

Housing Goals + Policies

Developing Goals and Policies

City Staff and Steering Committee Members have developed a series of draft goals and policies for the 2040 Comprehensive Plan in Cottage Grove. These goals were developed by identifying key community issues through open houses, planning commission and steering committee meetings, from the online survey, and through the My Cottage Grove visioning process. Goals and policies related to housing are included on the right-hand panel for your review.

Addressing Housing Issues

The health and character of a community may best be measured in its housing stock. Vital cities provide a variety of housing choices and work to ensure that existing housing is well maintained. Cottage Grove is fortunate to have a relatively young housing stock without serious immediate needs for rehabilitation. In the future, however, the city will need to focus more attention on maintaining and upgrading its housing. With about one-third of all houses in the city having been built in the 1960's and 1970's, a large share of Cottage Grove's housing is approaching 40 to 50 years in age, the point at which housing rehabilitation needs become more pronounced. This will require Cottage Grove to dedicate resources to inspecting existing housing and play a larger role in coordinating local and regional funding for home improvement.

While working to maintain existing housing, the city must also ensure that new housing meets the changing needs of the community. This includes providing more options for empty nesters and seniors, while also promoting move-up housing opportunities for younger families and people of all income levels.



GOAL 1: Preserve and improve existing neighborhoods and housing units.

POLICY 3.1 Continue to enforce housing maintenance and zoning codes.

POLICY 3.2 Add flexibility to the Zoning Code in areas such as building setbacks which allow expansion and reinvestment in existing houses.

POLICY 3.3 Partner with the Washington County Community Development Agency and other agencies that provide housing rehabilitation programs and services.

POLICY 3.4 Encourage the safety of the general public by requiring owners to repair substandard housing or as a last resort, abate and demolish dangerous housing.

POLICY 3.5 Develop housing maintenance program that promotes and requires safe neighborhoods.

GOAL 2: Meet future needs with a variety of housing products.

POLICY 3.6 Encourage life-cycle housing opportunities in Cottage Grove that allow residents to remain in the community throughout their lives. This includes:

- Maintenance of existing entry level housing.
- Construction of move-up single family housing.
- Construction of various types of senior housing, including senior ownership units, senior rental units, memory care and assisted living units.
- Providing a mix of affordable housing opportunities for all income levels, age groups, and special housing needs.

POLICY 3.7 The 2040 Housing Policy Plan prepared on December 10, 2014 will continue to be used as an implementation tool in accomplishing the City's Livable Communities Act housing goals.

POLICY 3.8 The City will strive to encourage environmentally sustainable housing development and construction practices.

POLICY 3.9 Provide for housing development that maintains the attractiveness and distinct neighborhood characteristics in the community.

POLICY 3.10 Support the maintenance and rehabilitation of the community's existing housing stock.

POLICY 3.11 Periodically assess the housing needs of current and prospective residents, including the elderly, disabled, active retirees, and other groups with special housing needs to determine development priorities and to formulate specific strategies and activities to meet those needs and maintain an adequate and quality housing supply.

GOAL 3: Encourage the development of sustainable housing options that have access to amenities, use land efficiently, conserve natural resources, utilize resource-efficient design and construction, and incorporate the use of renewable energy generation.

POLICY 3.12 Support the design of residential neighborhoods with mixed land use at a scale appropriate to residential development and with convenient access to neighborhood shopping or larger commercial areas.

POLICY 3.13 Encourage a mix of residential housing to be near pedestrian, bicycle, and transit or high capacity transportation routes, community facilities and services, and employment to ensure that the benefits of public investment in those facilities are available to as many households as possible.

POLICY 3.14 Provide opportunities for alternative housing types and patterns, such as planned unit developments, mixed-uses, and other techniques that reduce development costs, increase density, and achieve projects that are flexible and responsive to the site and surroundings, including the conservation and enhancement of areas having special, historic, architectural, or cultural value.

POLICY 3.15 Encourage the infilling of housing in urban areas that make more efficient use of existing infrastructure.

POLICY 3.16 Encourage the use of resource efficient technologies and materials in housing construction that meet adopted codes and increase the useful life of new and existing housing.

What is Affordable Housing?

What is housing affordability?

According to the US Department of Housing and Urban Development (HUD):

Housing is affordable to a resident if they pay less than 30% of their income towards housing costs.

For people who own their homes, a general rule of thumb:

A mortgage is affordable if it is less than 2.5 times the gross salary of the homeowner.

Source: US Department of Housing and Urban Development
https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

How do you calculate affordability for a city or region?

When the Met Council sets affordable housing requirements, they do so based on the area median income (AMI). The Area Median Income is the median income a **family** makes in the 7-county metro area. It is important to note that a family does not include a single person supporting themselves.

Often, to qualify for HUD programs, a family must make 80% of the AMI or less. In Cottage Grove, we also define affordable units as units that are affordable to families making 30%, 50%, and 80% of the AMI.

What does the Met Council require?

The Met Council requires a total of **568 affordable units** to be built by 2040 in Cottage Grove.

- **30% AMI:** 333 units
- **50% AMI:** 221 units
- **80% AMI:** 14 units

What is included in housing costs?



If you own a home:

- Mortgage(s)
- Property Taxes
- Insurance
- HOA fee (if applicable)
- Utilities



If you rent:

- Contract rent
- Utilities

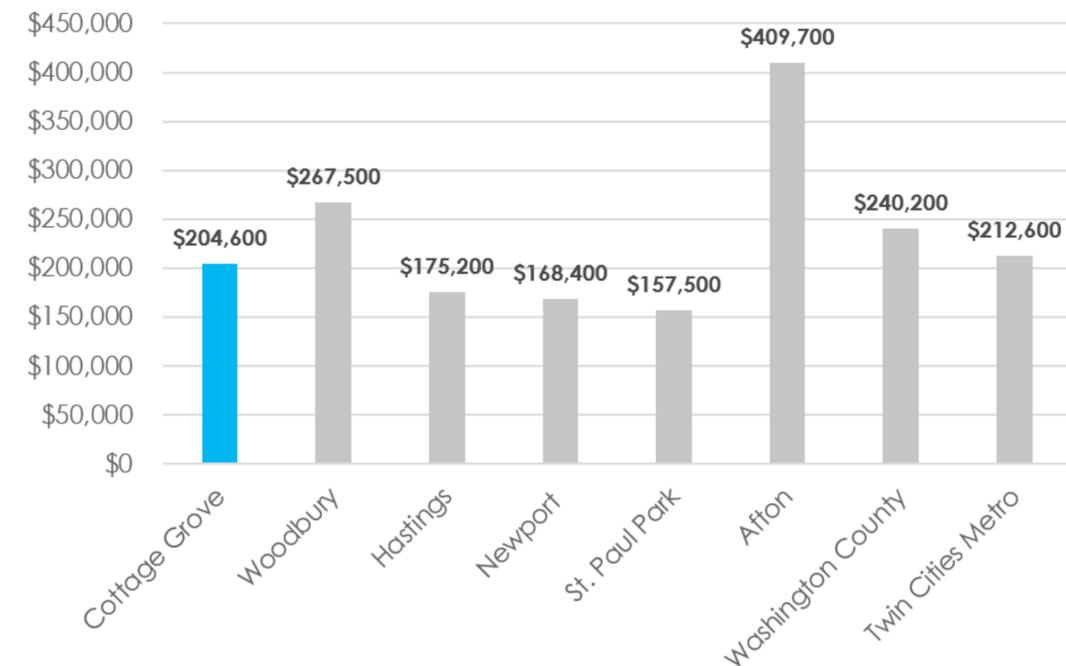
What is an affordable unit at a percent of AMI? What does it cost?

The following table uses the family incomes determined by the Met Council to outline what is affordable for these different groups. **Remember we are assuming a family of four.**

Annual Family Income	Percent of Area Median Income	Affordable Annual Housing Costs	Affordable Monthly Housing Costs	Affordable Home Value
\$26,000	30%	Up to \$7,800	Up to \$650	Up to \$65,000
\$43,300	50%	Up to \$12,990	Up to \$1,083	Up to \$108,250
\$65,800	80%	Up to \$19,740	Up to \$1,645	Up to \$164,500
\$82,300	100% (median)	Up to \$24,675	Up to \$2,056	Up to \$205,750

Housing Affordability in Cottage Grove

In Cottage Grove, median home values and rents are similar to surrounding communities and the Twin Cities region as a whole. Rents and home values are slightly lower than the Washington County average and higher than the neighboring communities of Newport and St. Paul Park.



Questions to Consider

What are the main housing needs for Cottage Grove and how can they best be accommodated?

Are there more types of senior housing needed in Cottage Grove?

Some types of senior housing include 55+ Units, Assisted Living, Skilled Care, and Memory Care facilities.

Are there areas of concern regarding housing in Cottage Grove?

Are there any types of housing development you would strongly support or oppose?

Questions to Consider

What one word comes to mind that helps increase diverse housing alternatives?

What community services should be near high-density residential projects?

What one word comes to mind that inhibits affordable housing in Cottage Grove?

Are Metropolitan Council's housing goals for affordability and life-cycle housing achievable for Cottage Grove?