

Introduction:

Employment projections prepared by the Metropolitan Council and Scott County point to Shakopee remaining a major center for jobs in Scott County at least to the year 2030. As discussed in the Economic Development chapter of the City’s 2030 Plan, and in the face of limited funding for transportation projects, an important strategy for both the City and Scott County is to increase the percentage of residents who work in jobs south of the Minnesota River from about 32% to 50% or more. An important factor for achieving this goal will be the availability of a range of housing types and costs.

In addition, since future growth may occur in areas that are currently in adjacent Jackson Township, which is currently home to a number of manufactured housing parks (Bonnevista Terrace, Mobile Manor, and Jackson Heights), the City will, at the time of annexation, need to evaluate the role of housing in the overall housing mix for the City.

Livable Communities Act Participation:

On November 2, 1995 the Shakopee City Council first adopted a resolution of participation in the Livable Communities Act (LCA). The LCA requires that all participating communities adopt housing goals and provide a housing action plan (HAP) for the achievement of those goals. Shakopee’s original HAP committed the City to the following thresholds:

- At least 64 percent of ownership and 32 percent of the rental housing as affordable.
- At least 35 percent of the housing as units other than single-family detached.
- An owner/renter mix of 70 percent owner occupied and 30 percent renter occupied.
- Single family detached houses with a density of 1.9 units per acre and multifamily housing with an average density of at least 10 units per acre.

Measured against the above-stated thresholds, the state of the City’s housing is as follows;

- At least 64 percent of ownership and 32 percent of the rental housing is affordable.

The affordability of the City’s housing stock is illustrated in the tables that follow in this Chapter, indicating that these goals have been met.

- At least 35 percent of the housing as units other than single-family detached.

As of the end of 2005 about 46% of the City’s housing was other than single-family detached, while 54% was single-family detached. Thus this goal was met.

- An owner/renter mix of 70 percent owner occupied and 30 percent renter occupied.

Based on Metropolitan Council estimates for April 2005, about 77% of housing in the City was owner-occupied, while about 23% was renter-occupied. However, these estimates do not take account of the trend over the last three years for significant numbers of townhouses (and even single-family detached homes) that were developed to be owner-occupied units to transition to rental units held by out of town owners. City review of some of these projects revealed that as many as 25% of the total units in a project may now be functioning as rental units, suggesting that the percentage is much more than the 23% reported by the Metropolitan Council.

- Single family detached houses with a density of 1.9 units per acre and multifamily housing with an average density of at least 10 units per acre.

Since 1996, new single-family detached plats have exceeded the HAP goal for density. Most, though not all, attached housing development in the City in that period has been in the form of townhouse development, which is typically at densities between 7 and 8 units per acre. In recent years, the Metropolitan Council, as well as the City, has focused on the overall goal of residential development being at 3 units per acre or greater. Shakopee annually reports its plat activity to the Metropolitan Council and development in the City has been consistent with those goals.

With this 2030 Comprehensive Plan Update, the City’s HAP is updated, and is adopted in the Goals, Strategies and Tactics that follow at the end of this chapter.

AFFORDABLE HOUSING NEED:

For the 2030 planning horizon of this Plan, the City has adopted the following, Metropolitan Council projections for population, households and employment.

	Population	Households	Employment
2000	20,568	7,540	13,938
2010	39,500	15,000	17,800*
2020	48,500	19,500	21,300
2030	52,000	31,500	22,800

- In 2008 Metropolitan Council staff had indicated to Shakopee planning staff that the City had already exceeded the 2010 employment projection.

The Metropolitan Council has identified a need between 2011 and 2020 for 2105 affordable housing units in the City of Shakopee. It is important to note that this is an identified “need,” and not a specific production target. Cities in general and Shakopee specifically, do not produce housing. Instead they work with the development businesses to set the stage and provide incentives for the production of affordable housing. Among the ways that a City can set the stage for the development of affordable housing is by guiding sufficient land to accommodate such housing.

The City of Shakopee has been very successful in guiding land to accommodate affordable housing in the past, and the City's 2030 Comprehensive Plan does so as well. According to Metropolitan Council reports from 1996 to 2006 Shakopee was by far the most successful community in Scott County, and in fact the Metro Region, in the production of affordable ownership units at 2,455.

The economic downturn that began in 2006 has resulted in substantial reductions in the value of homes and townhomes in Shakopee that has probably significantly increased the number of affordable housing units in the City. From June of 2007 to June of 2008, the average sale price of a home in Shakopee dropped from about \$259,000 to about \$230,000, a decline of about 11%. It appears from a number of economic factors that these reductions in valuation will be relatively long-lived, especially for townhouses.

In addition to guiding land in ways that allow for the development of affordable housing, the City can continue to use official controls (such as the use of the planned unit development (PUD) approach) to accommodate a variety of life cycle and affordable housing within the City.

IMPACT OF SHAKOPEE MDEWAKANTON SIOUX COMMUNITY (SMSC) CONTROL OF LANDS IN SHAKOPEE:

The Metropolitan Council has identified a need for 2105 new affordable housing units between 2011 and 2020. In the context of this plan, this translates for the City into an expectation that the City will guide sufficient land so that it could accommodate this number of new affordable housing units by 2020. While the City has attempted to assure this is the case, there are unique factors that may have an impact on the City's ability to assure that land guided to accommodate new affordable housing development will remain available for housing purposes.

As of October 2007, the Shakopee Mdewakanton Sioux Community (SMSC) controlled (either through control of trust lands or lands owned in fee) one-third of the developable land remaining in the City of Shakopee. As late as October of 2008, the City learned of yet another acquisition, this time of a 128-acre site in southern Shakopee.

Much of the SMSC's land is concentrated in the eastern portion of Shakopee, which would have been most readily served by municipal services. Those developable areas that do remain within the City are more remote and difficult to service with municipal sewer and water, making it increasingly less likely that they will, realistically, be available to meet affordable housing goals.

The effects of control of these by the SMSC has the following impacts on the ability of the City to meet not only the City's overall growth projections, but also affordable housing goals;

- It is, at best, highly unlikely that any lands owned and controlled by the SMSC will be available for the private development in general and the development of affordable housing in particular.
- In light of the first impact, if the City is to meet its growth goals, and facilitate the development of enough affordable housing to meet the Metropolitan Council's stated need, it

will likely require substantial annexation of land from adjacent Jackson Township. These annexations will require premature investment in the regional sanitary sewer system.

In the event that the Metropolitan Council is not in a position to make the regional investments in the sewer system in a timely way, then it may be appropriate for the Council and the City to discuss whether it is reasonable to continue to focus on the stated need of 2105 units. This is especially the case, because it seems clear that the SMSC plans future acquisition of additional lands in the City of Shakopee, and annexation to replace these lands will not likely take place rapidly enough.

TH 41 AND FUTURE ANNEXATION:

MNDOT has prepared a “tier I” draft environmental impact statement (DEIS) for a new Minnesota River crossing that would connect TH 169 to TH 312. As a part of the DEIS, the City stated its preference for an easterly alignment of the new river crossing when constructed. The City’s preference was based on a careful balancing of the transportation, natural resource and other potential impacts.

Of the six potential corridors studied in the DEIS, five would impact existing manufactured housing parks on one or both sides of the Minnesota River. None of these parks are currently within the City of Shakopee. The easterly alignments would impact the largest number of homes in these parks. Given that funding for the new river crossing is not expected to be available for the next twenty (20) to thirty (30) years, the City (as well as Scott County) requested that MNDOT and the Metropolitan Council join with it and with the residents of these parks to identify strategies that would provide either minimize the impacts on these residents or provide them with like housing alternatives in the future.

ASSESSMENT OF CURRENT HOUSING STOCK

During the late 1990’s, the City experienced a significant increase in the percentage of new rental and attached residential units constructed. This is reflected in the Fig H-1, while the breakdown from 2000 to 2006 is reflected in Fig. H-2. Despite changes in the mix of housing constructed in very recent years, the percentage of attached housing in the City remains higher than its HAP goals.

	NO. OF RENTAL UNITS	NO. OF OWNER UNITS	DETACHED UNITS	ATTACHED UNITS
YEAR				
1996	0	432	221	211
1997	52	329	140	241
1998	152	496	182	466
1999	120	645	252	513

Figure H-1: New Residential Construction by Type, 1996 to 1999

<u>YEAR</u>	<u>NO. OF RENTAL UNITS</u>	<u>NO. OF OWNER UNITS</u>	<u>DETACHED UNITS</u>	<u>ATTACHED UNITS</u>
2000	0	747	458	289
2001	72	619	442	249
2002	52	536	259	329
2003	203	885	705	383
2004	0	750	396	354
2005	79	591	352	318
2006	0	279	57	222
TOTAL	346	4,407	2,669	2,144

Figure H-2: New Residential Construction by Type, 2000-2006

Housing Values

While residential property values continue to increase in the City, they remain lower than adjacent communities, with the result that the City has been fortunate to provide a good supply of affordable housing. As can be seen in Table 3 below, median values for owner occupied homes in Shakopee from 1990 to 2000 remained very close to or slightly below Metro Area median values.

Table H-3:
Median Value of Owner-Occupied Housing

	Shakopee	Metro Area
1990 value	\$86,000	\$86,111
1990 value in 2000 \$'s	\$109,877	\$110,018
2000 value	\$141,500	\$140,507

(Source: Metropolitan Council, U.S. Census)

Median Values-Rental Units

Unlike owner-occupied units, rental units saw a real increase in median monthly rents between 1990 and 2000.

Table H-4:
Median Gross Rent, 1990-2000

	Shakopee	Metro Area
1990	\$487	\$482
1990 value in 2000 \$'s	\$622	\$616
2000 value	\$700	\$646

(Source: Metropolitan Council, U.S. Census)

Affordability

As can be seen from Table H-5 regarding gross monthly rent paid in 2000 in Shakopee and the Region, the City had a higher percentage of rents in the \$300-399 range, and from \$600 to \$1,249, while only somewhat less in the very lowest rent categories. As can be seen in Table H-5, Shakopee

outperformed the Region in many of the more affordable ownership ranges, while lagging far behind in the most expensive ranges of ownership housing.

Table H-5:

Gross monthly rent paid, 2000

(Greater percentages are indicated in bold characters)

Gross rent	City of Shakopee	Twin Cities Metropolitan Region
Less than \$200	60/3.9%	16,173/5.7%
\$200-299	46/3.0%	10,783/3.8%
\$300-399	78/5.1%	13,410/4.7%
\$400-499	96/6.3%	29,251/10.3%
\$500-599	158/10.4%	48,031/16.8%
\$600-699	324/21.3%	51,119/17.9%
\$700-799	346/22.7%	40,021/14.0%
\$800-899	173/11.4%	28,045/9.8%
\$900-999	98/6.4%	17,621/6.2%
\$1,000-1,249	134/8.8%	19,383/6.8%
\$1,250 or more	11/.7%	11,484/4.0%
Total renter units	1,524/100%	285,321/100%

(Source: Metropolitan Council)

Table H-6:		
Value of owner-occupied units, county assessor's data for 2002		
(Greater percentages are indicated in bold characters)		
Value	City of Shakopee	Twin Cities Metropolitan Region
Under \$50,000	66/1.0%	17,765/2.2%
\$50,000-74,999	76/1.2%	12,875/1.6%
\$75,000-99,999	154/2.4%	34,558/4.4%
\$100,000-124,900	676/10.7%	80,313/10.1%
\$125,000-149,999	1,986/31.3%	154,971/19.6%
\$150,000-174,999	1,787/28.1%	148,539/18.8%
\$175,000-199,999	1,110/17.6%	97,360/12.3%
\$200,000-249,999	1,025/6.2%	107,043/13.5%
\$250,000-299,999	437/6.9%	55,566/7.0%
\$300,000-399,000	293/4.6%	48,418/6.1%
\$400,000-499,999	63/0.1%	17,193/2.2%
\$500,000 or more	4/.06%	17,391/2.2%
Total owner units	6,313	791,992/100%

It is clear from Table H-6 above, that as a percentage of units, the City of Shakopee has far fewer units of housing in excess of \$250,000 in value than the Region, but far more housing units in the more affordable ranges of \$100,000 - \$200,000.

FISCAL TOOLS:

Because of the existence of the Scott County Community Development Agency (Scott CDA, formerly Scott HRA), Shakopee has not established a separate housing development entity. Instead, Shakopee is the largest municipal contributor through taxes to the Scott CDA. In fact, for several years, the City's tax contribution to the Scott CDA has far exceeded the City's mandated ALOHA contribution.

In addition, the City has partnered in the past with the Scott CDA on the development of an award-winning mixed commercial and senior housing project in Downtown Shakopee (River City Centre), and the approval of other CDA projects within the City, such as Bluff Avenue Urban Village, and a proposed affordable housing project in connection with the next park and ride project, anticipated to be located near the intersection of CRs 16 and 21 in Shakopee, though the future of this project has become uncertain as a result of the SMSC's recent purchase of the property.

OFFICIAL CONTROLS:

The development of a variety of housing types and styles which are obtainable to a broad range of residents is facilitated by the City's adopted controls. Principal among these are its zoning regulation and subdivision regulations found at Shakopee City Code Chapters 11 and 12, respectively. The

City's zoning ordinance makes available a variety of zoning districts that can accommodate a wide variety of attached housing types, as well as single-family detached lots from about 6,000 square feet in size upward. In addition, the ordinance's Planned Unit Development (PUD) process provides a mechanism whereby greater zoning flexibility can be exercised by the City Council.

GOALS AND STRATEGIES:

Consistent with the City of Shakopee's Vision Statement and adopted overall goals, the following goals, and strategies related to housing are set forth.

Goal 1. Encourage and facilitate the provision of a variety of housing opportunities that meet the lifestyle and economic needs of the city's diverse residents.

Strategy 1.1 Encourage the maintenance of the City's existing diverse housing stock.

Strategy 1.2 Maintain a pattern of guided land uses that will allow for the development of diverse housing types that meet lifestyle and economic needs in the future.

Strategy 1.3 If and when land is annexed from adjacent township areas, work with the township, Scott County, the Metropolitan Council and other agencies to preserve life cycle and affordable housing in those areas, or if that is not possible, replace that housing within the community whenever possible.

Strategy 1.4 The City's Land Use Plan will continue to identify areas for low-, medium, and high-density housing development. (The table showing future land use acreage can be found in the Land Use Chapter of this plan.)

Strategy 1.5 The City will continue to encourage innovative design, affordable housing, and efficient use of land through the planned unit development (PUD) provisions of its zoning ordinance.

Strategy 1.6 Promote and encourage residential design and development that takes into account the City's important natural resources and Natural Resource Corridors.

Strategy 1.7 The City will use its planning, zoning, and other regulatory powers to protect existing residential neighborhoods from incompatible uses.

Goal 2. Promote the maintenance of the existing stock of affordable housing, and the development of new affordable housing opportunities within the City.

Strategy 2.1 Whenever feasible and required, cooperate with the Scott County Community Development Agency (SCCDA, formerly Scott County Housing and Redevelopment Agency) to facilitate its continued first-time home buyer program. An

example of such cooperation may be the offering of tax forfeit land to reduce the cost of housing construction to facilitate the program.

Strategy 2.2 Cooperate with the SCCDA and non profit organizations such as Christmas in May*Shakopee to coordinate the rehab of about six affordable homes per year through available programs.

Strategy 2.3. Continue to invest (through the City's capital improvement program/CIP) in high quality streets, sanitary sewer, water, surface water drainage systems, parks, and other public facilities that help to preserve and enhance the value of residential properties and neighborhoods, thereby encouraging private investment in the maintenance and preservation of homes.

Strategy 2.4 Continue to support the Scott County Community Development Agency (SCCDA, formerly Scott HRA) through the payment of a portion of municipal property taxes.

Strategy 2.5 Wherever possible, partner with, or provide assistance to, the SCCDA in the development of additional housing opportunities for low to moderate income households.

Strategy 2.6 In response to the diminution of opportunities to plan for affordable housing that result from continued SMSC acquisition of developable lands within the City, plan for additional areas as they are annexed from Jackson Township that can accommodate additional affordable housing alternatives to meet the City's projected needs.

Goal 3. Encourage increased development opportunities for executive housing sites in order to provide residential opportunities for all income levels.

Strategy 3.1 Promote and encourage residential design and development that takes into account the City's important natural resources and Natural Resource Corridors.

Strategy 3.2 Identify areas within the developable areas of the city and adjacent townships that are best suited for larger lot development encouraging the preservation and integration of natural resources.

Strategy 3.3 Continue to monitor and adjust policies such as the *Residential Project Pointing Guide* to ensure that proposed developments meet the goals and objectives of the City.