

## HOUSING PLAN

### Introduction

In order to build off of Lake Elmo's treasured asset of open space, it is critical to incorporate strategies for providing housing that maintain and protect the city's natural resources. These natural resources greatly contribute to the character and vibrancy of Lake Elmo and must be accordingly preserved. For this reason, Lake Elmo's future housing needs will be provided for in the I-94 Corridor and Old Village planning districts. This plan will maintain existing open space in the rural planning district of Lake Elmo, as well as incorporate open space into the new housing development in the Old Village and I-94 Corridor.

In addition, the Housing Plan is intended to provide a greater variety of housing choice within the city, as well as fulfill Lake Elmo's obligations related to regional growth. Also, it is important to note that housing represents the foundation or fabric of a healthy community. In order to ensure Lake Elmo's continuing character and vibrancy, it is important to provide a range of housing that offers future residents access to the same amenities and levels of service which current residents have come to expect and appreciate.

### **Purpose**

The Housing Plan is prepared and presented for the following purposes:

- 1. The Metropolitan Land Planning Act requires all communities to include a housing element in their Comprehensive Plan.** State law requires that this housing element include a housing implementation program, describing the official controls and mechanisms used to implement the future land use plan, making land available for the development of low and moderate income housing.
- 2. The housing plan provides the opportunity to identify Lake Elmo's current housing needs, as well as outline the City's goals and strategies as they relate to future housing.** The current housing stock in Lake Elmo consists of mostly single-family detached housing. In the future, the City would like to encourage the development of life-cycle, workforce, and rental housing. With a greater mix of available housing types, the City hopes to give more people who work in Lake Elmo the opportunity to live within the community. In addition, greater variety and affordability should provide younger homebuyers or renters the opportunity to find housing in Lake Elmo.

## Existing Conditions

The following section is intended to report population and housing demographics based upon 2010 Census and American Community Survey data. It is important to understand the existing demographic and housing trends in order to identify Lake Elmo’s future housing needs.

### Population

The city of Lake Elmo, Minnesota has been experiencing slow and steady population growth since the 1960’s. Throughout this period, the greatest population growth occurred during the decade of the 1970’s. During this decade, the city added 622 households, experiencing a population growth of 31.3%. [Table 4A](#) reveals the overall trends of population growth throughout the last 50 years.

Table 4A Lake Elmo, MN Population Growth						
Year	Population	Households	Total Pop Change	Change	Total HH Change	Person Per HH
1960*	550	162				3.40
1970**	4,032	1,065				3.79
1980	5,296	1,687	1,264	31.3%	622	3.14
1990	5,903	1,973	607	11.5%	286	2.99
2000	6,863	2,347	960	16.3%	374	2.92
2010	8,069	2,779	1,206	17.6%	432	2.90

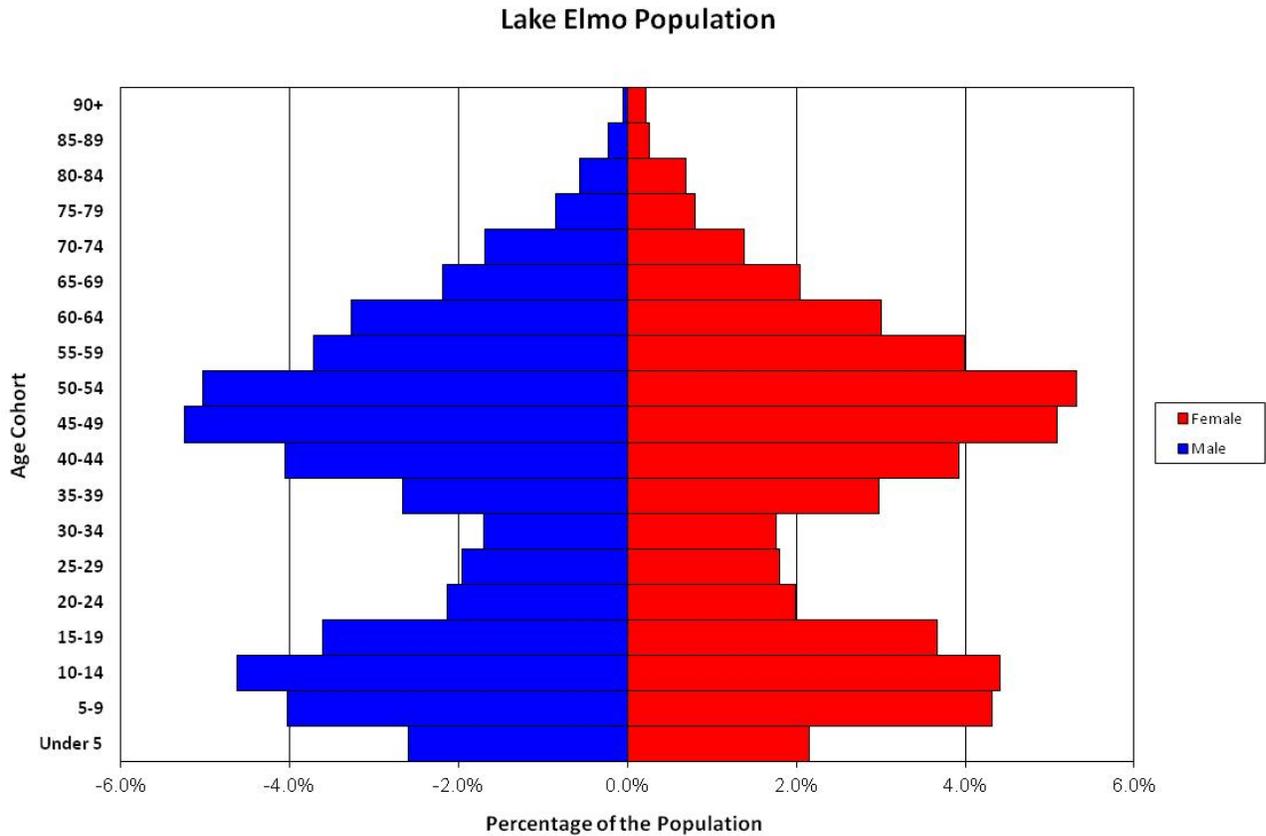
\*Population reflects original village.

\*\*Population reflects incorporation of surrounding township.

As of the 2010 Census, there are 2,779 households in the city of Lake Elmo with a population of 8,069 residents. These figures represent an average household size of 2.90 persons per household. [Figure 4A](#) shows the breakdown of this population by age and sex. It is clear from this population breakdown that the two largest segments of the Lake Elmo population are between 5-19 years old and 40-54 years old. This data indicates that there are many families with children in Lake Elmo. In addition, the population breakdown indicates that there is a gap in the Lake Elmo population between the ages of 20-39. Finally, the 2010 Census data also reveals that the Lake Elmo population is aging. [Table 4B](#) confirms this trend.

Table 4B Lake Elmo, MN Population Over Age 65				
Year	Population	Median Age	Residents Over 65	Percent Over 65
1970	4,032	23	214	5.3%
1980	5,296	27.6	270	5.1%
1990	5,903	32.7	347	5.9%
2000	6,863	37.3	481	7.0%
2010	8,069	42.4	886	11.0%

Figure 4A



The data in Table 4B reveals that 11% of the Lake Elmo population is over the age of 65. This is a significant trend indicating a likely need to provide additional senior housing in the future. In addition, the gap in the Lake Elmo population of 20-39 year olds, found in Figure 4A, may point to important trends related to housing affordability in Lake Elmo. These are important questions to consider when crafting a strategy to meet Lake Elmo’s future housing needs and goals.

### Housing

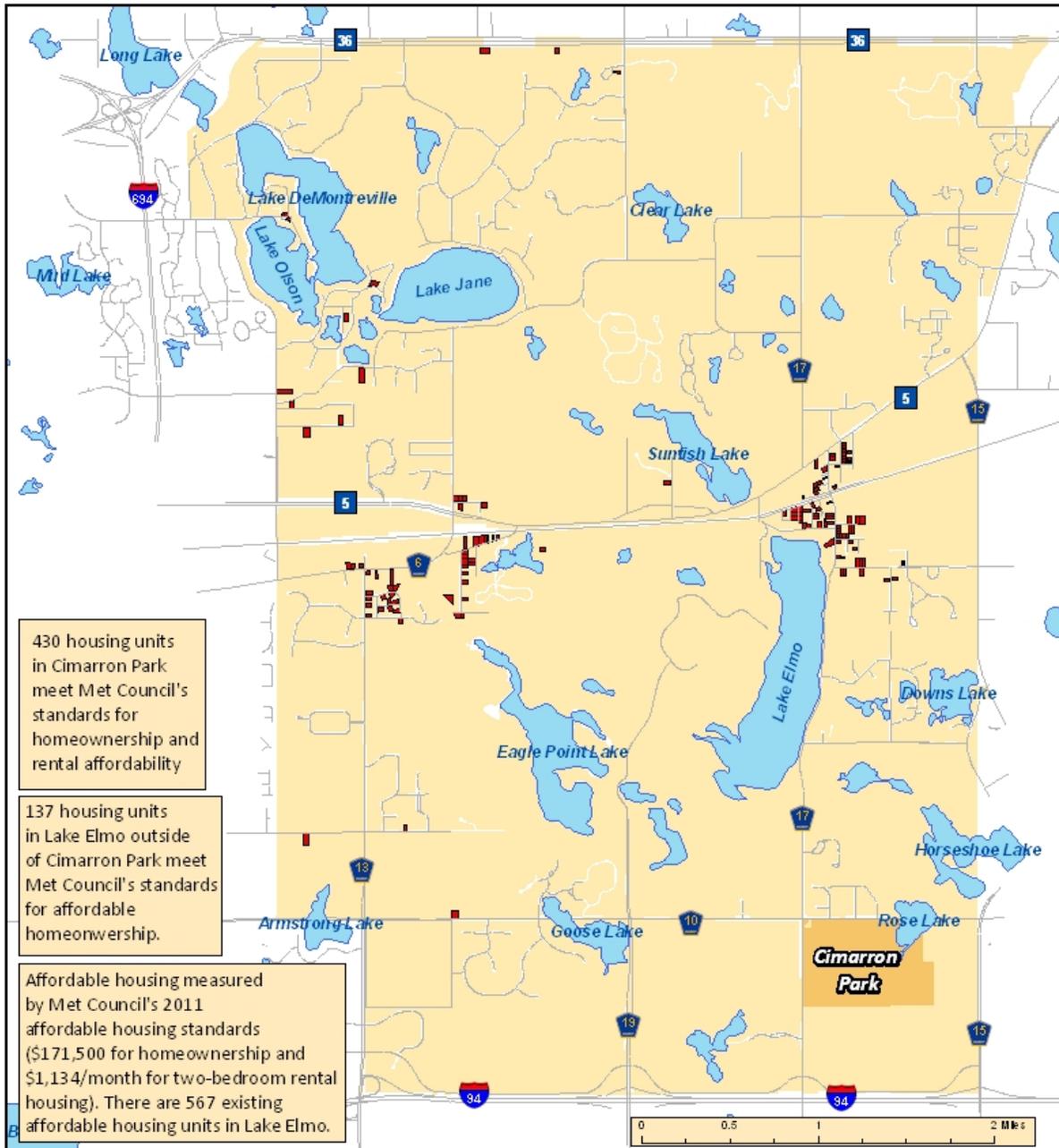
According to the Census, there were 2,779 occupied housing units in 2010. Of these 2,779 occupied housing units, 95.3% (2,648) of these units were owner-occupied. The remaining 4.7% (131) of the housing units are renter-occupied. Given these figures, it is clear that the majority of Lake Elmo residents live in owner-occupied housing units. Comparing these figures to neighboring communities, the 2010 Census reveals that the home-ownership rate in Washington County is 83%. It is quite clear Lake Elmo does not contain a significant amount of rental housing.

Regarding median home values, the housing stock in Lake Elmo remains significantly more valuable than the median values of Washington County, MN. According to American Community Survey (ACS) data,

the median home value in Lake Elmo from 2006-2010 was \$396,500, whereas the median home value in Washington County during this same period was \$264,800. This significant gap in the median home values indicates that housing affordability will be an important issue in meeting Lake Elmo's future housing needs.

Regarding the existing stock of housing that remains affordable, Lake Elmo does have some housing that meets the Metropolitan Council's standards of affordability. According to the 2011 Met Council standards, a family making 60% of the area median income (\$50,340) can afford the purchase of a home valued at \$171,500 or less. Additionally, the 2011 Met Council affordability standards deem a two-bedroom rental unit at \$1,134/month or less as affordable. Conducting an analysis of the existing housing stock in Lake Elmo reveals that there are 567 such properties that are affordable by the Met Council standards, which equates to 20.4% of the occupied housing units in the city. These properties can be found in [Map 4-1](#). Four hundred-thirty (or just over 76% of the City's affordable units) are found in the Cimarron Manufactured Home Park where there is a mix of affordable ownership and rental opportunities. The remaining 137 affordable owner-occupied housing units are mostly located in the Western portion of Lake Elmo near County Road 6, as well as within the Old Village.

Map 4-1



430 housing units in Cimarron Park meet Met Council's standards for homeownership and rental affordability

137 housing units in Lake Elmo outside of Cimarron Park meet Met Council's standards for affordable homeownership.

Affordable housing measured by Met Council's 2011 affordable housing standards (\$171,500 for homeownership and \$1,134/month for two-bedroom rental housing). There are 567 existing affordable housing units in Lake Elmo.

### Existing Housing Affordability: Lake Elmo, MN



Legend	
<span style="color: red;">■</span>	Affordable Housing (Owner-Occupied)
<span style="background-color: yellow;">■</span>	Affordable Housing (Owner-Renter Mix)

City of Lake Elmo  
6-13-2012  
Data Source:  
Washington County, MN



## Future Housing Needs

In order for Lake Elmo to achieve balanced growth and maintain its strong sense of community, it is essential to plan and develop the future housing stock in a manner that is mindful of the city's population trends and future needs. For this reason, it is important for Lake Elmo to clearly define its goals as they pertain to housing.

### Goals

In planning for the land use and future growth of Lake Elmo, the City aims to achieve the following goals related to housing:

1. **Continue to support and develop family-friendly neighborhoods, emphasizing safety and access to open or recreation space.** Throughout its history, Lake Elmo has been lauded as a great place to raise a family. For this reason, many of Lake Elmo's future residents will be families with children. In planning future housing for these residents, it is the responsibility of the City to be cognizant of how site, building, and street design relate to safety and access to public recreation space. Promoting these principles will ensure that the future population of Lake Elmo is safe and healthy.
2. **When planning for the future residential neighborhoods in Lake Elmo, it is critical to incorporate walkability into the design of housing and streets to ensure a positive pedestrian environment in both the I-94 Corridor and Old Village.** In order to maintain a healthy and vibrant environment in Lake Elmo, safe and aesthetically pleasing pedestrian spaces within residential neighborhoods are essential. Additionally, for the Old Village land use plan to effectively support and promote walking in Lake Elmo's downtown, steps must be taken to ensure that walkability is considered when planning future housing. Creating a more walkable downtown area with more street amenities encourages nearby residents to travel by means other than the automobile, which in turn promotes pedestrian traffic and physical exercise. In addition, increased pedestrian accessibility to downtown should drive greater support and patronage of local businesses in the Old Village. Finally, greater pedestrian traffic could allow for reduction in needed parking facilities, decreasing the amount of impervious surfaces and easing the burden on storm water management systems.
3. **Expand housing opportunities for seniors in Lake Elmo, placing an emphasis on affordability and life-cycle housing.** As the data from the 2010 Census indicates, the Lake Elmo population is aging. 11.0% of the population in Lake Elmo is over the age of 65. In order to provide opportunities for these residents to remain in Lake Elmo, the City must strive to attract and develop a greater variety of housing that suits the needs of seniors, including those who require medical assistance or are disabled, requiring barrier-free housing. In addition, affordability is increasingly becoming important factor for many seniors in making housing choices. To give these residents the option to remain in Lake Elmo, developing housing options that are both senior friendly and affordable will be critical over the next 25 years and beyond.

4. **Provide a greater variety of housing in terms of cost and tenure type (ownership vs. rental) in order to give more people the opportunity to live in Lake Elmo, particularly younger residents and families.** Considering the gap in the Lake Elmo population of 20-39 year olds, it is important to be cognizant of how housing affordability relates to the current demographics of the city. If the city wishes to retain younger residents and families in Lake Elmo, then opportunities for more affordable and rental housing must be present. Adding more young residents to Lake Elmo will strengthen the social fabric of the community and encourage more unique activities and programming. Additionally, providing more options in terms of affordability will allow more employees of businesses located in Lake Elmo the option of both living and working in the community.

## Future Housing

According to Met Council forecasts, the growth of Lake Elmo will result in an increase of 5,948 households by 2030, representing an increase of 214%. In order to achieve this growth in a balanced and sustainable manner, as well as fulfill Lake Elmo's housing goals, the I-94 Corridor and Old Village land use plans provide opportunity for a wide mix of housing types and densities. These housing densities will vary with a floor range of 2.0 units per acre to 10 units per acre, allowing for a greater variety of housing in Lake Elmo. These new housing units are guided for the I-94 Corridor and Old Village at the following minimum densities:

### I-94 Corridor

- Urban Low Density: 2.5 units/acre
- Urban Medium Density: 4.0 units/acre
- Urban High Density: 7.0 units/acre

### Old Village

- Village Low Density: 2.0 units/acre
- Village Medium Density: 4.0 units/acre
- Village High Density: 10.0 units/acre

These densities result in meeting the Met Council expectations of adding a minimum of 4,200 new housing units to the I-94 Corridor and Old Village as outlined in the MOU. The City will work to pursue a mix of densities that are consistent with the Comprehensive Plan with the understanding that the City and Met Council will monitor growth against the expectations of the MOU. The City recognizes that development at densities above the minimum requirements may create opportunities to provide increased open space above the typical standard and other amenities considered a public benefit, thereby improving the character of these areas to better blend with the overall rural character of the community.

### Affordable Housing

In terms of fulfilling Lake Elmo’s regional obligations for affordable housing, the Metropolitan Council’s allocation of affordable units within Lake Elmo for the 2011-2020 timeframe is 661 housing units. Again, affordable housing is defined as housing units that are priced at monthly payment that are no more than 30% of gross income of a household earning 60% of the Twin Cities median family income. This definition translates into a home purchase price of \$171,500 (or less), or a rental housing opportunity of \$1,134/month (or less) for a two-bedroom unit. If Lake Elmo would like to retain and attract younger residents and families, it is critical to encourage greater affordability within the future housing stock as well as provide options for rental housing.

Related to the affordability of Lake Elmo’s future housing stock, several areas in the I-94 Corridor and Old Village will provide an opportunity for the development of more affordable and rental housing. Specifically, several areas of the I-94 Corridor and Old Village are currently guided for densities that would be conducive to greater affordability. In addition to areas guided for multi-family housing, the I-94 Corridor and Old Village will also make use of mixed use zoning to provide more housing options. The areas can be viewed in [Map 4-2 and 4-3](#), highlighted by white circles.

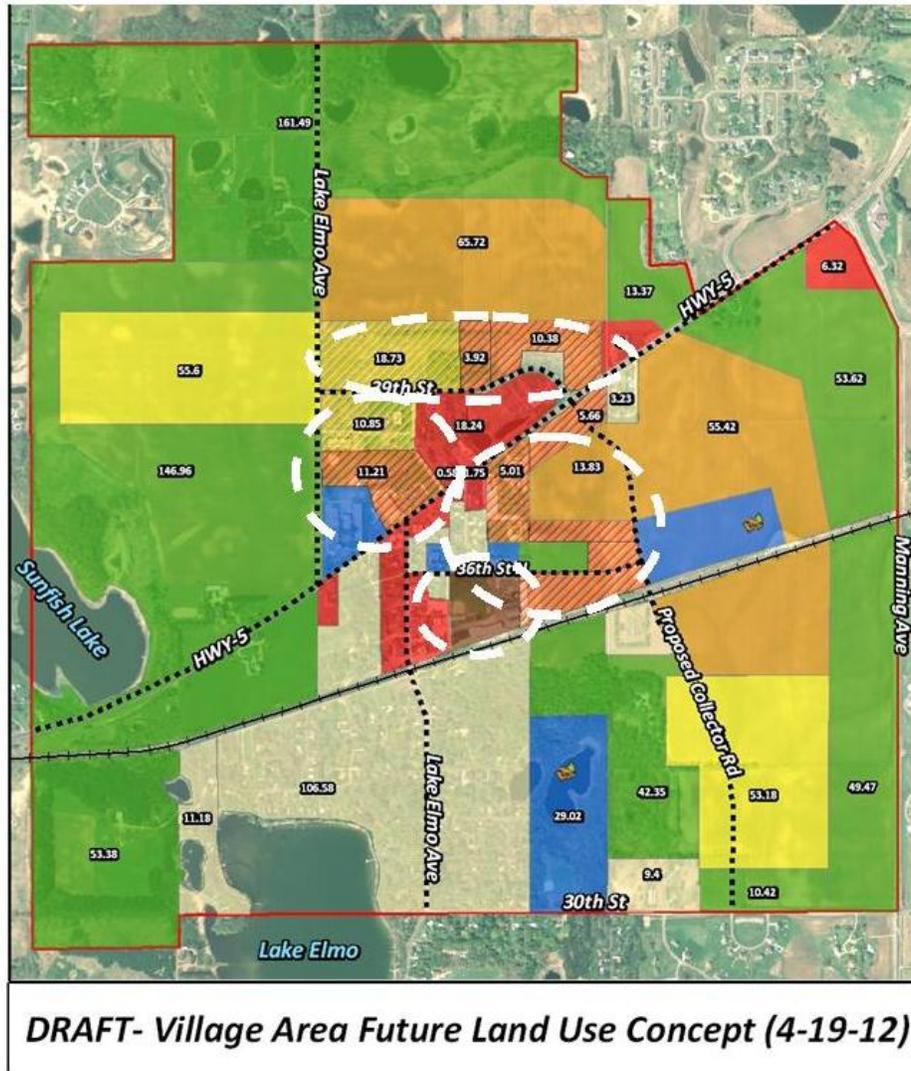
**Map 4-2**

**Land Use Plan for South of 10th Street**

*Boundaries, densities and text subject only to changes which result in the final minimum number of REC units being equal to or in excess of 4500.*



**Map 4-3**



Regarding implementation, the City will work directly with developers to explore various funding opportunities to support greater housing variety and affordability. To support these efforts, the City of Lake Elmo will investigate working with the Washington County Housing and Redevelopment Authority (HRA). This relationship may prove valuable in working with developers of affordable and senior housing to identify additional funding opportunities. In addition, the City will explore opportunities for affordable housing when considering the disposal of excess properties. Given the stated goals related to future housing, the City would like to support efforts to diversify the current housing stock to meet the future needs of Lake Elmo.

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