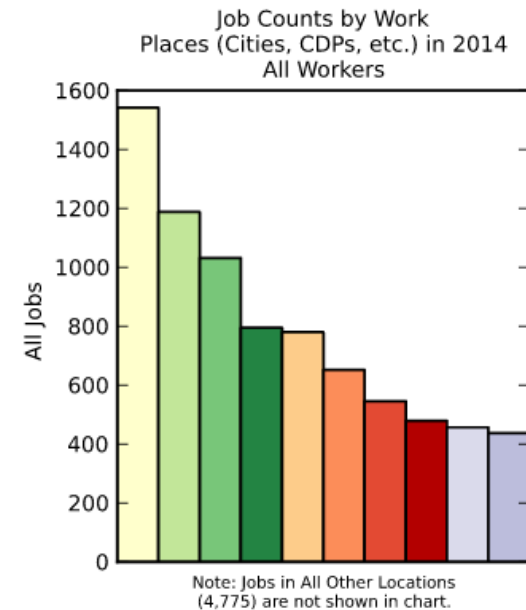


**Jobs Counts by Places (Cities, CDPs, etc.)
Where Workers Live - All Jobs**

	Count	Share
<u>All Places (Cities, CDPs, etc.)</u>	7,874	100.0%
<u>Prior Lake city, MN</u>	1,542	19.6%
<u>Shakopee city, MN</u>	805	10.2%
<u>Savage city, MN</u>	551	7.0%
<u>Burnsville city, MN</u>	442	5.6%
<u>Lakeville city, MN</u>	299	3.8%
<u>Minneapolis city, MN</u>	283	3.6%
<u>Bloomington city, MN</u>	269	3.4%
<u>Apple Valley city, MN</u>	182	2.3%
<u>St. Paul city, MN</u>	154	2.0%
<u>Jordan city, MN</u>	145	1.8%
<u>All Other Locations</u>	3,202	40.7%

People Who Live in Prior Lake

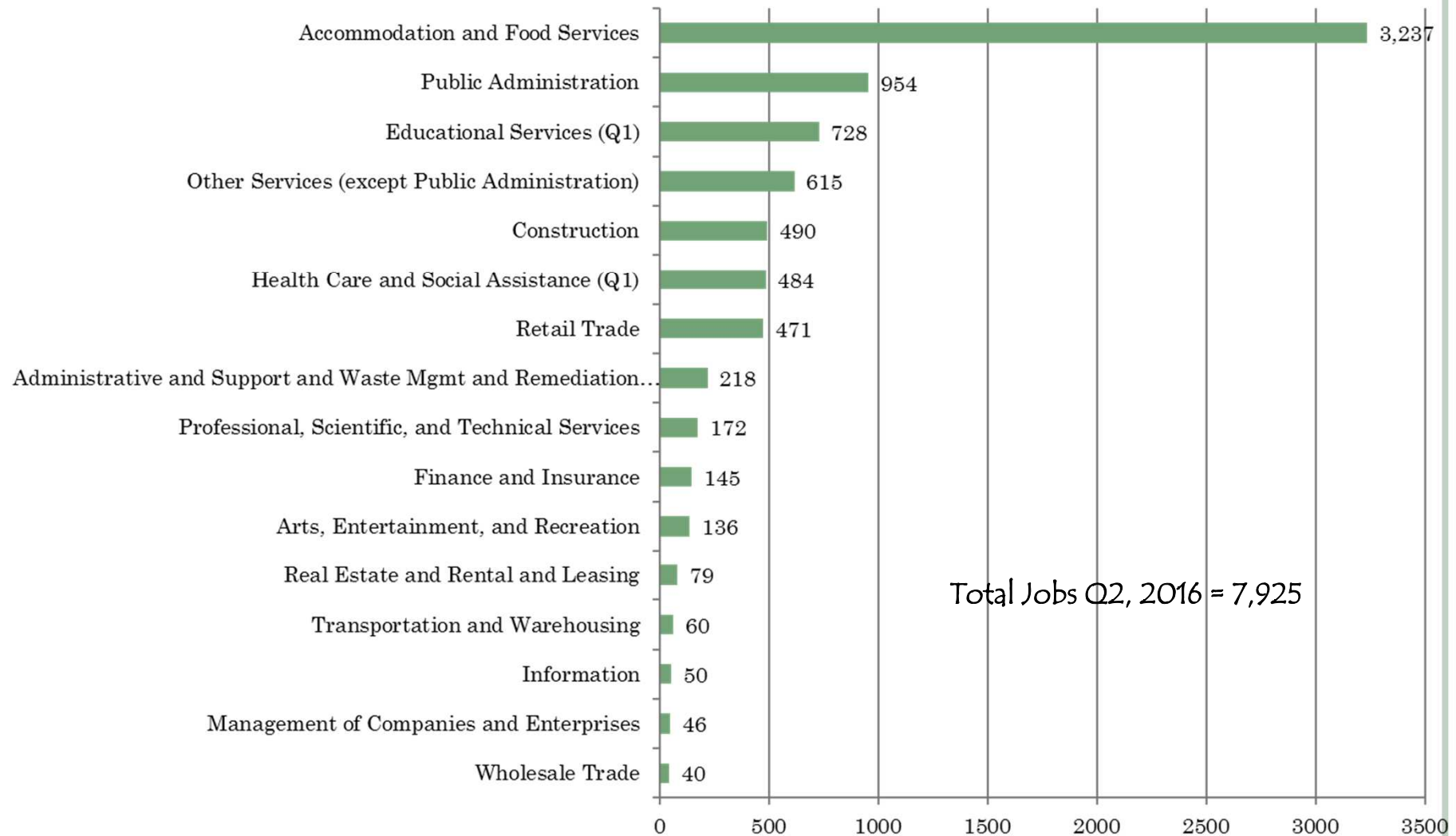
Where Do They Work?



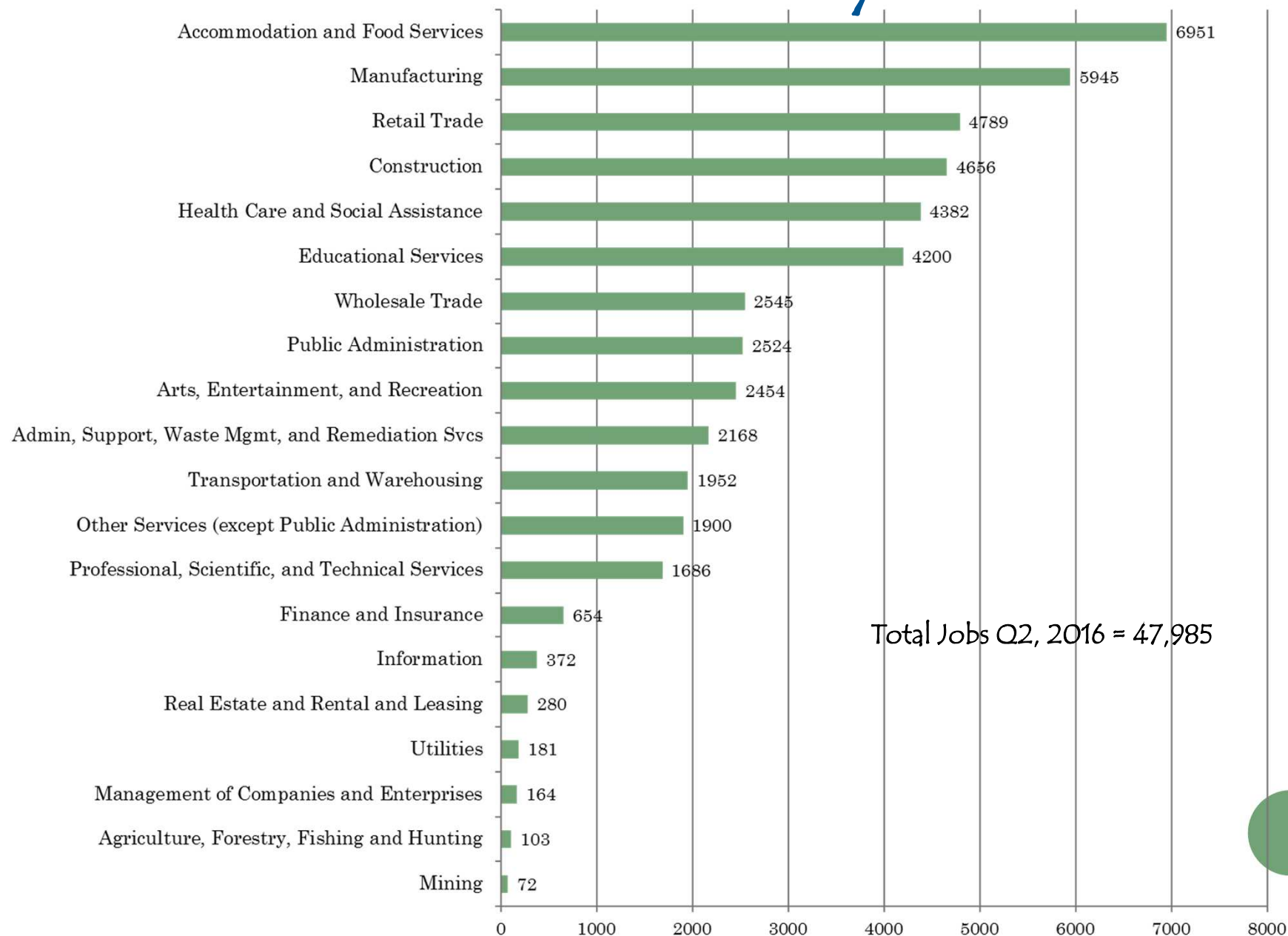
**Jobs Counts by Places (Cities, CDPs, etc.)
Where Workers are Employed - All Jobs**

	Count	Share
<u>All Places (Cities, CDPs, etc.)</u>	12,683	100.0%
<u>Prior Lake city, MN</u>	1,542	12.2%
<u>Minneapolis city, MN</u>	1,188	9.4%
<u>Bloomington city, MN</u>	1,032	8.1%
<u>Burnsville city, MN</u>	795	6.3%
<u>Shakopee city, MN</u>	780	6.1%
<u>Eden Prairie city, MN</u>	652	5.1%
<u>Savage city, MN</u>	546	4.3%
<u>Edina city, MN</u>	479	3.8%
<u>Minnetonka city, MN</u>	457	3.6%
<u>Eagan city, MN</u>	437	3.4%
<u>All Other Locations</u>	4,775	37.6%

Jobs in Prior Lake (2016)



Jobs in Scott County (2016)



Source: DEED, Quarterly Census of Employment and Wages (QCEW), 2016 – Q2

Top 3 Industries by Age Group

Jobs in Scott County

Age 14 – 24 (8,476)

- Retail Trade (14.3%)
- Arts, Entertainment, & Recreation (18.1%)
- Accommodation & Food Service (24.3%)

Age 25 – 34 (9,427)

- Construction (14.3%)
- Health Care & Social Assistance (10.2%)
- Accommodation & Food Service (15.3%)

Age 35 – 44 (9,408)

- Construction (14.0%)
- Manufacturing (12.1%)
- Accommodation & Food Service (12.9%)

Age 45 – 54 (9,814)

- Construction (11.1%)
- Manufacturing (15.4%)
- Accommodation & Food Service (11.4%)

Age 55 – 64 (6,923)

- Construction (8.8%)
- Manufacturing (16.9%)
- Accommodation & Food Service (12.4%)

Age 65+ (2,160)

- Manufacturing (8.2%)
- Retail Trade (16.4%)
- Accommodation & Food Service (15.9%)

Source: U.S. Census Bureau, Quarterly Workforce Indicators (QWI) – Ages in Career Life

Accommodation and Food Services

Top Employing Occupations in Minnesota

	Occupation	Median Wage (State of MN)
1	Maids and Housekeeping Cleaners	\$10.64
2	Hotel, Motel, and Resort Desk Clerks	\$10.25
3	Waiters and Waitresses	\$9.04
4	Cooks, Restaurant	\$11.71
5	Maintenance and Repair Workers, General	\$20.07
6	Lodging Managers	\$19.47
7	Dining Room and Cafeteria Attendants and Bartender Helpers	\$9.19
8	Bartenders	\$9.19
9	Landscaping and Grounds-keeping Workers	\$12.53
10	Janitors and Cleaners	\$12.50
11	Supervisors of Housekeeping and Janitorial Workers	\$19.13
12	Dishwashers	\$9.28
13	Recreation Workers	\$11.73
14	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$9.19
15	Food Servers, Non-restaurant	\$11.18



Source: DEED – Compiled from American Community Survey (ACS)

Jobs in Scott County – Wages

Industry	Average Wages
Arts, Entertainment, and Recreation	\$21,320
Other Services (except Public Administration)	\$27,612
Accommodation and Food Services	\$27,716
Retail Trade	\$28,496
Agriculture, Forestry, Fishing and Hunting	\$33,176
Admin, Support, Waste Mgmt, and Remediation Svcs	\$36,348
Real Estate and Rental and Leasing	\$38,844
Transportation and Warehousing	\$38,896
Health Care and Social Assistance	\$43,732
Public Administration	\$50,180
Information	\$50,804
Educational Services	\$53,248
Finance and Insurance	\$54,132
Professional, Scientific, and Technical Services	\$56,940
Wholesale Trade	\$61,724
Construction	\$66,092
Management of Companies and Enterprises	\$73,788
Mining	\$74,516
Manufacturing	\$77,688
Utilities	\$88,920

Prior Lake
Jobs –
Top 7



Jobs in Scott County – Wages

As a “rule of thumb”, housing is affordable if a household is spending no more than 30% of their income on housing expenses (mortgage, taxes & insurance).

					Prior Lake Jobs – Top 7
Industry					
Average Wages					
Arts, Entertainment, and Recreation				\$21,320	←
Other Services (except Public Administration)				\$27,612	
Accommodation and Food Services				\$27,716	
Retail Trade				\$28,496	
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% of Area Median Income (AMI)	Income limit Family of 4	30% Housing per month	Income limit Single Person HH	30% Housing per month	
30%	\$25,750 (\$12.38 per hour)	\$644	\$18,050 (\$8.68 per hour)	\$451	
60%	\$51,480 (\$24.75 per hour)	\$1,287	\$36,060 (\$17.34 per hour)	\$902	
80%	\$65,700 (\$31.58 per hour)	\$1,643	\$46,000 (\$22.12 per hour)	\$1,150	
120%	\$102,950 (\$49.50 per hour)	\$2,574	\$72,050 (\$34.64 per hour)	\$1801	



YOUR LOCAL HOUSING STATISTICS: TEST YOUR KNOWLEDGE

Kahoot! Exercise Instructions

Participant Exercise

- On your phone or tablet, open your browser and go to: **Kahoot.it**
- Enter the Game Pin shown on the board
- Enter a name – feel free to use an anonymous name if you'd like!
- When questions are shown you will have 20 seconds to select an answer on your device

READY?!?

[Link](#)



Kahoot Summary – Prior Lake

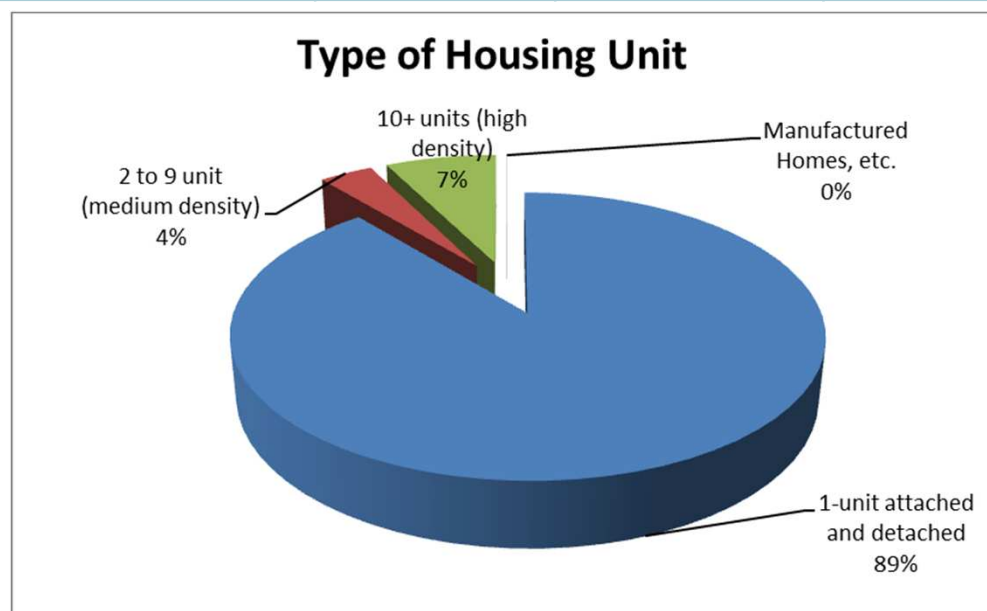
Population approx.	24,402
Occupied Housing Units:	8,840
% of Household > \$75,000	62.2%
% paying > 30% on housing	10.9%
% of Households < \$35,000	15.1%
% paying > 30% on housing	81.0%
Owner-occupied housing	82.3%
Renter-occupied housing	17.7%
2010: % of Renter-occupied that are 65+ yrs.	23.0%
# of Affordable Units needed by 2030	754
# of General Occupancy Units by 2040	5,580
# of Senior Units needed by 2040	1,017



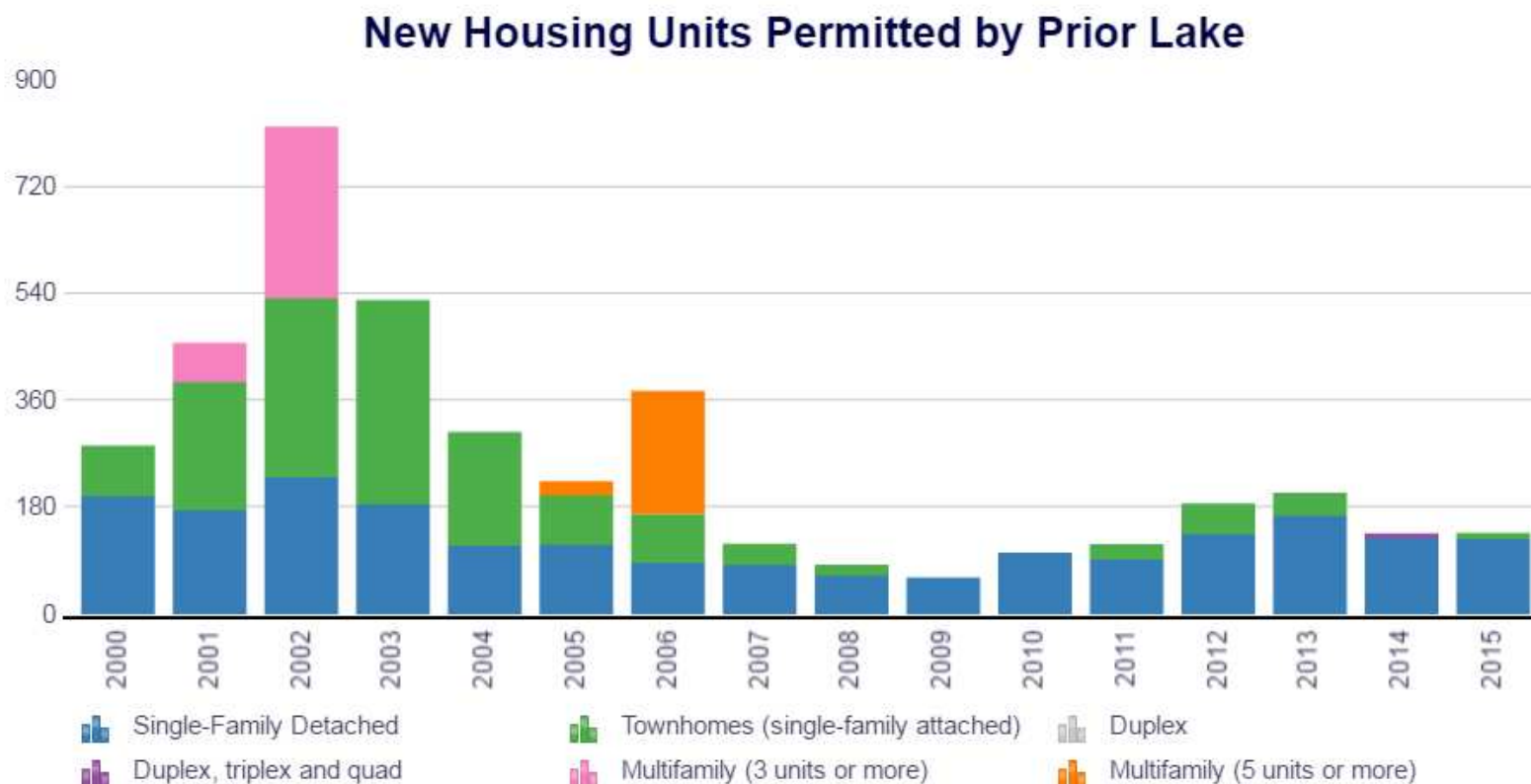
YOUR EXISTING AND FUTURE LIFE-CYCLE HOUSING

Prior Lake's Existing Housing

	Prior Lake		Scott County	
Housing Category	Number	Percentage	Number	Percentage
1-unit attached and detached	8,281	89%	43,389	89%
2 to 9 unit (medium density)	332	3.6%	1,532	3%
10+ units (high density)	690	7.4%	3,217	7%
Manufactured Homes, etc.	2	0%	622	1%
Total	9,305	100%	48,760	100%



Recent Housing Construction



Note: Between 2003 & 2004 housing unit type definitions changed: Duplex category was expanded to include duplex, triplex and quad, and the definition of multifamily changed from 3 or more units to 5 or more units.

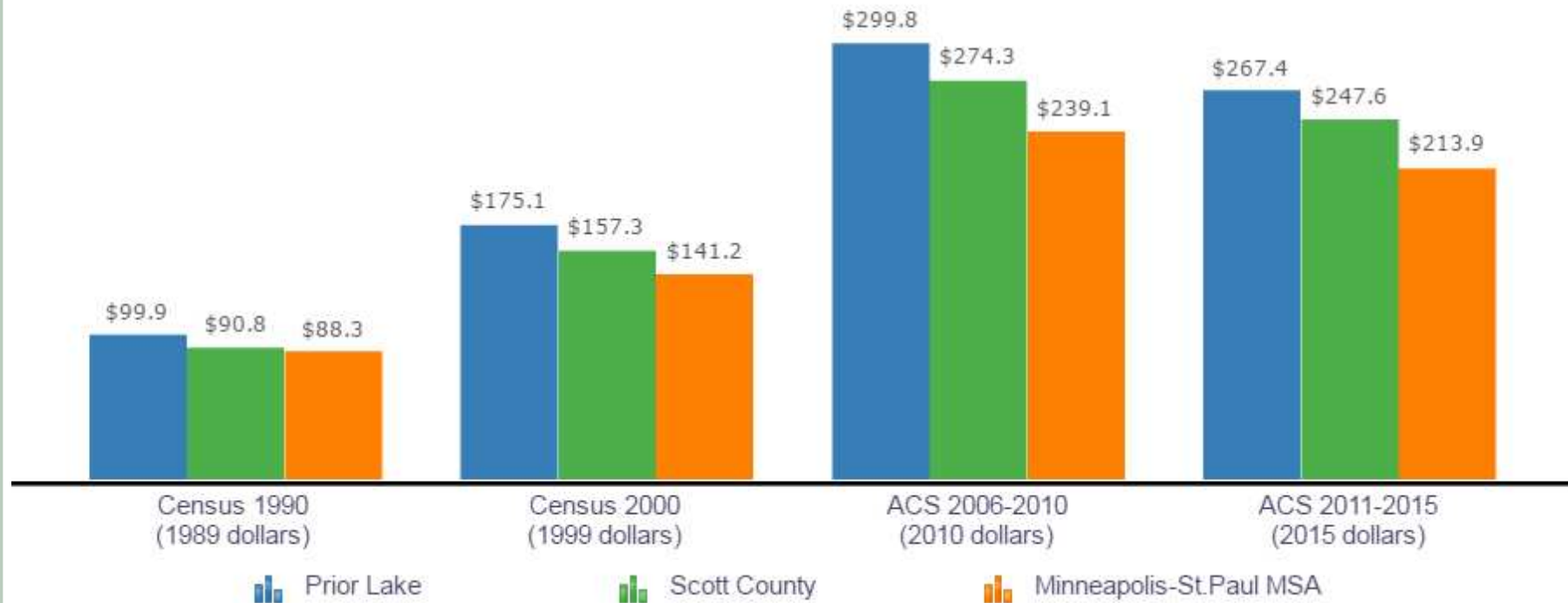
Recent Housing Construction

Affordability of New Units Added by Prior Lake



Housing Cost Comparison

Median Housing Value in Prior Lake
(in \$000s)



Housing Cost Comparison – Scott County

Median Home Sale Price (12/31/16)

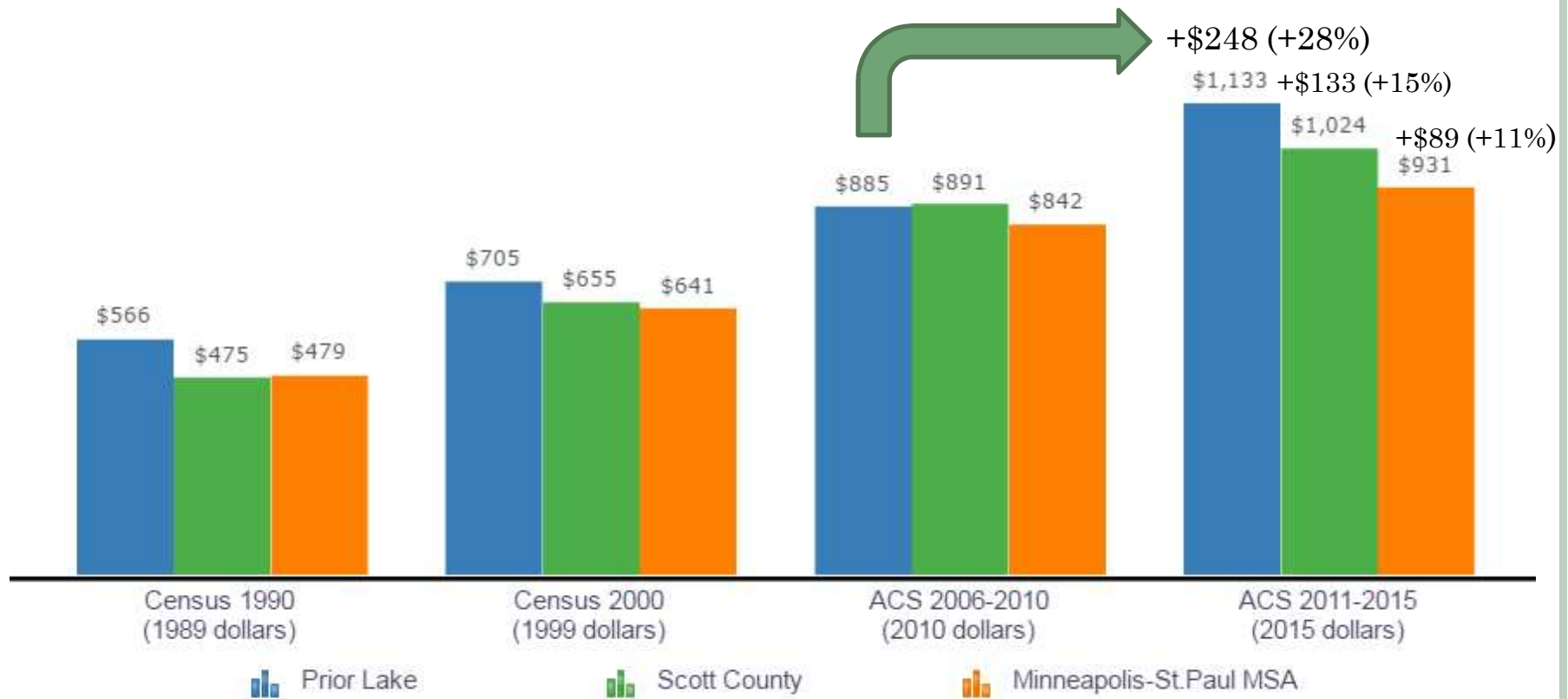
➤ Scott County	\$257,000
➤ Prior Lake	\$294,500 (639 sales)
➤ Savage	\$265,000 (645 sales)
➤ Shakopee	\$222,000 (817 sales)
➤ Belle Plaine	\$207,050 (180 sales)
➤ Elko New Market	\$305,000 (101 sales)
➤ Jordan	\$255,000 (115 sales)
➤ New Prague	\$250,000 (185 sales)
➤ Twin Cities	\$232,000

Source: Minneapolis Area Association of Realtors,
Local Market Updates, Dec. 2016



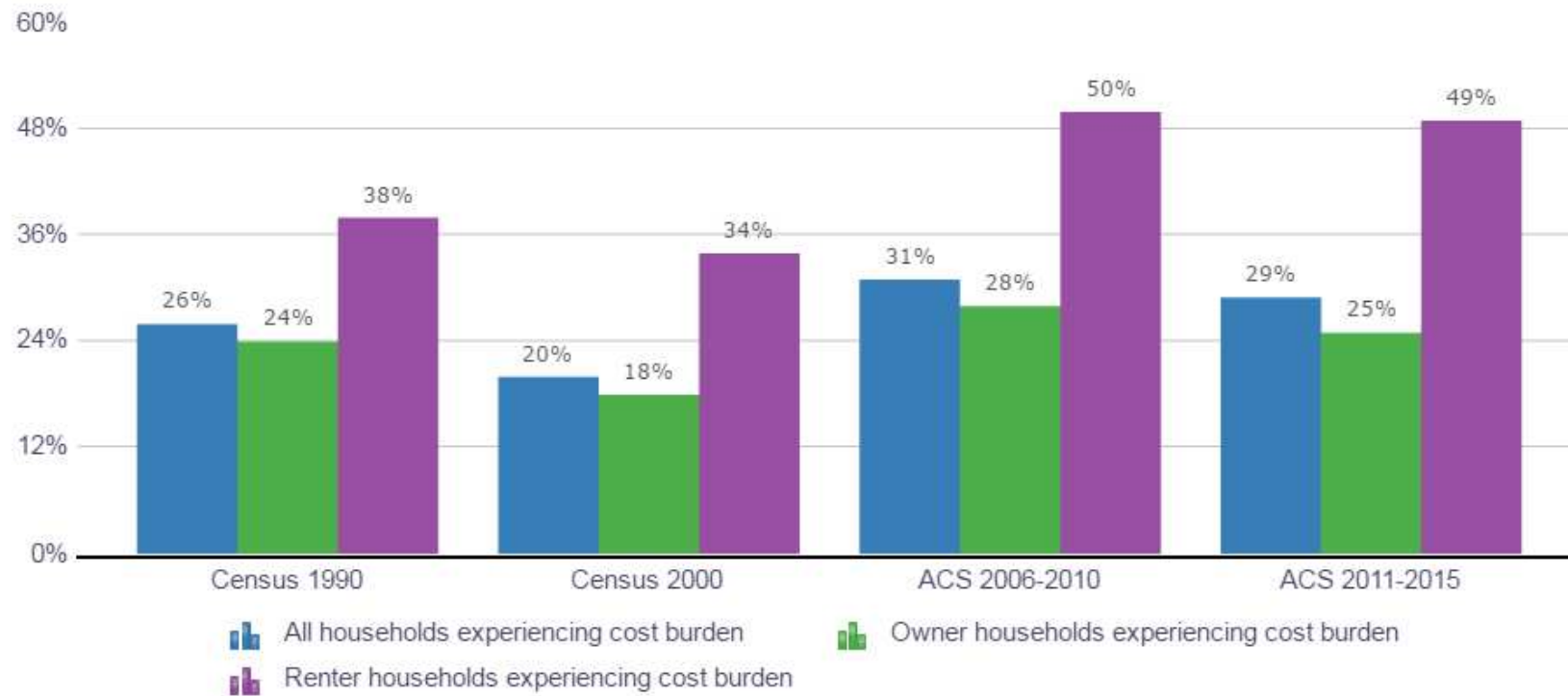
Housing Cost Comparison

Median Gross Rent in Prior Lake



Affordability of Your Housing

Percent of Households Experiencing Housing Cost Burden in Prior Lake



Source: U.S. Census Bureau Decennial Census and American Community Survey.





ANALYZING YOUR COMPREHENSIVE PLAN

Meeting Met Council Allocations

Number of affordable units allocated for Prior Lake
per Met Council 2017 Community Page

March 28, 2017 (2021 to 2030)

Deep Subsidy

At or below 30% AMI = 411

31 to 50% AMI = 212

Subtotal (Deep Subsidy) = 623

Shallow Subsidy

51 to 80% AMI = 131

Subtotal (Shallow Subsidy) = 131

Total Affordable Units Allocated = 754

Making sure all our residents can find a place to call home...

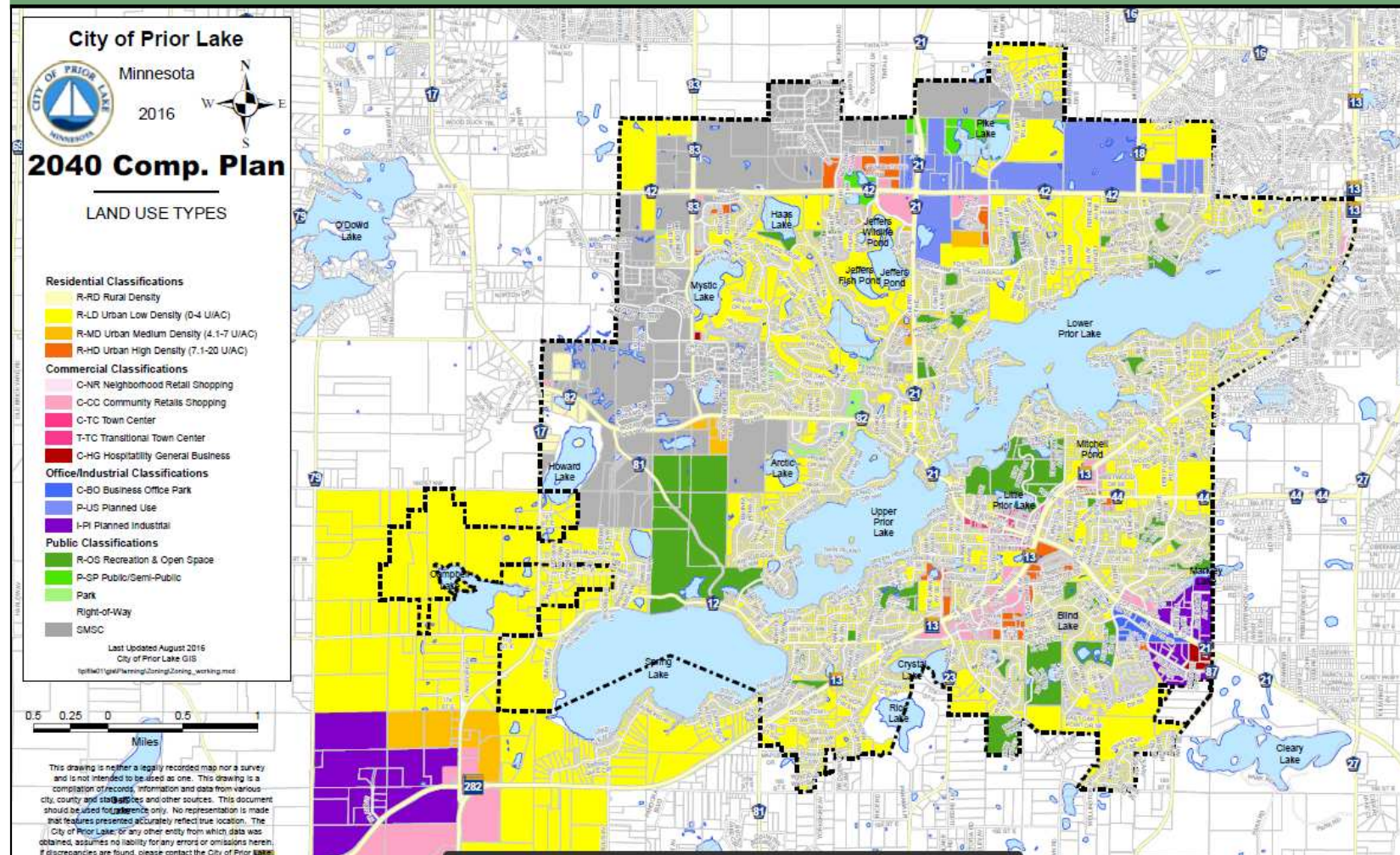
As you develop your plan...

- Does your plan address the changing demographics?
- Does your plan address the correlation between employment and wages and the housing you are planning for?
- Is sufficient land planned for each stage of life-cycle housing?
- Do zoning regulations include options for each stage of life-cycle housing (size of lot, zoning classification, etc.)?

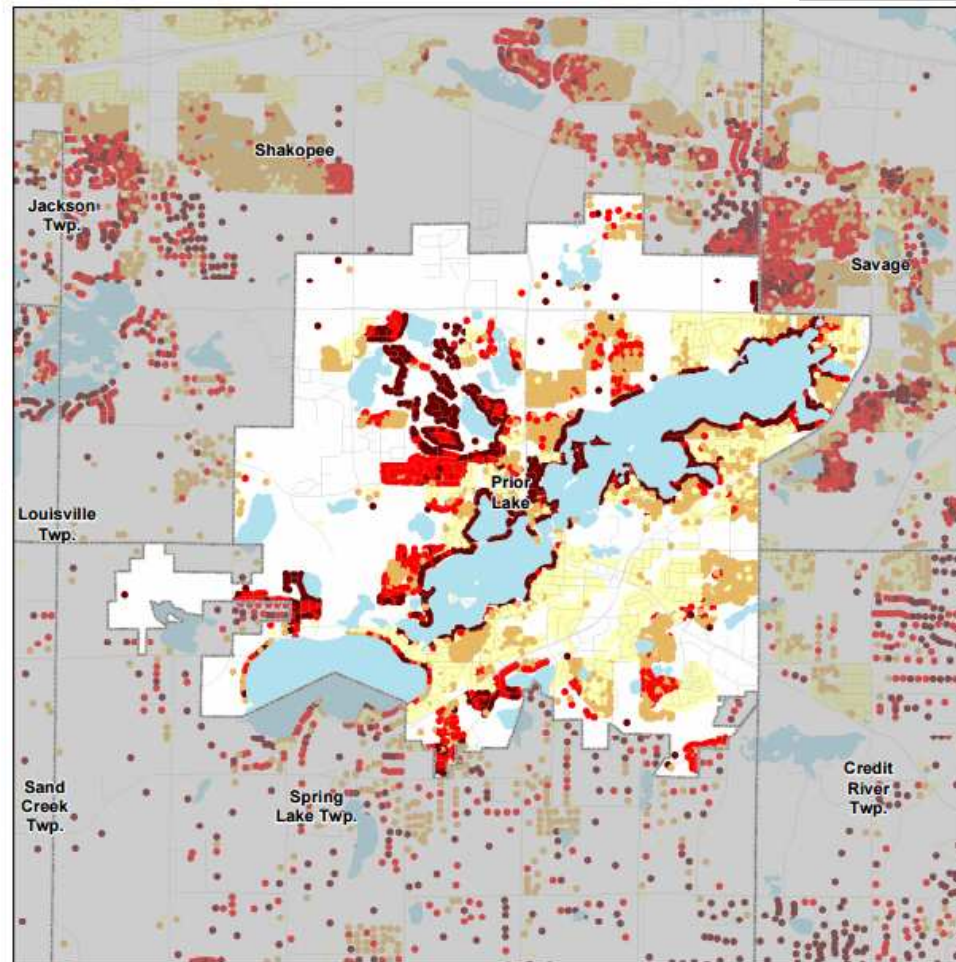


Mapping out your future housing

Comprehensive Plan – Future Land Use Map



Owner-Occupied Housing by Estimated Market Value Prior Lake



County Boundaries
City and Township Boundaries
Lakes and Major Rivers
Street Centerlines

Owner-Occupied Housing Estimated Market Value, 2015

\$238,500 or Less
\$238,501 to \$350,000
\$300,001 to \$450,000
Over \$450,000

1 inch = 1.0453 miles

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

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

9,586 Housing Units

3.5% affordable to households <30% AMI

14% affordable to households 31% to 50% AMI

36% affordable to households 50% to 80% AMI

20.3% affordable to >81% AMI

1.7% of units are publically subsidized

Questions?
Comments?
Thank you!

The End!



- Julie Siegert – Housing Director
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- Stacy Crakes – Business Development Director
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- Jo Foust – Business Development Specialist
jfoust@scottfss.org –or– 952.496.8830

