

## Chapter 3: Housing

### Introduction

Housing is an integral component to a city's landscape. As a developing community, Dayton has great opportunity to provide housing to meet the needs and life-cycle housing choices of all its current and future residents. Lifecycle housing refers to the mix of housing types that meet the housing demands of individuals and families throughout their lives, such as single family detached, town homes, condominiums, apartments, and senior housing. As a community that is now experiencing urban sewer expansion, Dayton is drawing its future from essentially a blank slate in terms of housing opportunities.

Through the Comprehensive Plan public input process, the City has developed an aggressive Future Land Use Plan to respond to the changes and demands that urban sewer will bring to the community over the next 20 years and beyond. Using this plan, Dayton will provide housing opportunities for our workforce, (young professionals, families, special needs and senior residents) through a variety of residential land uses and densities including medium, high density and mixed use near future transportation/transit and job corridors and ample area for traditional single family neighborhoods. This will accommodate a wider variety of housing types including senior housing, live/work units, and multi-family in a variety of styles from rental, condo and town homes. Single family options will range from entry-level single family, move-up for growing families and "executive housing" to meet the needs of a changing population. This shift to provide a more diverse housing supply supports future economic development by retaining existing residents and attracting new residents from all social and economic backgrounds, and is an essential component for sustainable growth. Business needs housing and housing needs business, especially in a growing community like Dayton.

The purpose of the Housing Plan is to establish plans and programs to meet the existing and projected housing needs in Dayton and develop new strategies to promote the development of low and moderate income housing as required by state law. The plan will guide the community to integrate housing into land use and other decisions, as well as provide direction for the private sector to participate in the creation of affordable housing and life-cycle housing opportunities.

This Housing Plan satisfies the requirements of the Mandatory Planning Act and stipulations of Chapter 462C of the Minnesota State Statutes. The plan will contain background information on current housing supply and related statistics, assessment of need and future housing strategies to meet future demand. Some of the background and housing profile information presented includes analysis of cities surrounding Dayton. This information provided exemplifies what has recently occurred in the market place in communities with municipal services, and to demonstrate new development trends that may occur in Dayton.

Some of the supporting data used in this chapter comes from 2000 Census data and while the information is somewhat dated it is still the most up to date and most useful source available. The

Metropolitan Council supports the use of 2000 Census data as it serves as their baseline when they prepared community forecasts.

Early in the Comprehensive Plan update process the City developed new goals and policies for housing with the involvement of a resident Task Force, Planning Commission and City Council. These housing goals and policies set the stage for residential growth and the City's response to support new housing while maintaining existing housing for the next ten years. Many of these goals and other goals that are discussed in Chapter \_\_, Land Use have been incorporated into the Housing Plan.

Provide a healthy variety of housing types, styles, densities and choices to meet the life cycle housing needs of residents.

Policy 1: Maintain a balance in the types, quantities and densities of housing units available throughout the community including continued single family growth, and new opportunities for multiple family and senior housing developments.

Policy 2: Protect low density and rural residential areas from incompatible or higher density use or maintain adequate buffering (use of green corridors) from such uses.

Policy 3: Ensure that all new housing, including high density and rental housing adheres to the highest possible standards of planning, design and construction.

Improve the availability of affordable housing and senior housing.

Policy 1: Use redevelopment tools to revitalize aging residential properties made possible from County, State, Federal agencies and grant programs.

Policy 2: Ease the development process or rehabilitation process by streamlining to reduce impacts on the price of entry-level homes.

Policy 3: Complete an assessment of senior housing needs in the community.

Policy 4: Develop partnerships with non-profit and private sector groups in the creation of new senior housing.

## **Housing Profile**

### **Current Housing**

Dayton currently has 1,768 single family homes and 243 manufactured homes, for a total of 2,011 units. This total is much less than the city's neighbors due to the fact the city will not have urban services (municipal water and sewer) until 2008, with the exception of areas north of Diamond Lake (served by Rogers) and portions of the Historic Village in northwest Dayton (served by

Otsego). Metropolitan Interceptors are now in place and Dayton has adopted a Sanitary Sewer Phasing Plan that will ultimately bring municipal services to all of Dayton.

Table A illustrates the City’s housing unit growth dating from pre-1939 to the year 2000. This data is from the 2000 Census, which excludes the more recent construction years. As a result, the table total is different from the city’s total housing units of 2,011, (including mobile homes). The table demonstrates the relative slow pace at which Dayton has developed during the years prior to municipal services.

**Table A: Year Built**

	<i>Number of Permits</i>
Built 1999 to March 2000	8
Built 1995 to 1998	118
Built 1990 to 1994	196
Built 1980 to 1989	253
Built 1970 to 1979	583
Built 1960 to 1969	199
Built 1950 to 1959	42
Built 1940 to 1949	26
Built 1939 or earlier	135
Total:	1,560

### **Single Family**

Dayton contains a wide range of single family homes styles in traditional suburban subdivisions with split entry, two-story and rambler homes on fairly standard suburban size lots to larger lot, rural estate variety homes. Most of the existing housing stock is in good condition; however there are older homes in the Historic Village that appear to need renovation or rehabilitation. In the Historic Village area, there are about 150 homes; all constructed many years ago as this area was platted in 1856. This unique area is discussed further when we examine revitalization efforts for the Historic Village and its rejuvenation as Dayton’s downtown.

### **Multiple- Family**

At this time, Dayton does not contain any multiple-family housing units, either owner- or renter-occupied. This chapter will examine development in Dayton’s neighboring cities to highlight what the City may anticipate now that municipal services are available. Dayton desires to provide a variety of housing types through the Future Land Use plan, which includes options for a variety of residential densities.

### **Manufactured Homes**

Dayton contains one manufactured home park, Dayton Park Properties, located at the southeastern portion of the City just north of CSAH 81. This property contains 243 homes. As

with other parks in the Metropolitan area, this manufactured home community serves a vital demand for affordable housing. Residents typically own their home but not the land. Units are more affordable than smaller single family homes or town homes where land is a portion of the housing cost. Currently, Dayton Park operates on an aging community septic system. Due to the system's age and the possibility of failure, it is anticipated that water and sewer will be expanded to the park in the not so distant future.

## **Building Permits**

The City tracks building permit data for residential construction from 2003. During this time period 63 residential permits have been issued during 2003 to present. The largest number of permits was issued in 2005, however the number of permits issued has decreased since this time as a result of the slowing housing market. Average cost of new construction of \$396,179 in 2005; \$420,400 in 2006; and \$387,900 during 2007 to present. These numbers are averages based on permit valuation when the permit is pulled for single family construction during these years. Permit values do not include land, which represents about 25% of the total cost.

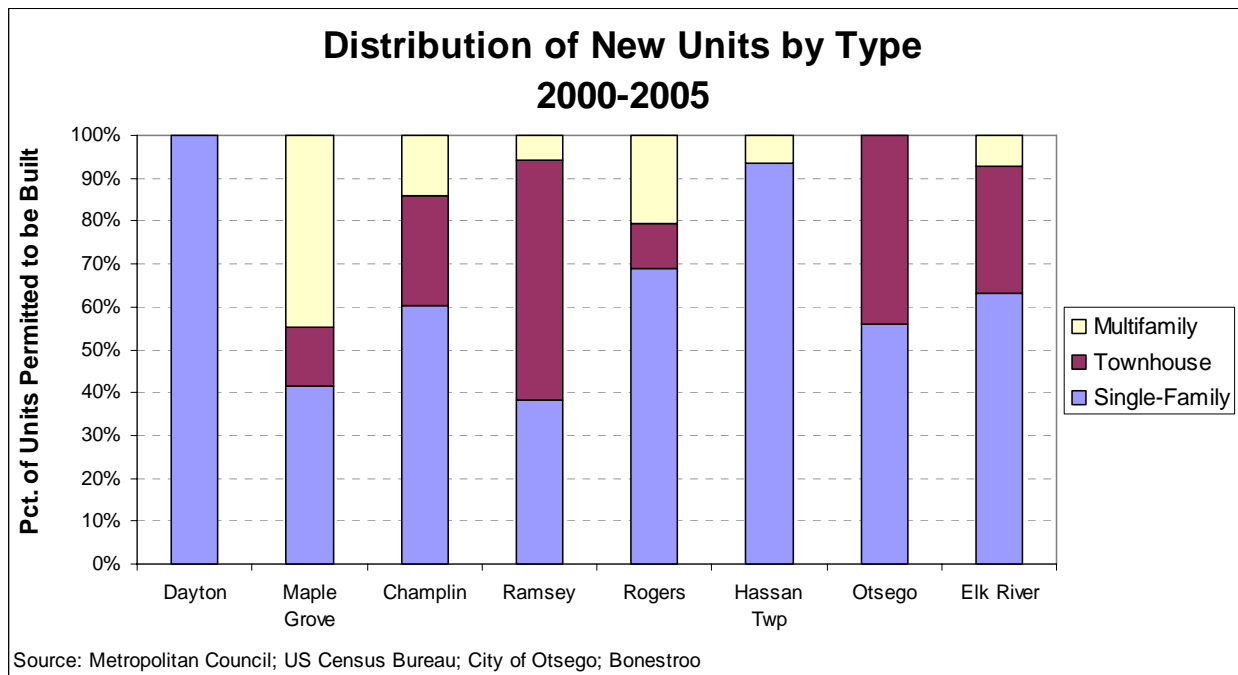
## **Pattern of Recent Construction**

Although owner-occupied single-family homes have dominated the development landscape in Dayton and its neighbors over the last three decades, recent trends suggest that various types of multifamily product are becoming much more prevalent. In the six years between 2000 and 2005, roughly 60 percent of the new units constructed in Maple Grove and Ramsey were either townhomes or multi-family units (Figure 1). In Champlin, Rogers, Otsego, and Elk River, between 30 and 40 percent of the new homes constructed have been townhomes or other multifamily units. This is a huge departure from the previous three decades when fewer than 20 percent of the units built were townhomes or other types of multifamily homes.

The increase in the number and proportion of townhomes and multi-family homes being built can be attributed to three primary forces: 1) an aging population, in which more and more households are choosing to downsize from single-family homes to maintenance-free, attached dwellings; 2) historically low mortgage interest rates and lax lending standards have lured many younger households who normally would rent into homeownership, and 3) land costs driven by rapid development and increased commute times have converged at the developing edge of the metro area to make townhomes the affordable entry-level product when 20 years ago it might have been a modest detached single-family home.

Despite increased development of multi-family homes in neighboring communities during the last six years, no multi-family homes have been developed in Dayton. As municipal services are expanded, this type of development will likely occur. Dayton must respond with updated zoning to support the land use plan while creating effective site and design standards to ensure that new development is desirable and appropriate.

Figure 1-Unit Type



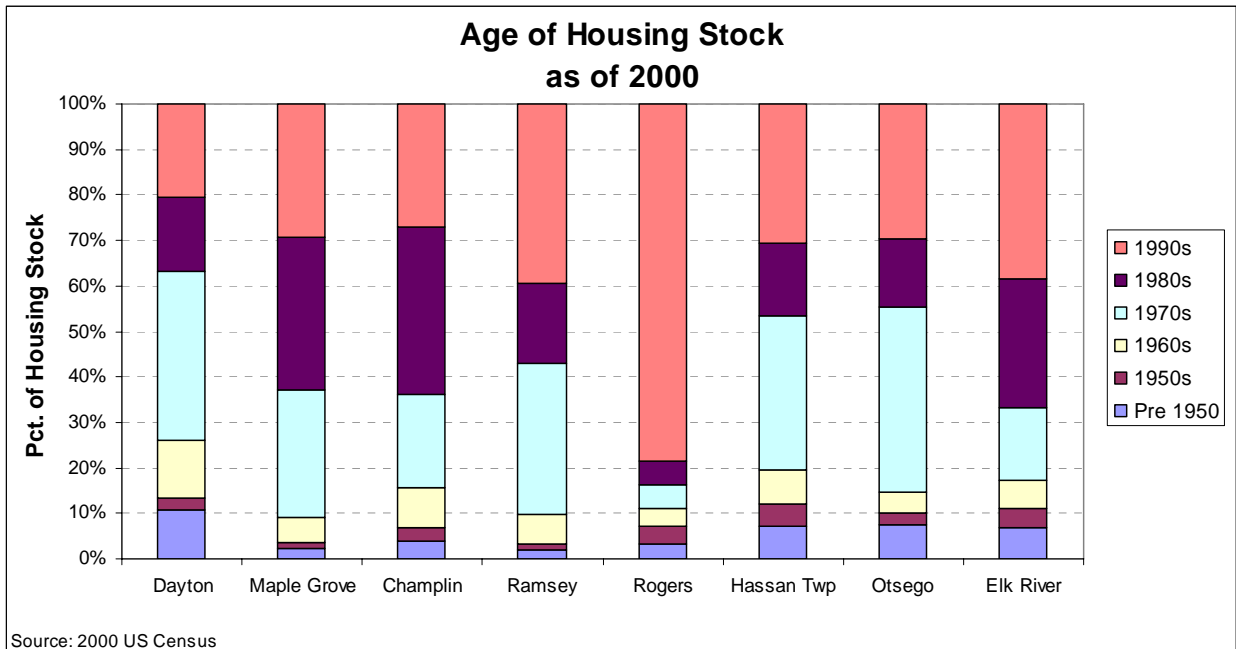
## Age of Housing Stock

Figure 2 below from the 2000 Census represents the age of owner occupied and rental units in Dayton, while Figure 1 above compares the type of Dayton's housing stock to that of neighboring cities.

In 2000 Dayton's housing stock was older than the housing stock of its developing neighbors, with over 25 percent of its homes being more than 30 years old and more than 60 percent being at least 20 years old (Figure 3). This can be partially attributed to the minimal amount of new housing construction that has occurred in Dayton within the last 20 years compared to neighboring communities, as well as the presence of a historic village that contains a significant number of homes that predate World War II.

Among Dayton's neighboring communities, Rogers has by far the newest housing stock. As of 2000, nearly 80 percent of homes in Rogers had been built within the previous 10 years.

**Figure 2-Age of Housing Stock**

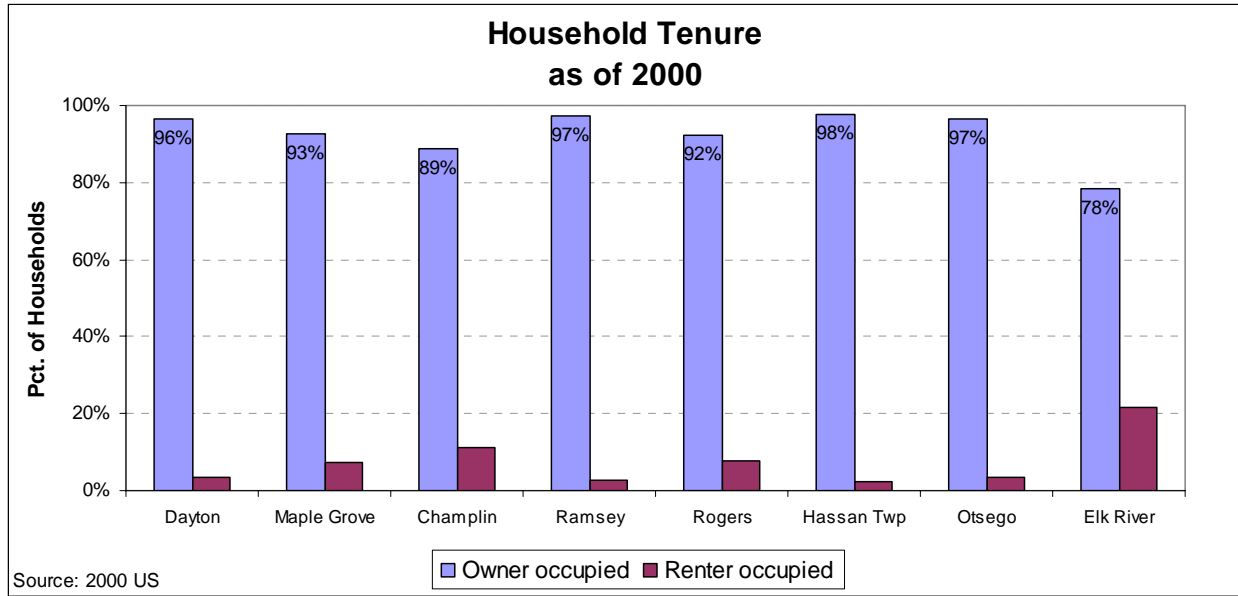


## Housing Tenure

There is very little rental housing in Dayton; only 4% of total households are renter-occupied. Dayton's level of ownership is much higher than its neighbors, as illustrated in Figure 4. Based on 2000 Census data, more than 96% of Dayton's households were owner-occupied units. When thinking of rental housing, one typically considers apartments, townhomes or manufactured units. However, there may be additional rental single-family homes that were not reflected in the 2000 Census numbers. This trend in the number of available single family rental-occupied housing units is also increasing due to foreclosure actions across the Metropolitan area. This is an issue the City will need to address in order to maintain quality existing single-family housing stock. Although not clear from the above figure, it is interesting to also note that Elk River was the only community with fewer than 90 percent of its households as owner-occupied units. This is largely because Elk River developed initially as a freestanding community that regularly constructed rental housing to meet the needs of a small but growing employment base.

The desire for a variety of housing options necessitates a balance between owner-occupied and renter-occupied housing. Through the Livable Community Act Goals of 1998, the 2010 benchmark for renter-owner mix is 80% owner-occupied housing and 20% rental housing. For a largely residential community without major transportation routes (with a higher demand for housing), this benchmark is still reasonable and as mentioned previously, the Future Land Use plan has sufficient amount of land guided at densities of 6 units/acre and above to provide more opportunities for rental housing as well as higher density owner-occupied town homes and condominiums.

Figure\_



## Life-Cycle Housing and Housing Diversity

Life-cycle housing is defined as housing that meets the needs of the community in all age ranges and affordability levels. To accommodate this range in housing options, the City's housing supply should be diverse and consist of a variety of styles and price ranges to serve all residents. The Metropolitan Council has developed certain generalizations concerning each age group and its respective housing needs. This information is important in terms of developing a plan to provide a variety of housing to meet the needs of these different age groups and maintain a strong and vital community.

Usually, people between the ages of 0 and 19 are students living with their parents. Those between the ages of 20 and 24 are often renters and do not often become first time home-buyers until they reach the ages of 25 and 34. First-time homebuyers (25-34) and move-up renters often prefer to purchase modestly-priced single-family homes, town homes, or rent upscale apartments.

People aged 35 to 49 often are in their peak earning years 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 may decide to downsize to a smaller housing unit, as with younger seniors, (between the ages of 65 to 74). This choice may include renting a multi-family unit, purchasing a lower-maintenance multi-family housing product such as a condominium or town home, or purchasing a home in a retirement community. Older seniors (74 and above) may begin to require some level of assisted housing.

These generalizations make fairly broad assumptions concerning where a person may choose to live during various points in a lifetime. These generalizations are sufficient to identify the variety of housing choices necessary to allow residents the option of living in Dayton their entire lives, and to provide the opportunity for their children to do the same.

## Age of Population

The age of Dayton’s population is relatively young compared to more developed neighboring cities due to its still largely undeveloped nature. Table C below displays the breakdown in age groups and percent of each from the 2000 Census.

**Table C- Age of Population, 2000**

	0 - 4	5 to 9	10 - 14	15 - 17	18 - 24	25 - 34	35 - 44	45 - 54	55 - 59	60 - 64	65 - 74	75 - 84	85 +	Total
Dayton	356 7.58%	393 8.36%	437 9.30%	385 8.19%	229 4.87%	587 12.49%	974 20.73%	738 15.71%	235 5.00%	143 3.04%	159 3.38%	48 1.02%	15 0.32%	4,699 100%
Hennepin Co.	73,261 6.56%	75,780 6.79%	75,109 6.73%	72,755 6.52%	79,364 7.11%	183,860 16.47%	191,872 17.19%	156,068 13.98%	49,386 4.42%	36,387 3.26%	59,737 5.35%	44,942 4.03%	17,679 1.58%	1,116,200 100%

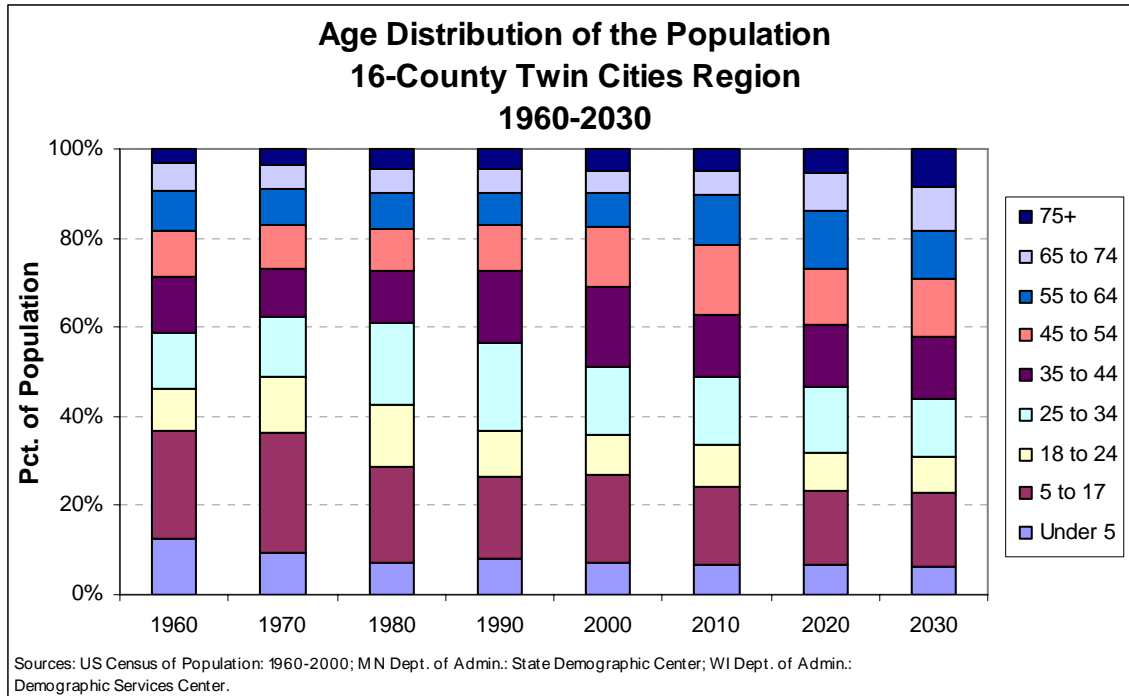
Source: 2000 U.S. Census

About 62 percent of Dayton’s population is between the ages of 18 and 64. Persons between 0 and 18 years of age are the second largest group making up about 30 percent of the total population. Dayton’s senior population makes up about 5 percent of the population. The age distribution between the city and county reveals that Dayton has a slightly higher percentage of children while the county has a higher percentage of seniors. The City of Dayton has an equal percentage of people in the family formation stage of life, age 25-44, compared to Hennepin County.

With half the population between the ages of 18 and 54, the need for an increase in apartment, town homes, entry-level and move-up housing to satisfy the needs of these population groups is evident. This age group includes young-professionals, young families and growing families. As Dayton develops, the population in these age groups will remain strong as new development encourages new families to locate in Dayton as neighboring cities reach full build-out.

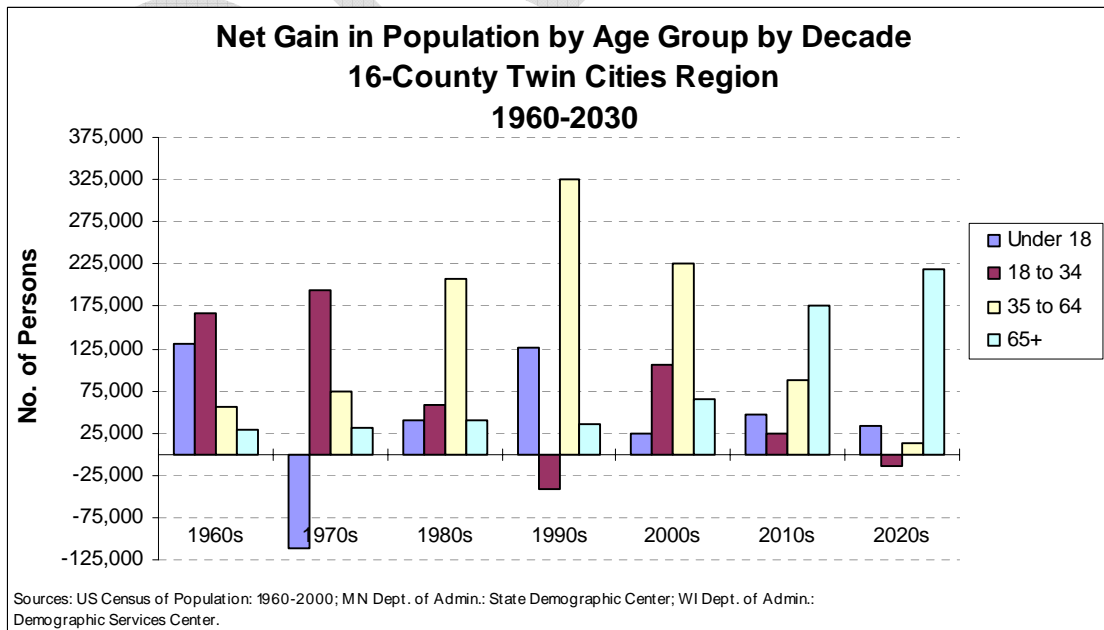
As of the 2000 Census, seniors in Dayton comprise 5 percent of Dayton’s total population. As evidenced by regional, state and national population statistics, this age group is increasing at a faster pace than younger population cohorts. Housing markets are greatly affected by the age distribution of the population. During the 1970s and 1980s, the Baby Boom generation swelled the size of the cohort ages 18 to 34, placing exceptional pressure region-wide on the demand for multi-family rental housing (Figure 5 ). During the 1990s and 2000s, the impact of the Baby Boom generation increased the demand for single-family housing as baby-boomers entered the age group between 35 to 54. In the coming decades, the Baby Boom generation will likely place tremendous pressure on a variety of multi-family products again as the proportion of the population age 65 and older increases. Dayton has the ability to respond to each of age group categories with the expansion of infrastructure and mix of land use densities that will provide for a variety of housing unit types.

Figure 5-Age of Population



Another way of characterizing the impact of age distribution on the housing market is to simply look at the net increase in the number of persons by age group from decade to decade. Figure 6 illustrates the volume of people during the 1980s and 1990s that entered the age groups in which single-family homeownership was most common. Conversely, the chart also displays the projected increase in the number of persons age 65 and older beginning in 2010, which is when many households begin to switch to multi-family forms of housing.

Figure-



## Housing Cost

The cost of housing is an increasing concern throughout the Metropolitan region. Housing costs directly influence one's ability to rent or purchase a home in the community, and can also affect the ability of local employers to find workers. The cost of housing is influenced by the cost of land, labor, materials, community regulations and fees and interest rates. In Dayton, the large supply of land benefits the community in terms of relatively lower costs. However, as municipal services are expanded, fees for development will increase. These fees, although paid by the developer initially, are included in the cost of the unit.

Costs for home ownership continue to rise. To understand current cost of housing we looked at Hennepin County assessor's estimated median market values for single family homes. This data displayed in the Table D covers the median values for the past 10 years and compares Dayton to suburban Hennepin County (does not include City of Minneapolis). This data reflects all single family housing in Dayton. Typically assessor's estimated values are 10% below actual sales price of a home.

**Table D- Hennepin County Residential Estimated Market Value Medians**

	<b>Dayton</b>	<b>Suburban Hennepin County</b>
1997	\$116,000	\$116,000
1998	\$121,000	\$121,000
2000	\$145,000	\$145,300
2001	\$159,000	\$165,500
2002	\$181,000	\$187,900
2003	\$204,000	\$206,100
2004	\$225,000	\$227,000
2005	\$243,000	\$246,000
2006	\$260,000	\$263,000
2007	\$272,000	\$270,200

Hennepin County Assessor's 2007 Assessment Report

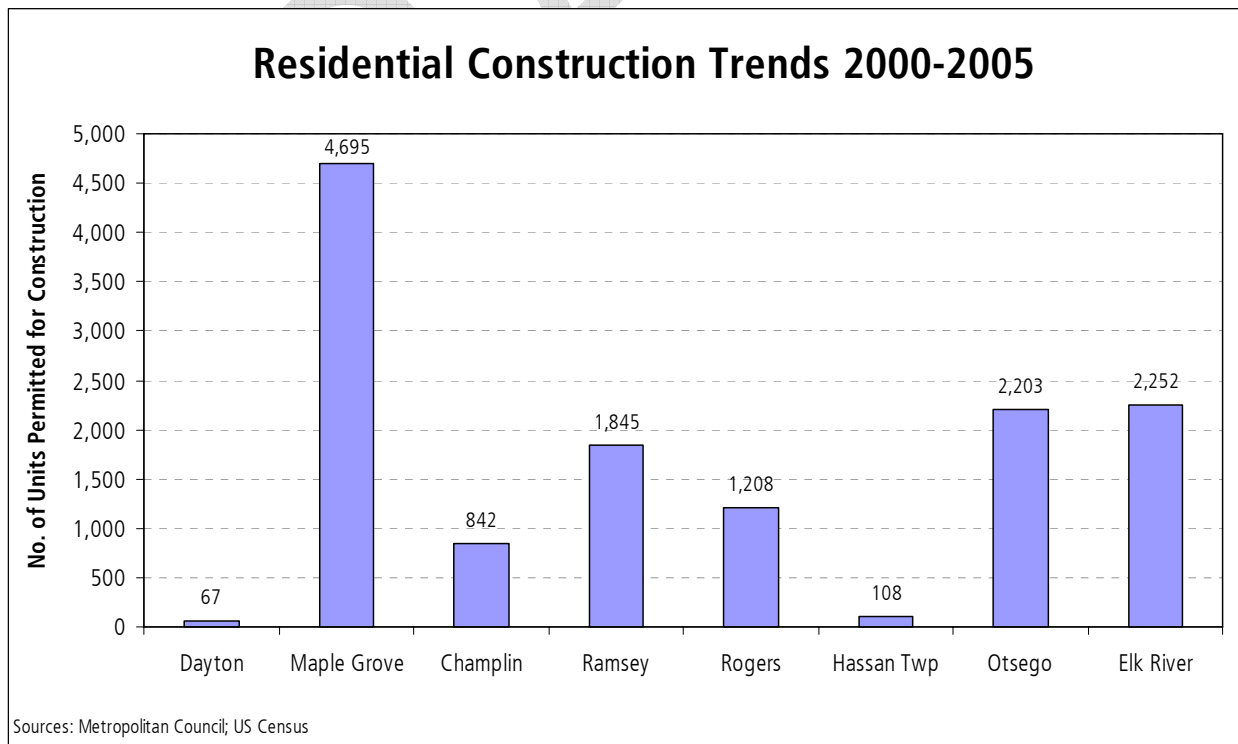
Concern over the rising costs of housing affects businesses. Local business leaders indicate that affordable housing is a benefit to the city as most workers desire to live in the same community where they work or in a nearby community. With the substantial increase in employment anticipated for Dayton in the next 20 years, affordable housing for workers will be a critical issue.

## Housing Market Trends

Since municipal service extension is recent in Dayton, historical housing market trends for the city are very different from its neighbors. Nevertheless, trends can provide a sense of what Dayton may experience in the future.

Since 2000, home construction in Dayton has been minimal compared to neighboring communities. Less than 12 units per year have been permitted for construction (Figure 7). Maple Grove, to the south of Dayton, has been the community with clearly the most development in the last six years, with nearly 4,700 new units permitted for construction. This is somewhat understandable given that Maple Grove has been at the edge of contiguous development over the last 10 to 15 years and therefore has attracted substantial residential development as well as commercial development. Interestingly, Rogers, Otsego, and Elk River, which are located west of Dayton, well beyond the edge of contiguous development, have also experienced substantial development over the past six years. In particular, Otsego and Elk River have both permitted for construction, on average, more than 360 units per year since 2000. This suggests that tremendous development pressure exists in Dayton because significant growth is leaping beyond the contiguous edge of the metro area. As Maple Grove becomes fully built-out, Dayton will become the new edge of contiguous development.

**Figure 7-Construction Trends**



## Income

Household income drives the level of consumer choice for housing and likewise has a considerable effect on local housing demand. Table F displays the 2000 Census household income levels.

**Table F- Household Income**

Income	Households	Percentage
Less than \$10,000	13	0.8%
\$10,000 to \$14,999	50	3.2%
\$15,000 to \$24,999	123	8.0%
\$25,000 to \$34,999	143	9.3%
\$35,000 to \$49,999	198	12.8%
\$50,000 to \$74,999	370	23.9%
\$75,000 to \$99,999	262	17.0%
\$100,000 to \$149,999	269	17.4%
\$150,000 to \$199,999	35	2.3%
\$200,000 or more	82	5.3%
<b>Total</b>	<b>1,545</b>	<b>100%</b>

*Source: 2000 Census*

As demonstrated in Table G, the median household income in Dayton is \$66,875 which is 129.3 percent of the Hennepin County median, 123.2 percent of the Twin Cities Metropolitan Area median, and 142 percent of the state median.

**Table G- City and State Median Household Income**

Income	Dayton	Hennepin County	% of County	Twin Cities	% of TC	State of MN	% of State
Median income	\$66,875	\$51,711	129.3%	\$54,304	123.12%	\$47,111	142%

*Source: 2000 Census*

## Senior Housing

Currently there are no owner-occupied or rental units in Dayton that are age-restricted for seniors. As the community ages there will be an increase in demand for smaller, low maintenance housing in the community. This demand might be accommodated through a variety of townhouse styles or condominiums in mixed use settings. Empty nesters are a particularly active group on the younger end of the senior age range and locating developments near some of Dayton's wonderful natural amenities will be enticing to this group.

## Affordable Housing

### Livable Communities Act

The Minnesota Legislature created the Livable Communities Act (LCA) in 1995. The LCA is a voluntary, incentive-based approach to encourage communities to provide affordable housing opportunities. Dayton has been a participant in the program since 1998. When the program was created, benchmarks were established and negotiated by each community to determine owner/renter mix, affordable ownership, affordable rental, and density goals. These goals established housing guidelines for the period between 1996 and 2008. With these benchmarks, the Metropolitan Council created a grant program to help assist communities with the cost of developing affordable housing programs. These grants are highly competitive among participants, and historically they have been awarded annually.

Metropolitan Council Livable Community Goals and City Index

Housing Issue	Met Council Benchmark	1998 City Index	Year 2010 MUSA Goal
Non-Single Family detached housing	34-35%	15%	25%
Owner/Renter Mix	72-75% own 25-28% rent	95% own 5% rent	80% own 20% rent
Affordable Ownership	69-77%	50% (under \$133,000)	60%
Affordable Rental	35-41%	32% tax credit rent	35%
Single Family Density 1.9-2.4 units/acre		1 du/acre	2.0 du/acre
Multi-family Density	10-11 du/ac	NA	10 du/ac

source: Met Council 1998

As discussed previously, Dayton is now experiencing impacts from the extension of municipal services. The lack of municipal service availability in its recent past has limited what the City has been able to accomplish in terms of the 1998 LCA goals that expire in 2010. Now that the sewer interceptors are in place and service expansion has begun, the updated Future Land Use plan identifies densities and locations for affordable housing opportunities.

## 2020 LCA Goals

As mentioned above, the Livable Community benchmark and goals expire in 2010. As part of the 2030 Regional Development Framework, the Metropolitan Council estimates that approximately 50,000 additional affordable housing units will be needed in the region between 2011-2020. The Metropolitan Council will be working with communities to adopt new agreements in 2011 for the next ten year planning cycle. In order to determine new benchmarks and goals for individual communities, the Metropolitan Council conducted a study "Determining Affordable Housing Need in the Twin Cities 2011-2020". With this new plan the Metropolitan Council has changed its definition of affordable housing from current definition of 80% of area median income to 60% of area median income. The study then developed a method for allocating affordable housing to all communities within the region based on the following four criteria:

- Household Growth Potential
- Ratio of local low-wage jobs to low-wage workers
- Current provision of affordable housing
- Transit Service

Based on its analysis, the Metropolitan Council's new affordable housing goal for Dayton is to create 1,240 new affordable housing units between 2011 and 2020. Based on the Metropolitan Council forecast for household growth by 2020 this amounts to 15.7% of total new forecasted units being affordable. The level of affordability is important to understand when assessing the amount of current affordable housing and the price point for new units to meet this goal.

According to *Metropolitan Council 2007 affordability Limits*, the area median income for the seven-county Minneapolis-St. Paul (MSP) area adjusted by HUD to be applicable to a family of four is \$78,500 in 2007. Eighty percent of the median household income is \$62,800; 60% is \$47,100 and 50% is \$39,250. Applying an interest rate on a 30-year fixed-rate home loan of 6.2 percent for 2007 and other payment factors to the 80 percent area median income, yields an affordable purchase price of \$206,800 in 2007. According to Hennepin County Assessor's data there are 415 homesteads that fall under this 80% purchase price limit in Dayton. The price point for an affordable home at 60% of area median income drops to \$152,000. There are currently only 47 existing homesteads in Dayton at or below \$152,000 (Hennepin County assessor's data/GIS).

It is the new 60% measurement that will be required for the 1,240 new affordable housing units anticipated between 2011-2020 in Dayton. Achieving this new affordability goal will be very difficult without the funding tools that have in the past been offered by the Metropolitan Council and other agencies. It is Dayton's hope that substantial resources will be made available to communities to assist in meeting this housing goal.

## Future Housing Demand

The City is taking the proper regulatory measures, which is its most effective tool to encourage affordable housing, to meet demand for all new housing, including new affordable units. The City

is taking an aggressive stance in planning for potential new growth at a variety of residential land use categories and densities to promote the development of life-cycle housing across the city. During the preparation of the future land use plan, a citizen taskforce, City Council and Planning Commission developed plans that went beyond the Metropolitan Council forecasts for future population and households. The plan results in a significant increase in the number of households for Dayton, as it provides for a substantial increase in higher density housing options. Additionally, to meet the Met Council’s minimum net density requirement of 3.0, a minimum density of 2.0 was assumed in low density areas.

The City used the minimum allowed densities to calculate the overall average net density. The following land uses and minimum densities displayed support the overall housing goal to ***maintain a balance in the types, quantities and densities of housing units available throughout the community including continued single family growth, and new opportunities for multiple family and senior housing developments.*** Again, providing land uses at a range of densities is the city’s greatest tool for meeting housing goals.

- Low Density Residential: 2 units/acre- this category will meet future housing needs for additional opportunities for single family, both entry level and move-up housing.
- Low-Medium Density Residential: 4 units/acre- this category can include a mixture of single family and town homes geared toward families or one-level town homes for seniors, etc.
- Medium Density Residential: 6 units/acre- this category will focus on mainly town homes which can accommodate a variety of rental/ownership needs and a variety of styles of development such as row house, multi-story or even one-level.
- High Density Residential: 10 units/acre- this category is designed to provide opportunity for the highest density which best accommodates apartments or condominium varieties.
- Mixed-Use:
  - Future County Road intersection: 8 units/acre
  - County Road 81: 8 units/acre- both mixed-use areas are forecasted to accommodate some amount residential either in traditional mixed-use styles with office or commercial or in residential mixed use settings

These densities result in draft plan forecasts that are significantly higher than the Met Council forecasts presented in the City’s system statement. The System Statement forecasts are presented below in Table H:

**Table H: Met Council System Statement Forecasts**

	1990	2000	Revised Development Framework		
			2010	2020	2030
<b>Population</b>	4,392	4,693	5,600	20,100	28,700
<b>Households</b>	1,359	1,546	2,000	7,800	11,000
<b>Employment</b>	498	1,057	3,900	5,800	6,900

Comparatively, the City is forecasting a total of 14,624 households for 2030, which translates to a 2030 population of approximately 35,096 (assumes 2.4 persons/household).

	2010	2015	2020	2030	Otsego	2030 + Otsego
<b>Population</b>	8,665	20,577	26,556	33,677	1,420	35,096
<b>Households</b>	3,610	8,574	11,065	14,032	592	14,624
<b>Employment</b>	6,392	8,606	11,694	11,694	808	12,501

The plan identifies areas of medium and high density residential uses to provide a mix of housing options for residents, and to create opportunities for affordable housing in the City. The plan provides for a minimum of approximately 4,000 units medium and high density housing units by 2030.

While the City is doing its part in creating a regulatory land use plan to guide areas for higher density housing, which is where most affordable housing will likely occur, barriers to development of affordable housing still exist in Dayton and the region. Some of these barriers are beyond the City's control, including the following:

- Steady increases in land prices.
- Increase in construction costs
- Physical limitations of land due to wetlands, poor access, poor soils that would increase the cost of land development or construction
- State, county and local tax structures.

There are some significant barriers to construction of new affordable housing, and the above list includes just a few of these barriers. Despite these difficulties, the provision of affordable housing is an important effort that cities undertake. The best method Dayton will have in the provision of affordable housing is its regulatory tools, including land use and zoning regulations that do not impede the construction of affordable housing. Many of these tools can be used to encourage developers. Flexibility may be provided to encourage the construction of affordable housing, such as relaxing setback and green area requirements, increasing density, or reducing fees.

The following Housing Action Plan identifies efforts Dayton will utilize to create opportunities for new affordable housing and to maintain existing affordable housing. These strategies are designed as a resource tool for specific measures the City can effectively regulate and enforce while others are designed as tools to encourage developers to incorporate affordable housing into future development. As future subdivisions are proposed the City will use these resources and implement the strategies in working with developers to create new affordable housing opportunities.

The strategies and recommendations are reflected by community goals based on four main categories: provision of housing opportunities, improving amount of affordable housing, housing maintenance, and neighborhood efforts. Many of these items are things the City itself can do, while will occur through partnerships the City will seek to provide for and maintain housing quality and increase affordable housing opportunities.

# Housing Implementation Strategies and Recommendations

## **Promote a wide range of housing types, styles, densities and choices to meet life cycle housing needs.**

- Use the land use plan as a tool to provide a variety of residential land uses in a range of densities, concentrating higher density opportunities along major transportation and transit corridors and around future job centers.
- Update the zoning ordinance and subdivision ordinance to remove any impediments to affordable housing.
- Periodically review land use regulations to determine the effectiveness of current ordinances in encouraging additional affordable units as well as encouraging modifications to keep the existing housing stock desirable and livable.
- Ensure that all new housing, including high density, adheres to the highest possible standards of planning, design and construction.
- Allow the creative use of site planning or PUDs that provide flexibility for development containing affordable housing such as a reduction in lot size, setbacks, street width, floor area and parking requirements, and consideration of reduction in City fees.
- Encourage innovative subdivision design including clustering techniques to preserve open space or natural features.
- Promote development of neighborhood “life-style centers” that incorporate housing in a range of densities and affordability limits in close proximity to shopping, services, daycare, and medical services. Safe access to parks and schools, and the ability to walk, bike or have access to transit should be part of the design.

## **Improve the availability of affordable housing and senior housing.**

- Seek housing developers to work cooperatively with the City to construct affordable units.
- Create an incentive based program or Residential Planned Unit Development Ordinance that includes density bonuses for construction of affordable housing. This allows an increase in density, beyond the underlying zoning, if the development includes affordable housing.
- Participate in the Livable Communities Act Local Housing Incentives Program.
- Activate and utilize powers and tools of the City Economic Development Authority and/or creation of a City Housing and Redevelopment Authority to create new funds aimed at creating new affordable housing.
- Designate a portion of Tax Increment Financing to fund activities that increase new affordable housing.
- Utilize techniques, such as land trusts to maintain long-term affordability any new affordable housing unit.
- Partner with, support and market programs offered by the County, State, MHFA, Federal Government and non-profits to fund the development of affordable housing.
- Complete an assessment of senior housing needs in the community.

### **Promote housing rehabilitation**

- Support and actively promote 1<sup>st</sup> Time Homebuyers programs to assist new homeowners entering the market for existing homes.
- Support and actively promote housing rehabilitation programs for existing owner-occupied homes and rental buildings or units. This includes promotion of all county and state programs and non-profit programs.
- Utilize the city's website, newsletter and other sources for promotion and advertising of housing programs.
- Continue enforcement of the Housing Maintenance Code to maintain existing housing stock.
- Study the feasibility of establishing a program to require a property inspection and disclosure report before residential property changes hands.
- Complete the adoption of the rental licensing program and maintain enforcement efforts.

### **Expand Neighborhood Services**

- Promote programs that encourage maintenance of existing house including a housing remodeling fair, neighborhood watch programs, city beautification programs, city wide clean up programs, etc.
- Develop a list of available resources and providers of in-home services to older adults and those with special needs.

## **Implementation**

It is intended that the City will use these strategies and implement them as new development occurs. In terms of regulatory methods, the City's Zoning Ordinance and Subdivision code will be updated to ensure appropriate use and design standards are in place for all residential districts. Part of this update will include a review of options to create incentives such as density bonuses and flexibility concerning site requirements for the development of affordable housing. Putting these options into ordinance or Residential PUD format provides a stronger regulatory tool to effectively work with developers to create affordable housing. Using the powers of the EDA and/or HRA to create funds aimed at affordable housing is another method the City would have direct control over. Funds could be provided to developers to help offset the cost of affordable housing units or to preserve the long-term affordability.

Other efforts include advertising and promoting the programs available through the county and state to local residents desiring to make home improvements. Maintenance code enforcement is another way to ensure that existing affordable housing remains viable and in good repair.