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HOUSING PLAN

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CMP PART 3C

HOUSING PLAN

INTRODUCTION

An increasing priority of national, regional and local concern is for the provision of an adequate supply of safe, affordable housing for all citizens. Land costs and other development factors suggest that these affordable and lifecycle housing needs can most practically be addressed within the urban areas of Orono. A secondary concern is that much of Orono’s existing affordable housing is aging, and there is an increasing need for neighborhood preservation and housing rehabilitation.

The Metropolitan Land Planning Act requires that local comprehensive plans include "official controls and land use planning to promote the availability of land for the development of low and moderate income housing" (Minn. Stat. Sec. 473.859, Subd. 2). To further address housing needs, the Minnesota Legislature in 1995 enacted the Metropolitan Livable Communities Act (LCA), establishing a fund for communities to invest in local economic revitalization and affordable housing initiatives. The Act provided for funding in three specific areas: cleaning up polluted land; revitalizing communities and promoting efficient development; and providing housing affordable to people with moderate incomes.

As the Metropolitan Area continues to grow, the provision of adequate housing poses ongoing challenges for local and regional governments. The three primary facets of the problem include:

1. Supply - Inadequate supply of lower-cost housing in good condition;
2. Location - Concentration of low and moderate income housing in the core cities and inner suburbs; and
3. Affordability - A widening gap between the price of housing and income.

2040 REGIONAL DEVELOPMENT FRAMEWORK

Accommodating future growth of the Metro Area is a concern that will require wide-ranging resources. The Metropolitan Council in 2014 adopted its “Thrive MSP 2040” to provide a plan for addressing the challenges that will be faced by the Twin Cities area over the next two decades in accommodating expected growth in the region.

In addressing the challenges of growth, Metropolitan Council has acknowledged that a “one size fits all” approach to implementing the Regional Development Framework is not appropriate, and has designated Geographic Planning Areas to identify communities with similar types of growth.

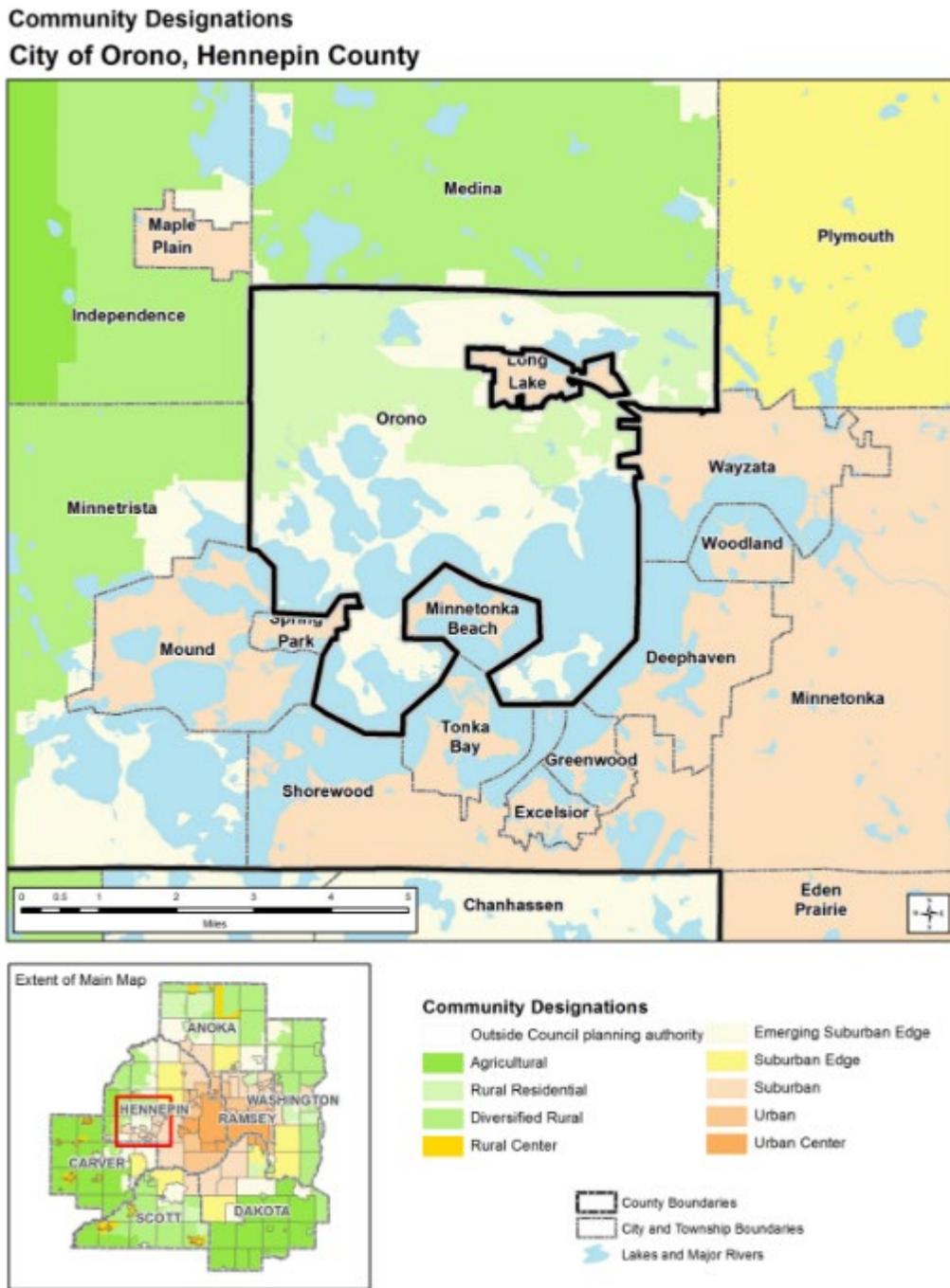


Figure 3C-1: Community Designations

Community Designation

Orono has been classified as a mix between Rural Residential and Emerging Suburban Edge.

Within the “**Rural Residential**”, Metropolitan Council’s role includes encouraging rural development patterns that will protect natural resources and preserve areas where post 2040 growth can be provided with cost-effective and efficient urban infrastructure, and work with communities to plan development patterns that will protect natural resources and water quality and quantity, and maintain existing contiguous lots that are 10 or more acres in size. The local community’s role is to:

1. Discourage future development of rural residential patterns (unsewered lots of 2.5 acres or less) and where opportunities exist, plan for rural development at densities that are not greater than 1 unit per 10 acres.
2. Implement conservation subdivision ordinances, cluster development ordinances, and environmental protection provisions in local land use ordinances, consistent with the Council’s flexible residential development guidelines.
3. Promote best management practices for stormwater management, habitat restoration, and natural resource conservation in development plans and projects.

The Metropolitan Council has established Orono’s growth forecasts for the Planning term. Orono’s populations is anticipated to increase to 9,500 persons by 2040, an increase of 1,800 persons from 2016 levels. See also Table 3C-1 in this Chapter.

As an **Emerging Suburban Edge**, local government’s role is

1. Plan and stage development for forecasted growth through 2040 and beyond at overall average net densities of at least 3-5 dwelling units per acre in the community. Target higher-intensity developments in areas with better access to regional sewer and transportation infrastructure, connections to local commercial activity centers, transit facilities, and recreational amenities.
2. Identify and protect an adequate supply of land to support growth for future development beyond 2040, with regard to agricultural viability and natural and historic resources preservation.
3. Incorporate best management practices for stormwater management and natural resources conservation and restoration in planning processes.
4. Plan for local infrastructure needs including those needed to support future growth.

BASIC HOUSING CONCEPTS AND PRINCIPLES

This Housing Plan is an indication of the ongoing policies and concerns of Orono residents toward addressing our own housing goals while taking considered and appropriate measures to address regional housing concerns. This Plan is a refinement and restatement of the planning direction established in the 1974 Orono Village Comprehensive Guide Plan, and updated in 1980, 2000, and 2008.

The Housing Plan is an integral part of Orono's Community Management Plan. The policy decisions relating to Orono's housing improvement programs complement and balance regional plans with local concerns for historic development patterns, environmental protection, public health, fiscal responsibility and general land use.

Orono's urban and rural areas provide distinctly different lifestyles, amenities and services which jointly characterize the community as a whole. Each area has separate planning priorities and separate environmental considerations. Urban areas and urban services will not be permitted to encroach on or destroy the rural area of the city.

Orono has acknowledged the need for a wider range of housing alternative and has taken steps to provide new locations for development of urban density housing where it will not be in conflict with the rural area. Many of these areas have been guided or rezoned to allow for appropriate urban housing densities and have become a part of Orono's urban area.

Orono's land use plan calls for development in both the urban and the rural portions of the City. The urban area will see new residential development on the existing vacant lots and undeveloped parcels similar to the forms of development typical of the closer-in suburbs. Opportunities exist for substantial rehabilitation projects in the older urban neighborhoods and for scattered-site new construction of affordable and lifecycle housing units. Overall urban density will not increase dramatically because of the ecological considerations of proximity to Lake Minnetonka.

The rural area will see continued residential development at a steady pace. Strict subdivision review will ensure adequate retention of privately owned and maintained open space, wetland conservation, and on-site sewage treatment system site evaluation. The typical rural lot will continue to provide for a rural lifestyle as the low investment in public services continues to make the land competitive with more fully developed suburban properties.

Orono's land use plans and programs allow new urban and rural developments to provide comparable cost housing opportunities.

The projected population numbers for 2020 through 2040 shown in **Table 3C-1** reflect the gradually decreasing size of the typical household, reduced from 3.16 persons per household (PPH) in 1970 to 2.63 PPH at the 2010 census. Household sizes are projected to shrink even further to a level of 2.47 PPH by 2030. Orono's 2030 population projection of 8,800 reflects an estimated 3,560 households at 2.47 persons per household.

In Orono, the Land Use Plan is the determinant factor in future growth, rather than allowing growth to drive the Land Use Plan. This is the cornerstone of Orono's long-term development philosophy and policies.

Table 3C-1: Orono Population and Households 1970 - 2040									
(Sewered and Unsewered Forecasts)									
Population									
Year	1970	1980	1990	2000	2010	2016	2020	2030	2040
Sewered	--	--	--	--	4,429	--	5,150	6,170	6,740
Unsewered	--	--	--	--	3,008	--	2,950	2,630	2,760
Total City	6,787	6,845	7,285	7,538	7,437	7,691	8,100	8,800	9,500
Household									
Year	1970	1980	1990	2000	2010	2016	2020	2030	2040
Sewered	--	--	--	--	1,780	--	2,105	2,455	2,785
Unsewered	--	--	--	--	1046	--	1,095	1,105	1,115
Total City	2,146	2,291	2,613	2,766	2,826	3,037	3,200	3,560	3,900
Persons/HH	3.16	2.99	2.79	2.73	2.63	2.53	2.53	2.47	2.44
Source: Metropolitan Council System Statement									

Orono's land use plan accommodates all planned population growth in a variety of housing opportunities. The forecast population increase of approximately 2,000 persons in the next twenty years translates into a housing demand of approximately 800 new dwelling units. This average of 40 new dwellings per year is consistent with Orono's rate of building permit issuance during the past two decades. Based on the Land Use Plan, approximately two-thirds of these new units are expected to develop in the urban area.

Successful development of a wide range of housing alternatives is directly related to the ability to obtain the necessary infrastructure and public services. Affordable housing and many forms of lifecycle housing are most appropriate at urban densities where services, employment, and transportation are available, without the need for an automobile. In Orono, with urban infrastructure such as municipal sewer and water, and the wide range of urban services not available to 80% of Orono planned for low-density rural residential development, affordable housing may not be practical.

New housing alternatives in Orono are anticipated to occur within the existing urban area as well as in specified urban area expansions that are detailed in the Land Use Plan. These housing options will include a range of housing styles and types at densities of 2 to 25 units per acre. Where feasible, affordable housing units will be incorporated within High Density Residential in the Land Use Plan. These designated areas are depicted in the Land Use Plan chapter of this Plan.

Development Density and Housing Goals

Minnesota Statutes 473.859 Subd. 2(c) states that the content of the land use plan element of comprehensive plans shall “include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.”

2021-2030 Housing allocation. For the period 2021-2030, Met Council established an allocation of 154 affordable units for the City of Orono. See also Table 3C-7.

SUMMARY OF EXISTING HOUSING CONDITIONS

The following sections provide a brief summary of the housing types, occupancy tenure, structural condition and price range of housing in Orono.

Housing Types

The predominant housing type in Orono is single-family detached dwellings. This is true of both the urban and the rural areas of the City. However, the number of multi-family housing units has increased substantially since 2000, primarily along the Highway 12 corridor with the addition of the Orono Woods Senior Housing building and the Stonebay development.

Table 3C-2 Dwelling Units by Type (2005-2016)												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Single Family (One unit detached)	2942	2953	2954	2944	2960	2952	2962	2944	2956	3019	2988	3006
Townhome	88	94	101	102	108	74	98	74	74	74	80	96
Duplex, Tri, Quad	19	19	19	19	19	30	60	30	30	30	30	30
Apartment (5 or more units)	62	110	119	119	119	153	76	206	215	215	215	215
Mobile Home/Trailer	0	0	0	0	0	0	0	0	0	0	0	1
Other	0	0	0	0	0	0	13	13	13	0	0	0
Total Dwelling Units	3111	3176	3193	3184	3206	3209	3209	3267	3288	3338	3313	3348

Source: US census

A review of the Owner/ Rental statistics shows that the number of rental housing units is rising quickly, from 5 percent in 2000 to over 15 percent in 2015.

Table 3C-3: Owner/Renter Statistics (2000-2015)				
Occupancy Type	2000		2015	
	Number of Units	% of All Units	Number of Units	% of All Units
Owner-occupied	2,604	89.60%	2,808	84.76%
Renter-occupied	162	5.60%	505	15.24%
Total Occupied Units	2,766		3,313	

Source: 2010 census, Metropolitan Council

Age of Existing Housing Stock

The range in ages of Orono's existing housing stock by defining the decade of construction is indicated in Table 3C-4. Approximately 56% of the housing stock is more than 50 years old, which raises concern about its continued functionality if maintenance is deferred. The numbers in Table 3C-4 do not necessarily reflect the extensive remodeling and upgrading that many Orono residences, especially lakeshore homes, have undergone in the last three decades.

Table 3C-4: Age of Existing Housing Stock (2000 and 2017)				
Year Built	2000	%	2017	%
unknown	150	5%	345	10%
Pre-1940	693	24%	663	20%
1940-49	172	6%	150	4%
1950-59	343	12%	426	13%
1960-69	298	10%	304	9%
1970-79	415	15%	366	11%
1980-89	412	14%	447	13%
1990-00	359	13%	367	11%
2000-09			420	13%
2010-17			203	6%
Total	2,845	100%	3,346	100%

Source: 2000 U.S. Census; Hennepin County Records

Housing Demolitions

Table 3C-5 reports the demolition of residential principal structures over the last 7 years. An average of 20 homes are removed per year. With land values continuously increasing and a substantial supply of older lakeshore homes still remaining in Orono, this trend is expected to continue. The City will monitor this trend to guard against the erosion of neighborhood character.

Table 3C-5: Housing Demolitions	
Year	# of Principal Structure Demolitions
2010	10
2011	15
2012	13
2013	25
2014	20
2015	27
2016	19
2017	33

Source: City Permitting records

Cost Valuation of Housing in Orono

Owner-occupied Housing

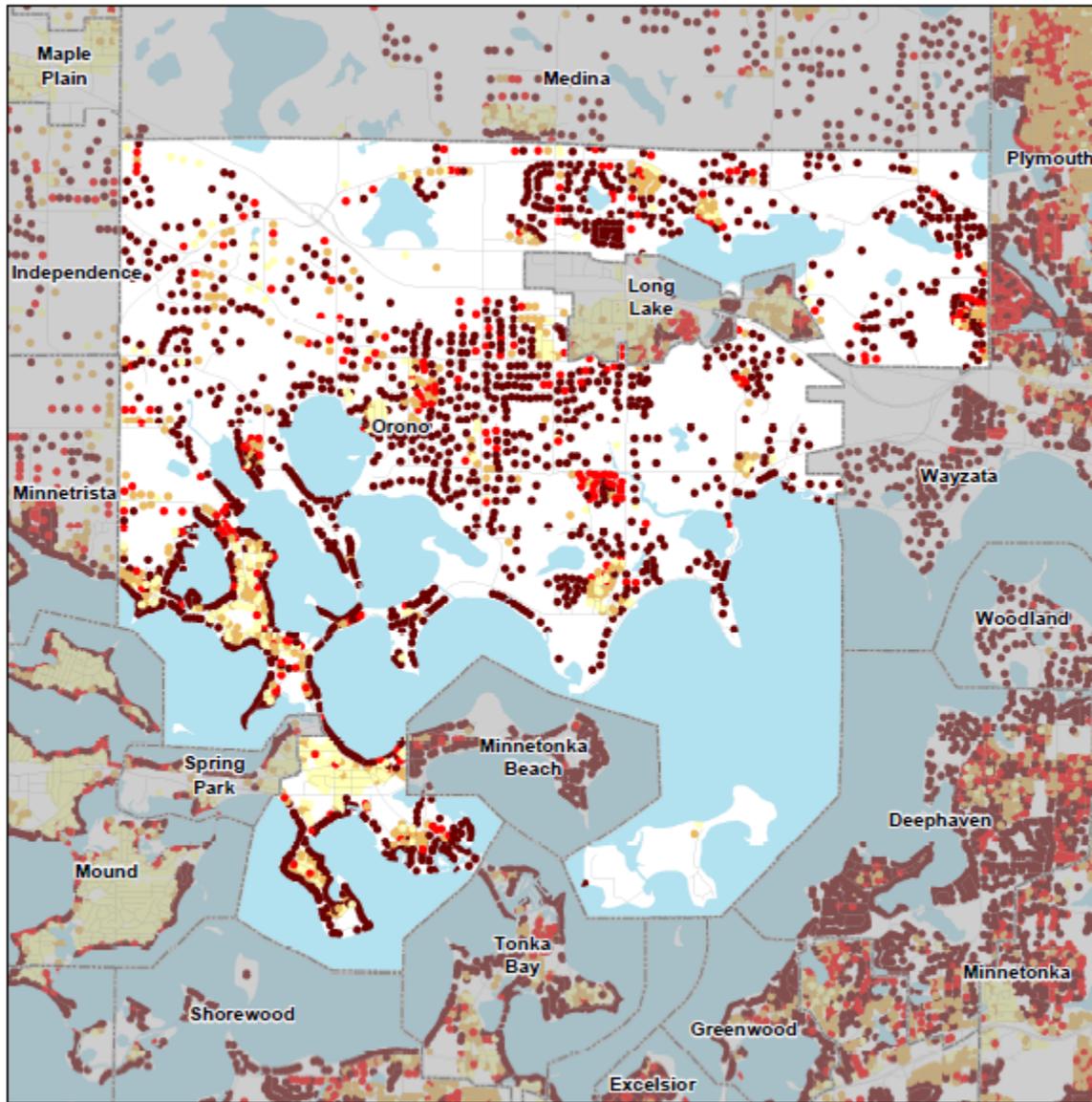
The valuation of housing units in Orono is strongly tied to the location in relation to the lakeshore, though to some extent the age of the housing impacts the value. Much of the housing in Orono has been constructed as 'custom' housing rather than tract housing.

Hennepin County Records were used to create the following table of housing values in Orono in 2015, illustrated as a percentage of total housing. Of note, almost 75% of all owner occupied housing is valued at \$300,000 or more. Figure 3C-2 graphically illustrates the location of owner occupied housing and indicates value of the home.

Table 3C-6: Valuation of Owner-occupied Units 2015		
Valuation		2015
\$75,000 to \$99,999		0.43%
\$100,000 to \$124,999		0.93%
\$125,000 to \$149,999		2.76%
\$150,000 to \$174,999		3.39%
\$175,000 to \$199,999		3.23%
\$200,000 to \$249,999		8.10%
\$250,000 to \$299,999		7.52%
\$300,000 to \$399,999		10.51%
\$400,000 to \$499,999		9.93%
\$500,000 or more		53.15%

Source: Hennepin County

Owner-Occupied Housing by Estimated Market Value
Orono



County Boundaries	Owner-Occupied Housing Estimated Market Value, 2015	1 inch = 0.971 miles	
City and Township Boundaries	\$238,500 or Less		
Lakes and Major Rivers	\$238,501 to \$350,000		
Street Centerlines	\$300,001 to \$450,000		
	Over \$450,000		

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.

Figure 3C-2: Owner Occupied Housing by Estimated Market Value

Affordable housing

Table 3C-7 shows the current (2016) number of households with incomes 80% of the AMI, or less. These 639 households represent 21% of the total households in Orono. We consider this the supply of housing units that are affordable.

Table 3C-7: Affordable Housing		
	Currently (2016)	Projected need 2021- 2030
Income at or below 30% of AMI	78	69
Income 31-50% of AMI	76	56
Income 51-80% of AMI	485	29
Totals	639	154

Source: Metropolitan Council

Table 3C-7 also illustrates Orono’s share of additional affordable homes for the 2021-2030 decade. Orono intends to provide opportunity for these units in the form of 15.4 acres of development at densities higher than 10 units per acre. Table 3B-4 predicts all developable properties within the sewer area. 63.4 acres are identified for development at densities greater than 10 units per acre.

Table 3C-8 shows the number of costs burdened households, households whose housing costs are at least 30% of their income. We consider this the demand of affordable housing. The demand of affordable housing, at 30% or less of the AMI is almost double the supply. Based on these calculations and estimates, the greatest need of housing is for incomes at or below 30% of the AMI.

Table 3C-8: Cost Burdened Households	
At or Below 30% AMI	148
Between 31% and 50% AMI	64
Between 51% and 80% AMI	104
Total Units	316

Subsidized Housing Units

At the present time, the City of Orono does not contain any units of subsidized housing. This is due in part to the lack of or limited shopping and employment opportunities, public transportation, and medical facilities.

HOUSING NEEDS IDENTIFICATION

In assessing local housing needs, Orono has identified the need for a broader range of housing choices including starter homes, empty-nester, and senior housing, and an ongoing need for substantial housing rehabilitation.

Our aging population is retiring and on fixed incomes. Orono has identified one of our greatest needs as housing rehabilitation for senior-citizen homeowners and for alternative senior housing accommodations in the immediate lake area. A second pressing need is for a wider range of housing options for middle

income residents, such as those who grew up in Orono and would like to raise a family here, but cannot find suitably priced homes. A third identified need is for the empty nesters or professionals whose lifestyle better matches the amenities of attached unit housing.

The Land Use Plan (Chapter 3B, and Maps 3B-3a) identifies development opportunities in a variety of densities to meet the diverse housing demands of the City of Orono.

In 1995 the Minnesota legislature enacted the Metropolitan Livable Communities Act, which established funding for metro-area cities to invest in local economic revitalization and affordable housing initiatives. The Metropolitan Council is responsible for implementing the Metropolitan Livable Communities Program, and negotiating with individual municipalities to establish affordable and life-cycle housing goals consistent with the Metropolitan Development Guide

HOUSING IMPLEMENTATION PLAN

Orono's Housing Implementation Plan is based upon the following Goals and Policies which are designed to be consistent with our regional housing responsibilities and with the Goals, Policies and Plans of the other elements of the Community Management Plan.

SCOPE

The time framework of the housing improvement plan is intended to address the requirements of the Metropolitan Council for the planning period of 2020 through 2040 and retain Orono's own housing character. The goals, policies and proposed housing programs contained in this Chapter are set in the context of the legislative mandate to plan for regional needs through the year 2040. In addition, the housing programs also reflect Orono's plans for permanent maintenance of the low density rural residential community.

Housing Goals

1. To provide housing types and residential densities consistent with environmental and land use plans and with the availability of public services and facilities.
2. To provide opportunities for a mix of housing types, locations, and cost ranges which will meet the needs and provide adequate housing for a broader range of ages, family groups, lifestyle needs and levels of income to the greatest extent practical.
3. To improve the housing conditions of persons residing in substandard housing.
4. To provide safe, healthful, and blight-free residences and neighborhoods.
5. To provide immediately beneficial housing programs for the greatest number of Orono residents with affordable housing needs.

Urban Housing Policies

1. **The residential areas of urban Orono are primarily suitable for single family development.** Because of historic development patterns, most of Orono's urbanized

neighborhoods are located along the Lake Minnetonka shoreline, or within 1,000 feet of the shoreline. These lands are environmentally sensitive to overuse or over development such as typically occurs with large scale developments. Urban residential development in a limited number of areas further from the shoreline at a density of 2-25 units per acre is compatible with Orono's environmental policies of limited hardcover and maximum retention of natural open space and vegetation to protect Lake Minnetonka.

- 2. A wider range of housing types will be provided by planned residential developments.** A limited amount of land is available within the Urban Service Area for planned developments of townhomes, garden type apartments or mixed residential and limited commercial land uses. These housing clusters or multiple family developments will be acceptable only where full urban services are available and only where the proposed density is compatible with the neighborhood and with local environmental constraints.

Multiple family developments generally will not be considered appropriate for lands within 1,000 feet of Lake Minnetonka. Additionally, County Road 15 is the key roadway serving Orono's urban areas and particularly the Navarre area. It is not practical from an economic or environmental standpoint to expand County Road 15 to increase its capacity. Therefore, additional housing options will be primarily developed along Orono's Highway 12 corridor in specifically identified areas that are or will be served by urban services.

The City will consider proposals for developments that will provide housing types in furtherance of Orono's housing goals as established in this Housing Plan.

- 3. Urban density residential development must occur within the defined Urban Area.** Orono's Community Management Plan is not a staged growth plan. The Urban Area as defined in this Plan will not be greatly expanded into the defined rural area, and urban services and facilities will not be extended into the rural area for purposes of fostering or allowing increased development in those areas.
- 4. Urban density residential development will utilize existing or planned public services and facilities.** New residential development will be allowed to infill existing vacant properties within the Urban Area consistent with environmental limitations and with the existing or planned capacities of water, sewer, drainage, transportation and recreational facilities. New development will not be permitted to overburden these services at the expense of the existing users. New urban development will not be permitted if it requires additional unplanned local or regional facilities capacity.
- 5. The City will promote scattered site development as opposed to large scale tract development within the existing developed urban area.**
- 6. The City will promote rehabilitation of existing older or substandard homes.** Whereas there is no identifiable block of deteriorated housing in the City, there are a substantial number of older homes or converted cottages that are in need of repair, energy conservation measures, or major rehabilitation. In many cases, these homes are occupied by low income or fixed

income persons who cannot undertake the needed work within their means. Maintaining existing neighborhoods and existing homes enables maintenance of affordability. Replacement of these homes, even with higher density development, would result in substantially increased housing prices. The City will promote private and subsidized public rehabilitation efforts to improve the existing housing stock, to improve and maintain the neighborhoods, and most importantly to improve the living conditions of the affected citizens.

- 7. The City will promote development or rehabilitation that is compatible with the existing neighborhood.** The City will encourage all homeowners and developers to be conscious of the neighborhood, the site and the environment in the design and improvement of residential properties. The City will encourage, and in many cases, require the retention of woods and vegetation, open spaces, light, air and scenic views. No new development will be permitted to conflict with or to adversely affect the established neighborhood character.

Rural Housing Policies

- 1. Housing in rural Orono will be limited to single family homes at established rural densities.** The majority of the rural area has been zoned to require a minimum of 2 acres of dry buildable land per residential lot, with an area in the northwest corner of the City requiring at least 5 dry buildable acres.
- 2. The City will promote rehabilitation of existing older or substandard rural homes.** Rural Orono contains a significant number of older homes, which also require repair, energy conservation measures or major rehabilitation. These rural owners also require the same type of assistance often reserved for urban areas. Therefore, the City will promote private and subsidized public rehabilitation efforts in both urban and rural housing improvements programs.

HOUSING ACTION PLAN

Orono's Housing Action Plan is a set of implementation policies designed to achieve the above stated Housing Goals and Planning Policies.

A top priority in Orono must be improving the housing conditions of persons who are presently inadequately housed and eliminating substandard housing. There are deteriorated and dilapidated housing units located throughout the City. Orono's Housing Action Plan is aimed principally at improving the condition of Orono's older homes, both urban and rural, and improving the housing conditions of Orono's many low, moderate and fixed income residents.

- 1. Orono will cooperate with neighboring cities to fulfill area-wide housing needs.** Most apparent is the need of many senior Orono residents who desire to live in the immediate area, but who cannot find available senior housing. Orono will actively participate with nearby municipalities to facilitate the provision of senior housing at locations that are near to home yet also convenient to necessary shopping, transportation and medical facilities.
- 2. Orono will continue to participate in housing rehabilitation subsidy programs.** Many Orono residents, both urban and rural, are occupying older housing that has code-related structural, safety or

health hazards, substandard living conditions or energy inefficiencies. They would like to improve their housing condition and their neighborhood's appearance, but are unable to because of insufficient income. Orono will continue to actively participate in Community Development Block Grant and Minnesota Housing Finance Assistance programs designed to help these citizens meet their very immediate housing needs.

- 3. Orono will encourage developers to provide a variety of housing types and cost ranges.** Whenever a multiple family or clustered housing development is proposed, Orono will actively encourage setting aside a reasonable number of units for large families and/or for low and moderate income families. Orono will participate and assist developers in applications for loan guarantees or other suitable forms of housing subsidy aids which may be available. Orono will also consider proposals for lifecycle housing options for sites which have not been guided for such use, but where such use may be appropriate if developed in a manner that is sensitive to the surrounding land uses and has the necessary services available. Such areas may include property that is currently guided or zoned for more intense uses such as commercial or industrial, or may include sites adjacent to existing higher intensity uses.
- 4. Housing construction will be subject to uniform state building code requirements but will not be burdened with unnecessary zoning requirements.** Orono does not intend to require arbitrary minimum dwelling sizes or minimum amenity installations as these artificial standards only drive up the cost of housing while limiting the buyer's freedom of choice.
- 5. Orono will promote energy conservation methods and procedures.** Orono will actively pursue and advertise all available programs for energy conservation funding.
- 6. To achieve its housing goals outlined above, the City will evaluate opportunities to utilize public and non-profit programs or to partner with other agencies in these programs. There is a wide variety of tools and programs available to cities and property owners, developed to encourage affordable housing, and include the following.**

Property owners and developers should be advised that while available to the city, Orono feels that market driven development is desirable over financially subsidized projects. Therefore the City has applied the use of Orono tax dollars very conservatively, only for projects that strongly met City housing, land use, environmental, and quality of life goals.

1. **Zoning and Subdivision Policies:** The City frequently reviews its zoning and subdivision regulations to support development that meets its comprehensive goals. The City also employs a planned unit development (PUD) process. Through this process, the City currently provides zoning incentives such as increased density and potential staging plan flexibility for projects which achieve the city's housing goals. The City will consider applications that addresses the City's need allocation of 154 units below 80% AMI based upon how well the proposed projects meet City objectives. The City has identified land where we feel higher density development is most appropriate, given the proximity to transportation support, services, and jobs.
2. **Orono Housing and Redevelopment Authority.** The City Established an HRA in 1991. The City has used its HRA to assist in the development of Senior housing complex and may do so in the future.

3. Community Development Block Grants (CDBG): The U.S. Department of Housing and Urban Development (HUD) provides CDBG funds to communities with over 45,000 residents for the use of providing and maintaining affordable housing. Hennepin County HRA administers these CDBG funds for the City of Orono. The City will consider applications that addresses the City's need allocation of 154 units below 80% AMI based upon how well the proposed projects meet City objectives.
4. Energy Assistance: Xcel energy and Wright-Hennepin offer programs intended to encourage energy efficiency and responsible use of energy resources. Xcel energy promotes a bill payment assistance program. These programs and rebates rapidly change and the City encourages the resident to check with their energy provider periodically. These programs help make expenses related to housing more affordable for Orono residents.
5. Livable Communities Grants: Administered by the Metropolitan Council, the Livable Communities Demonstration Account (LCDA) funds innovative (re)development projects that efficiently link housing, jobs, services and transit in an effort to create inspiring and lasting Livable Communities. Grants are available to fund basic public infrastructure and site assembly. The City will consider supporting applications that provide a range of housing types, or for those that assist affordable housing goals.
6. Land Trusts: A land trust achieves affordable home ownership by owning the land on which a house is located, allowing the resident to seek financing only on the house. The resident enters into a long-term lease for the home. The advantage of a land trust is that the largest contributor to housing prices in Orono is the land, and the land trust removes that cost from the purchasing equation. The trust can control the future sale of the property to ensure that affordability can be maintained and have the ability to scatter the land trust sites throughout the community. The disadvantage of a land trust is that it will take significant financial resources to purchase the land rights and those resources are never recovered during the period that the property remains affordable. Orono may evaluate if joining the West Hennepin Affordable Housing Land Trust is the most efficient way to use its resources to provide affordable housing.
7. Site Assembly: The City or other agencies assist with the acquisition of parcels. The City may partner with potential developers by selling developable land it owns, the city is not likely to acquire land for the purpose of transferring ownership for developers.
8. HOME Investment Partnership: The City will consider partnering with Hennepin County for grants that provide rental assistance for senior housing projects.
9. Effective referrals. We will review our internal procedures to refer residents to applicable Hennepin County, State of Minnesota, and private utility programs that assist homeowners and prospective homeowners.
10. Fair housing policy. The City will continue to review its housing polices to ensure that they meet or exceed applicable Fair Housing Laws and regulations, in particular in the areas of Race/ Color, gender, National Origin, Religion, Family status, and disability.
11. First time homebuyer down payment assistance. The City will support a homebuyers application for down payment assistance, especially where existing these purchases are within the existing housing stock to support use of a mix of

- housing types, cost ranges, and locations.
12. Participation in housing related organizations. The City will continue to recognize and promote the work outside organizations do toward the betterment of housing opportunities for Orono residents.
 13. Rental licensing and inspections. The City employs a Rental Licensing program intended to identify rental landlords and capture up to date contact information to address concerns related to overcrowding, maintenance, and noise impacts.
 14. Low interest rehab programs. The City will support a property owner's application for low income rehab dollars for those projects that serve to retain existing housing stock.
 15. Minnesota Housing Consolidated Request for Proposals: The Minnesota Housing Finance Agency provides a request for proposal (RFP) once annually where affordable housing developers can apply for funding to construct affordable housing. The City may consider supporting applications for new housing that addresses the City's need allocation of 154 units below 80% AMI based upon how well the proposed projects meet City objectives, however the City is not likely to write down land cost, or reduce development related fees to support applications.
 16. Tax Abatement: Cities may issue bonds to be used to support the construction of affordable housing, using a portion of the property tax received (tax abatement) from the development to finance these bonds. This removes this property from paying taxes for the services needed for this property. While the City may develop a tax abatement policy to determine if and when the level of affordable housing and the guaranteed length of affordability provide sufficient public benefit to justify the use of tax abatement, the City does not anticipate using Tax Abatement to meet any housing goals at present.
 17. Tax Increment Financing: Cities may create a housing district to create a tax increment financing (TIF) district. The TIF bonds issued on this district are to be used to support the construction of affordable housing, and property taxes received above the original tax value (increment) from the development are utilized to finance these bonds. The property tax revenue that otherwise would be available to pay for city services would be restricted and not available to pay for the services. The City may develop a TIF policy to determine if and when the level of affordable housing and the guaranteed length of affordability to provide a public benefit is great enough to justify the use of tax increment financing.
 18. Housing Bonds: Minnesota State Statute allows HRAs to issue housing bonds to provide affordable housing via the acquisition of an existing buildings, development of elderly or disability housing, or the acquisition of accumulated equity for low income preservation. The City does not anticipate using its HRA to develop a new housing project in the next 10 years.
 19. 4(d) Tax Program: The 4(d) tax program provides a 40% tax credit to property owners of affordable housing, to be leveraged with local government financial assistance. The City does not anticipate providing financial assistance to private development.
 20. Fee Waivers or Adjustments: State rules require that city fees correlate to the cost of providing the services. The city will closely monitor expenses as they relate to project review to ensure fees closely match expenses. The City will not waive fees in whole or part to support private sector development.

21. Hennepin County’s Affordable Housing Initiative: Hennepin County offers a number of programs that offer financial assistance to municipalities, government, and non-profit agencies, and housing developers for the creation or preservation of long term affordable housing. While the City is not likely to pursue financial assistance, the city will not discourage the use of these funds for projects meeting the City’s housing goals.

Table 3C-9 below links the housing related goals identified in the Housing Needs Assessment, Table 3C-7, and the tools listed above. Generally, the City will apply tools consistent in sequence to how they are listed below, for each of the Goals.

Table 3C-9: Housing Tools, Circumstance, and Sequence Summary	
Identified Goals	Tool, Circumstance and Sequence
To provide housing types and residential densities consistent with environmental and land use plans and with the availability of public services and facilities.	1, 3, 5, 7, 9
To provide opportunities for a mix of housing types, locations, and cost ranges which will meet the needs and provide adequate housing for a broader range of ages, family groups, lifestyle needs and levels of income to the greatest extent practical.	1, 2 (senior only), 3, 6, 8, 9, 10, 11, 12, 13
Allocation of Affordable Housing Need below 30% AMI: 69 units	1, 3, 5, 7, 10, 11, 12, 21
Allocation of Affordable Housing Need between 31% and 50% AMI: 56 units	1, 3, 5, 7, 10, 11, 12, 21
Allocation of Affordable Housing Need between 51% and 80% AMI: 29 units	1, 3, 5, 7, 10, 11, 12
To improve the housing conditions of persons residing in substandard housing.	1, 3, 5, 7, 10, 11, 12, 14, 21
To provide safe, healthful, and blight-free residences and neighborhoods.	1, 3, 5, 9, 10, 11, 12, 13, 14, 21
To provide immediately beneficial housing programs for the greatest number of Orono residents with affordable housing needs.	1, 3, 5, 9, 10, 11, 12, 13, 14, 21

7. Update Housing study. Recognizing multiplication of households that rent, the City may consider an update of a housing study, last completed in the Navarre area in 1997-1998, to better understand this trend. Further, the city will work to educate renters and owners on Fair Housing practices.