



## Introduction

The most significant development in the City of Carver over the past 10 years has been new residential housing units throughout the community. With growth comes responsibility and Carver will be tasked with developing housing that allows for a broad demographic of residents to enter and thrive in the community. To ensure future success for Carver, housing opportunities must span a range of price points, target markets and meet people of all abilities. Through responsible residential growth, development of commercial, retail and daily services follow close behind creating a sustainable and lively community.

A goal identified through the Comprehensive Planning process included providing homes for all. Goals and strategies that have been identified that will be pursued include the following:

1. Development opportunity for high quality housing that is diverse in ownership, price, type and style
2. Encourage or require residential developers include affordable housing as part of development proposals to create a range of incomes in the community
3. Develop affordable housing partnerships and programs with agencies
4. Provide City services at a level that encourages partnership, growth and commitment to all residents from the development community

## Existing Conditions

As of 2016, The City of Carver had 1,489 housing units. Roughly 93% of the units are detached, single-family homes but Carver is beginning to see greater housing diversity with the introduction of Carver Crossings, detached townhomes and focus on senior living facility development. Through the Comprehensive Planning process, several areas in the future land use map have been identified at either medium or high density to encourage greater density in housing which would lead to larger diversity in bringing options for a range of price points and will cater to groups in all stages of their life. Table H-1 summarizes housing conditions in Carver.

**Table H-1 | Housing Conditions**

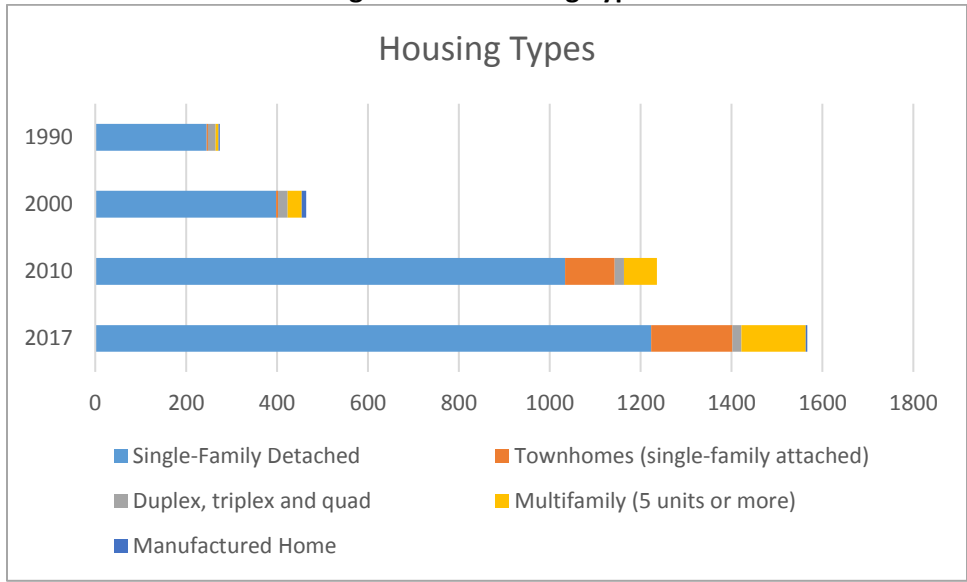
Housing Units	Number of Units	Percent of Total Units
Total Housing Units	1,489	100%
Housing Units affordable to households with incomes at or below 30% Area Median Income (AMI)	38	3%
Housing Units affordable to households with incomes between 31 and 50% Area Median Income (AMI)	70	14%
Housing Units affordable to households with incomes between 51 and 80% Area Median Income (AMI)	433	37%
Ownership Units	1,392	80%
Rental Units	97	20%
Single Family Units	1,325	88%
Multi-family Units	160	12%
Manufactured Homes	4	
Publicly Subsidized - Senior Housing	0	0.4%
Publicly Subsidized – Housing for People with Disabilities	0	0%
Publicly Subsidized – All Other Publicly Subsidized Units	85	1.3%
Total Publicly Subsidized Units	86	1.7%

*Source: Metropolitan Council*

### Housing Type

Single-family detached homes make up the majority of housing units in Carver. By 2017, 78% of housing units were single family. The number of townhomes and multifamily units have increased significantly since 1990, but still represent only 11% and 9% of the housing stock. Figure H-1 illustrates the types of housing in Carver between 1990 and 2017.

**Figure H-1 – Housing Type**

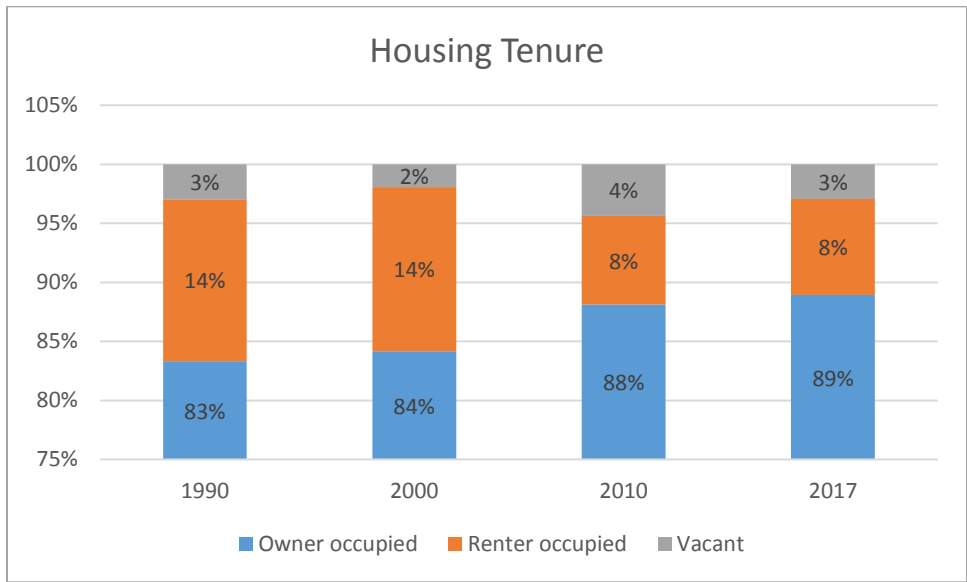


Source: U.S. Census Bureau Decennial Census and Metropolitan Council Housing Stock Estimates

**Housing Tenure**

Most housing units in Carver are owner-occupied. The percentage of owner-occupied housing units increased from 83% in 1990 to 89% in 2017. The vacancy rate in 2017 was 3 percent. This has been consistent since 1990. Figure H-2 illustrates housing tenure.

**Figure H-3 – Housing Tenure**

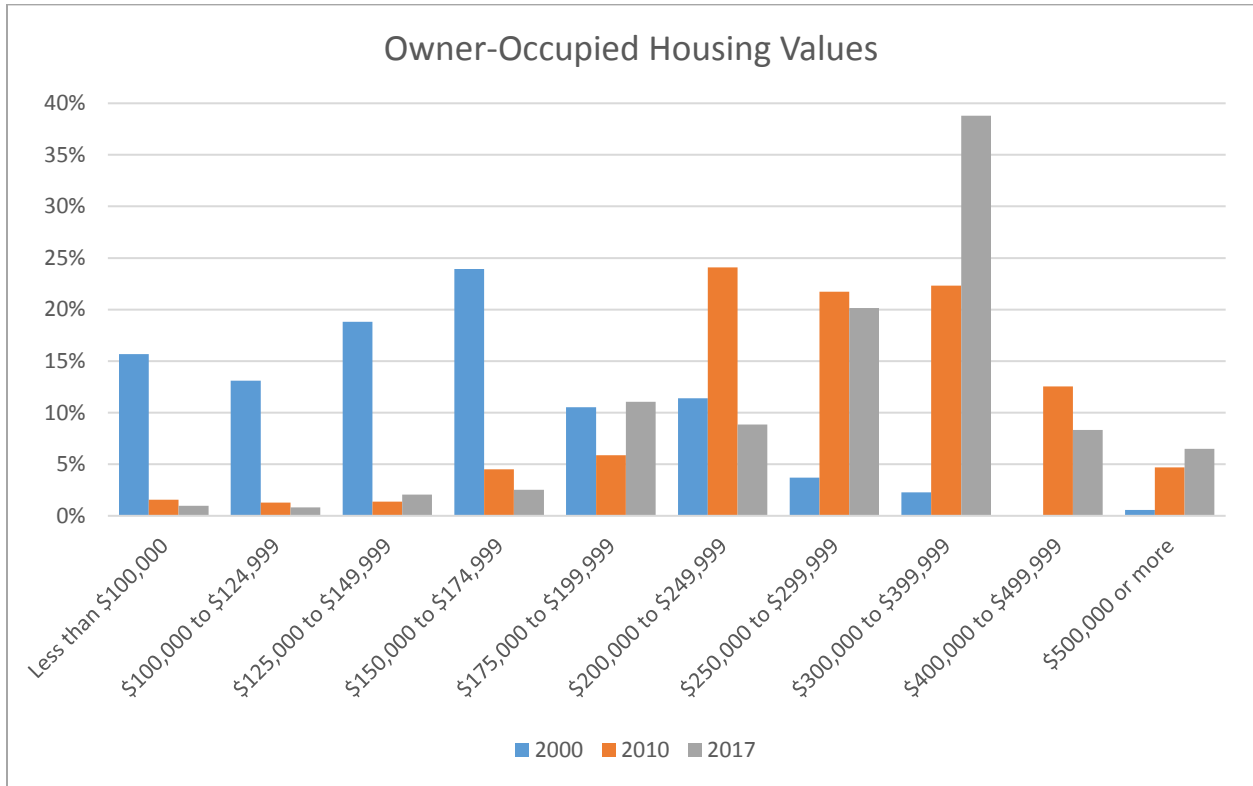


Source: U.S. Census Bureau Decennial Census and Metropolitan Council Housing Stock Estimates

## Housing Values

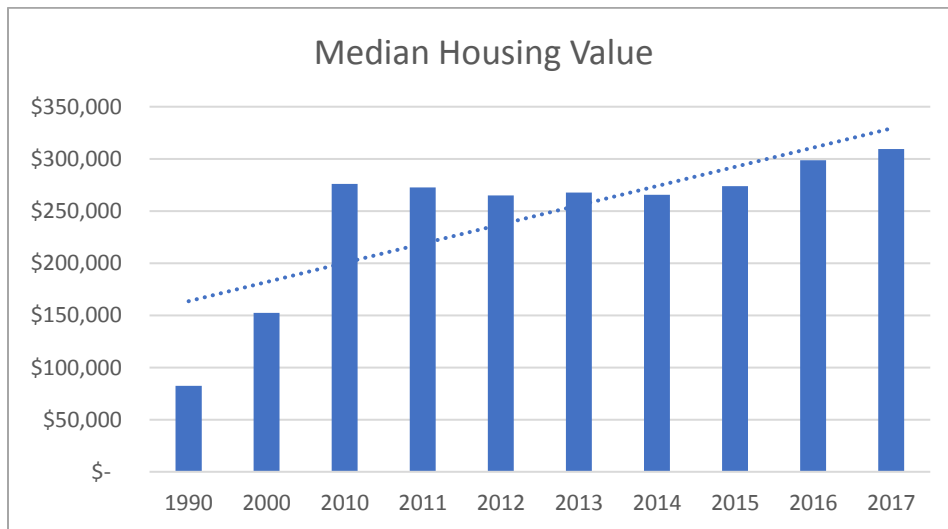
According to the American Community Survey, the average value of an owner-occupied unit in Carver is \$309,300 in 2017. The value of owner-occupied units in 2000, 2010 and 2017 is detailed in Figure H-4, while Figure H-5 illustrates the median housing values from 1990-2017.

**Figure H-4 – Owner-Occupied Housing Values**



Source: American Community Survey

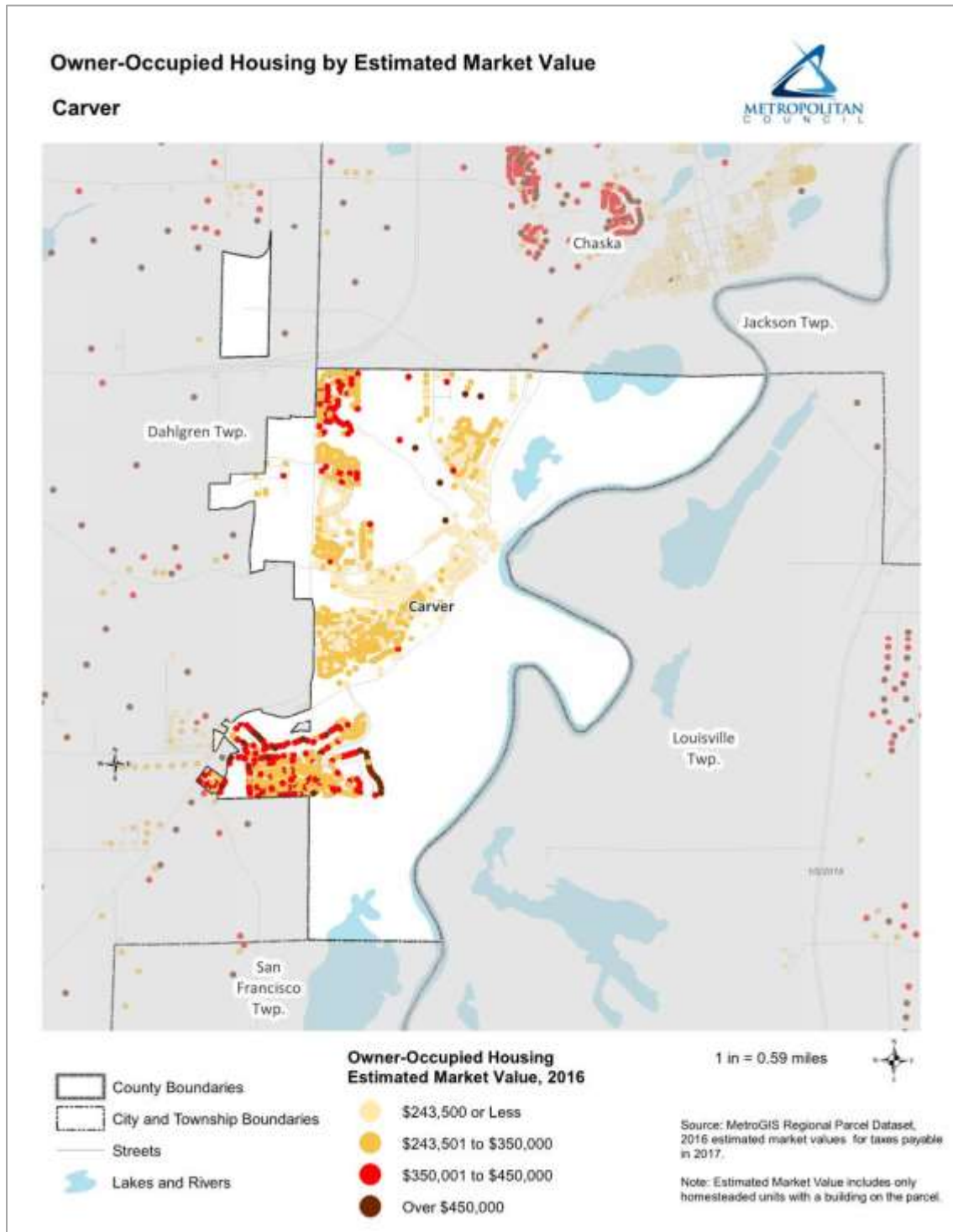
**Figure H-5 – Median Housing Value**



Source: U.S. Census Bureau Decennial Census and Metropolitan Council Housing Stock Estimates

The increase in housing unit values is due to a combination inflation, property values, and the type and quality of homes built in Carver. Median home values dramatically increased between 1990 and 2010 but have remained fairly steady since then. Figure H-6 illustrates the location of owner-occupied housing units in Carver by estimated market value.

**Figure H-6 – Owner-Occupied Housing by Estimated Market Value**



The age of housing stock in Carver reflects the Historic District that encompasses a majority of downtown in contrast to recent new development. Nearly 74% of housing units in Carver have been built since 1990.

**Table H-2 | Age of Housing Stock**

Year Built	Number
Built 1939 or earlier	195
Built 1940-1949	0
Built 1950-1959	45
Built 1960—1969	11
Built 1970-1979	65
Built 1980-1989	81
Built 1990-1999	321
Built 2000-2009	606
Built 2010-2013	136
2014 or later	65

Source: American Fact Finder, 2013-2017 American Community Survey

### Cost of Housing

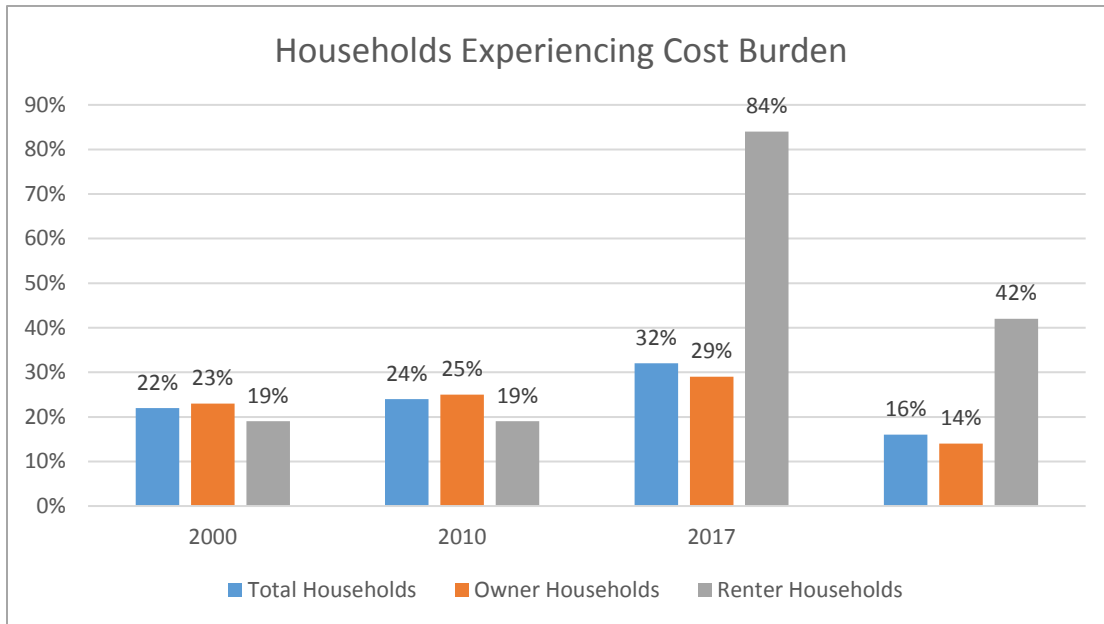
Housing costs are an increasing concern throughout the region. Housing costs influence the ability of young adults, families, and seniors to remain in the community. It can also affect the ability of local employers to find workers. Housing costs are influenced by a variety of factors, including land costs, labor and materials, community regulations, and interest rates. The number of cost burdened households, or households spending 30% or more of their income on housing in Carver, are outlined in Table H-3. Cost burden is further detailed below for both homeowners and renters in Figure H-7

**Table H-3 | Households Experiencing Cost Burden**

Existing households experiencing housing cost burden	Number of Households	Percent of Households
- with incomes below 30% AMI	51	4%
- with incomes between 31 and 50% AMI	14	1%
- with incomes between 51 and 80% AMI	80	6%
<b>Total</b>	145	10%

Source: Metropolitan Council

**Figure H-7 – Percent of Households Experience Cost Burden**



Source: U.S. Census Bureau Decennial Census and Metropolitan Council Housing Stock Estimates

### Affordable Housing Allocation

The Metropolitan Council is tasked with ensuring communities are affordable and attainable at any price point and have identified that by 2040, Carver will be required to include 528 units. Housing is considered “affordable” when no more than 30% of household income goes to housing, so households with different income levels have different thresholds of “affordable,” as outlined in Table X. The Metropolitan Council selected the 4-person household thresholds as the general measurement for affordable housing needs at each income level. Affordability for the Twin Cities region is outlined in the following table based on average median income:

Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)	Low Income (80% of AMI)
One-person	\$18,050	\$30,050	\$46,000
Two-person	\$20,600	\$34,350	\$52,600
Three-person	\$23,200	\$38,650	\$59,150
Four-person	\$25,750	\$42,900	\$65,700
Five-person	\$28,440	\$46,350	\$71,000
Six-person	\$32,580	\$49,800	\$76,250
Seven-person	\$36,730	\$53,200	\$81,500
Eight-person	\$40,890	\$56,650	\$86,750

Source: HUD, 2016.

Average median income (AMI) includes all wages received by a household, whether the household have one income earner or several. An example, a housing unit that is affordable at 50% of AMI would include a household where the income is at or below 50% OF AMI (shown above) is able to occupy the unit without spending more than 30% of their income on housing costs. A household whose housing

costs exceed 30% of their income is called housing cost burdened. Affordable monthly costs for rents as of 2016 are as follows:

Number of Bedrooms	Affordable rent (including utilities) at 30% of AMI	Affordable rent (including utilities) at 50% of AMI	Affordable rent (including utilities) at 80% of AMI
Studio	\$450	\$751	\$1,201
1-BR	\$483	\$805	\$1,288
2-BR	\$579	\$966	\$1,545
3-BR	\$669	\$1,115	\$1,784
4-BR	\$747	\$1,245	\$1,992

The allocation of affordable housing need is calculated based on a variety of factors:

- Projected growth of households experiencing housing cost burden
- Current supply of existing affordable housing, whether subsidized or naturally occurring
- Disparity of low-wage jobs and housing for low-wage households within a community

The Metropolitan Council determined Carver’s share of affordable housing need is 528 units:

AMI Threshold	Number
At or Below 30 AMI	310
From 31 to 50 AMI	125
From 51 to 80 AMI	93
Total Units	528

With 2018 data, the number of affordable housing units in relation to the AMI is as follows:

Units affordable to households with income at or below 30% of AMI	Units affordable to households with income 31% to 50% of AMI	Units affordable to households with income 51% to 80% of AMI
38	70	433

To determine if the city can achieve the identified number of units, it is necessary to identify which future land use designations count towards the Affordable Housing Allocation need. According to the Metropolitan Council, any residential future land use designation that has a minimum density of eight units per acre or more will count towards affordable housing allocation calculations. Table features the future land use designations for Carver and the minimum units per acre.

Land Use	Minimum Density (units/acre)	Qualify for Affordable Housing
Downtown	4	No
Low Density	2	No
Medium Density	6	No
High Density	12	Yes
Mixed Use	8	Yes (% Residential Applied)



Any vacant or redevelopable land designated as High Density or Mixed Use is counted in the affordable housing allocation calculations. In Table H-4 below, the net developable or redevelopable acres of each applicable land use have been multiplied by the minimum units per acre to determine the minimum number of units that could be developed. The Mixed Use and Town Center only require a proportion of their developable or redevelopable land to be residential, so those percentages apply to the unit count for this calculation. Developable acreage does not include unbuildable areas, such as right-of-way, open water, and wetlands.

**Table H-4 | Development Potential for Affordable Housing Allocation**

Land Use	Net Acres	Min Units/Acre	Min % Residential	Units
High Density	138.7	12.0	100%	1,664
Mixed Use	194.0	8.0	20%	310
<b>Total</b>	<b>332.7</b>			<b>1,975</b>

With the developable land in the High Density Residential and in the Mixed Use designations, Carver has enough land to meet its affordable housing allocation.

## Housing Needs

A housing need that will affect both the Twin Cities region as well as much of the nation is providing housing that is approachable to an elderly population that may struggle with typical single family home construction. Emphasis should be put on home styles that can lend themselves to single level, zero entry living. Universal design features that allow residents to continue living in their homes is needed.

### Diversity in Housing Type, Price

A variety of housing types is a focus that will allow for diverse demographic in the City of Carver. Smaller single family lots, guiding property at a greater density and encouraging a mix of housing types throughout developments to include different price points are strategies that will increase the diversity of housing types in the Carver to allow a more inclusive community.

Though much of Carver’s single family residential development has occurred over the past 30 years, much of Carver’s existing housing stock in the historic downtown is naturally occurring affordable housing and preservation of existing affordable units will be crucial.

## Implementation

To support Carver’s goals of providing housing opportunities to a diverse range of residents, various tools are available to the City and will be explored on a project by project basis.

Housing Goal/Need	Available Tool	Circumstances, Opportunity and Sequence of Use	Potential Partner
<p><b>Preservation of naturally-occurring affordable housing</b></p>	<p>Improvements to flood control system</p>	<p>Improvements to the City’s flood control system can either directly impact the costs of housing by eliminating the requirement for flood insurance for affected properties, or by making the possibility of future flooding events less likely which decreases the cost necessary for future repair. The City studies and reviews certification of the levee and explores different options that are available. The City has entered into an agreement with WSB to complete a levee certification project.</p>	
	<p>Community Rating System</p>	<p>Discounts on flood insurance premiums provided to all property owners at levels commensurate with the City’s level of participation in the program. Available to all property owners purchasing flood insurance. It is in the City’s plan to continue participation in CRS and actively work to increase the CRS rating.</p>	
<p><b>Affordable Housing for households at or below 80% AMI</b></p>	<p>Start-Up Loan Program</p>	<p>Assist first-time homebuyers with financing a home purchase and down payment through a dedicated loan program.</p>	<p>Minnesota Housing</p>
	<p>Step-Up Loan Program</p>	<p>Assist non first-time homebuyers to purchase or refinance a home through a dedicated loan program</p>	<p>Minnesota Housing</p>
	<p>Livable Communities Demonstration Account</p>	<p>City will consider support or sponsorship for development proposals incorporating or connecting affordable housing to jobs, government facilities, Downtown Carver, or public transportation</p>	<p>Metropolitan Council</p>
	<p>Local Housing Incentives Account</p>	<p>City will consider support or sponsorship for development proposals serving households at or below 80% AMI</p>	<p>Metropolitan Council</p>
	<p>Housing Bonds</p>	<p>City will consider issuing housing bonds to support development of affordable housing at or below 80% AMI in high density zoning districts</p>	

	Tax Increment Financing	City will consider TIF for development proposals including housing affordable to households at or below 80% AMI	
	Tax Abatement	City will consider tax abatement for development proposals including housing affordable to households at or below 80% AMI	
	Inclusionary Zoning Policy	City will consider the exploration and development of Inclusionary Zoning policy to incentivize the development of affordable housing in the city	
<b>Senior Housing for all income levels</b>	Home Improvement Loans	Assist homeowners in financing home maintenance projects to accommodate a physical disability	Minnesota Housing
	ADU Ordinance	Develop an ordinance permitting the construction of accessory dwelling units or guest homes in specific zoning districts.	Property owners
	Program of Framework	Work with groups of stakeholders to develop guiding principles, frameworks, and action plans to consider and incorporate the needs of older residents into development decisions	Senior advocacy groups or networks, residents
	Housing Bonds	City will consider issuing housing bonds to support senior housing development affordable to households at or below 80% AMI in high density zoning districts	
<b>Multifamily Housing Construction</b>	Livable Communities Demonstration Account	City will consider support or sponsorship for development proposals incorporating or connecting multifamily housing to jobs, government facilities, Downtown Prior Lake, or public transportation. Special consideration will be given to projects that include affordable housing	Metropolitan Council
<b>Maintenance of Existing Housing Units</b>	Home Improvement Loans	Assist homeowners in financing home maintenance projects like roof repair, plumbing and electrical work, accommodating a physical disability, or select energy efficiency improvement projects	Minnesota Housing

