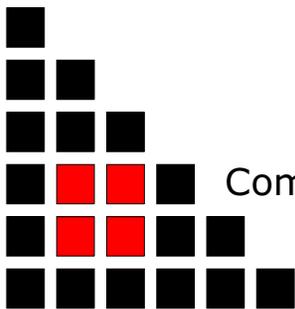


Carver County AFFORDABLE HOUSING UPDATE

July 2017

City of Chaska



Community Partners Research, Inc.

Lake Elmo, MN

Key Findings - 2017 Affordable Housing Study Update

- ▶ Chaska is the largest City in Carver County, and in the opinion of Community Partners Research, Inc., has the greatest future growth potential of the cities in Carver County.
- ▶ A realistic expectation of annual growth through the year 2021 is approximately 200 or more households per year. While a faster rate of future growth is certainly possible, Chaska has not been able to sustain annual average growth at this projected level for more than 10 years.
- ▶ For rental housing, Chaska has the largest and most diverse inventory in the County. In 2010, more than 40% of all renter-occupancy households Countywide lived in Chaska.
- ▶ Chaska has continued to produce more rental housing than any other city in the County. Since 2010, the total unit construction in Chaska is nearly equal to the level in all of the other cities combined.
- ▶ Rental housing production has been occurring within a variety of different segments and price ranges, including more affordable rental housing, specialized senior housing, and some market rate units.
- ▶ The Metropolitan Council analyzes the supply of housing that is affordable within each city. This placed nearly 65% of the existing stock in Chaska below the applicable price threshold in 2015. Most of the affordable options are within the existing rental housing inventory.
- ▶ But recent construction patterns place less than 12% of all units constructed between 2010 and 2015 as affordable. Nearly all of the newly constructed affordable housing is in rental projects.
- ▶ The Metropolitan Council calculates a Housing Performance Score for each city, based on the maintenance or expansion of affordable housing. Chaska received 97 out of 100 possible points, the highest for any city in Carver County. Of 117 Metro jurisdictions that received a score in 2016, there were only six cities that had a higher score than Chaska.
- ▶ Home ownership is increasingly becoming less affordable, as values for existing homes rise. In 2016, the estimated median value for detached single family house sales was above \$330,000. The median price for existing attached single family units is lower, with the median value for recent town house sales below \$180,000.

- ▶ Very little new single family construction is occurring within an affordable price range. As tracked by the Metropolitan Council, fewer than 2.5% of the single family units constructed between 2010 and 2015 met the definition of affordable ownership.
- ▶ According to the 2015 American Community Survey, the median income level for home owners in Chaska was just under \$96,000, and the median for renters was just below \$45,000.
- ▶ When compared to the estimated housing costs in 2015, most Chaska households were able to secure affordable housing, according to the American Community Survey. For a median income home owner, less than 20% of income was required for housing costs. For a median income renter, approximately 26% of income was needed for housing.
- ▶ While most residents had access to affordable housing, approximately 37% of all renter households did have a housing cost burden, with 30% or more of income required for gross rent. More than 73% of the renter households with a housing cost burden had an annual household income below \$35,000 in 2015.
- ▶ Going forward to the year 2021, this Update has made the following housing unit development recommendations to meet the projected growth-generated demand from approximately 200 households in an average year. The estimated tenure distribution is based on 66% owner-occupancy and 34% rental demand.
- ▶ To meet expected rental demand, at least 340 new units will be needed over the five-year projection period.

Minimum 5-year Rental Housing Recommendations

- ▶ Very affordable/subsidized 40 to 50 units
 - ▶ Moderate rent/income restricted 80 to 120 units
 - ▶ Market rate - all types 170 to 220 units
- ▶ To meet expected home ownership demand, at least 660 to 700 new units will be needed over the five-year projection period.

Minimum 5-year Ownership Housing Recommendations

- ▶ Entry-level/affordable 100 to 140 units
- ▶ Moderate/trade-up 260 to 300 units
- ▶ Higher-priced 260 to 300 units

Overview

Purpose

In 2017, the Carver County Community Development Agency (CDA) contracted with Community Partners Research, Inc., to conduct research into affordable housing needs for the individual cities in the County. The project was based on updating a previous document, the ***Comprehensive Housing Needs Assessment for Carver County, Minnesota*** which was completed by Maxfield Research Inc., in June 2014.

At the time that the 2014 project was being completed, conditions were still being impacted by the housing market decline and national economic recession that began in the late 2000s. Construction activity had been suppressed for a number of years, and growth projections were being revised to adjust for actual development patterns.

In 2014, the Metropolitan Council had made a significant downward revision to their previously issued forecasts for the individual cities in the County. Since that time at least two additional revisions have been made for some of the individual cities to better track actual market conditions and future growth potential. For Chaska, no recent revisions have been made.

This 2017 Update has been able to access more recently released information, including an additional three years of actual housing construction data. While a broad range of housing information has been reviewed in the pages that follow, particular emphasis was placed on the more affordable housing market segments.

Most of the truly market-driven housing segments have been gradually recovering and stabilizing in Metro Area cities. Market rate housing segments can typically be addressed by the traditional for-profit development community.

Affordable housing development will often require some form of public financial intervention, as the costs associated with new housing development are generally prohibitive to generate housing that can be accessed by low and moderate income people. Since affordable housing creation does not happen naturally, a better understanding of demographic and housing market conditions is required to help cities and policy makers with informed decisions of future needs.

Content

This document contains specific data updates on selected demographic and housing topics. A brief summary of the content is as follows:

- ▶ **Projected Community Growth** - There are various household growth projections that exist for the City. These projections have been reviewed, and compared to actual growth patterns in recent years. Based on this review, probable five-year growth projections have been created, and used for anticipating future housing development needs.
- ▶ **Building Permit Trends** - Updated annual totals for new housing development activity have been provided through the year 2016.
- ▶ **Affordable Housing Construction Trends** - The Metropolitan Council, with the assistance of individual cities, tracks new housing creation to determine if it is affordable. This information has been presented through 2015 to monitor the patterns within each city.
- ▶ **Existing Affordable Housing Assessment** - Using information from the Census Bureau's American Community Survey and other available data sources, the Metropolitan Council has produced an assessment summary of the total existing housing inventory in each community.
- ▶ **Future Affordable Housing Unit Allocation Goals** - The Metropolitan Council has assigned allocation goals for each community to help meet regional affordable housing needs in the future. While difficult to actually achieve, the goals are to be used to facilitate future housing development that can serve low and moderate income people.
- ▶ **American Community Survey Rental Data** - Using the detailed tables in the American Community Survey, information is presented on the overall rental inventory in the City.
- ▶ **Rental Housing Cost Burden** - Using the detailed tables in the American Community Survey, information is presented on rental housing costs compared to renter household income levels.
- ▶ **Rental Housing Inventory** - This section examines information about the total rental stock that exists along with an approximate allocation of units by market segment.

- ▶ **Rental Housing Telephone Survey** - As part of the research process for this Update, Community Partners Research Community conducted a telephone survey of the larger multifamily rental projects in the City. This survey attempted to collect current information on occupancy patterns, rent levels and market segments being served. Summary information is provided along with the property-specific findings.
- ▶ **Home Sales and Values** - Information from the Carver County Assessor's Office is provided on single family housing sales activity in 2015 and 2016, with a review of the share that are viewed as affordable.
- ▶ **Employment and Commuting Patterns** - Updated information is presented on the number of workers in the community, along with projected growth over time. Updated information on commuting patterns from the American Community Survey is provided.
- ▶ **Findings and Recommendations** - After analysis of the multiple sections presented, this final section presents projected housing development needs for the future.

Projected Community Growth

There are various projection sources that exist for population and household growth in the City. These include long-range forecasts that extend as far as the year 2040, as well as shorter-term forecasts, that extend to the years 2020 or 2021. While long-range projections may be useful for planning purposes, they will be subject to ongoing revision over time, as growth patterns change and actual household formation is incorporated into any forecasting methodology.

For the purposes of this document, emphasis has been placed on projecting near-term growth. The following table examines some of the annual average growth projections that exist for the City of Chaska, taken from five to ten-year projection periods, depending on the base year used. Since the time frame differs, each projection has been reduced to an annual average.

The Metropolitan Council **Thrive MSP 2040** forecast uses the average annual growth that is expected for the 10-year period between 2010 and 2020. For Chaska, this forecast has not been revised since originally issued in 2014.

The **2014 Carver County Housing Study** forecast uses the annual average household growth expected for the 6-year period from 2014 to 2020, as calculated by Maxfield Research Inc.

The **Esri** forecast uses the annual average growth for the 5-year period from 2016 to 2021. Esri is a private data service that is often used by government entities and financial institutions.

Table 1 Projected and Actual Growth - City of Chaska	
Data Source	Average Annual Growth
Projected	
Met Council Thrive MSP 2040	158 households/year projected
2014 Carver County Housing Study	410 households/year projected
Esri	62 households/year projected
Actual	
Average annual growth 2010-2016 estimate	168 households/year actual
Average annual housing unit construction 2010-2016	153 units/year actual
Housing units constructed in 2016	185 units actual

Source: Met Council; Maxfield Research; Esri; Building permits

As evident in the table above, there is a wide variation in the near-term growth expectations that exist for the City of Chaska.

The highest projection is contained in the 2014 Carver County Housing Study, which expects Chaska to add an average of 410 households per year between the base year of 2014 and 2020, the end of the projection period. That annual growth forecast is more than double the other sources reviewed, including the Metropolitan Council forecast which expects an annual average of approximately 158 households in a typical year over the entire decade.

Based on the available information, the Maxfield forecast appears to be much too high. To reach the incremental growth that is projected, the annual housing unit construction totals would need to more than double going forward for the remainder of this decade.

However, it also appears that the Metropolitan Council's average incremental growth forecast will be low going forward, as housing production moved above 185 units annually in both 2015 and 2016. For the remainder of the current decade, projected annual growth of 200 or more housing units per year would seem to be very possible in Chaska, and a better indicator of the City's near-term growth potential.

On an average annual basis, Chaska has slightly exceeded the Met Council's expected level of annual growth from 2010 through 2016 and it seems very likely that the City will continue to exceed the annual increment from 2017 through 2020. As a result, it would appear that the Metropolitan Council's forecast of 10,400 total households by the year 2020 will be an overly conservative projection. To reach the 2020 target, the City would only need to average approximately 144 households per year between 2016 and 2020. Instead, it is reasonable to expect between 10,600 and 10,700 total households in Chaska by the year 2020.

Long-Range Forecasts

Although this Study has not focused on longer-term projections, they are necessary for City planning efforts. The forecasts from the Metropolitan Council for the City of Chaska would expect average incremental growth of 190 households per year between 2020 and 2030, and 190 households per year between 2030 and 2040.

With the expectation that Chaska will add 200 or more households per year for the remainder of the current decade, the long-range forecasts are probably conservative for future growth, but reasonably consistent with current patterns.

Building Permit Trends

The following table tracks new housing unit creation in the City of Chaska, using annual building permit reports. This information has been obtained from the Metropolitan Council and from City records. In most cases, the units represent new construction, but in some cases, units created through the conversion of existing structures could also be reported.

Information for the period from 2010 to 2013 has also been reviewed from the Comprehensive Housing Needs Assessment for Carver County, prepared by Maxfield Research Inc. in 2014.

Table 2 Chaska Housing Construction Activity: 2010 to 2016				
Year	Single Family Detached	Attached Single Family	Multifamily	Total Units
2016	129	5	53	187
2015	133	2	138	273
2014	136	28	0	164
2013	130	4	40	174
2012	115	4	54	173
2011	54	0	0	54
2010	43	0	0	43
2010-2016 Total	740	43	285	1,068

Source: City of Chaska; Metropolitan Council

Like many communities in Minnesota, Chaska had a reduced level of new housing construction activity in the early years of the current decade, following the housing market collapse and economic recession of the late 2000s. During the construction boom years in the early 2000s, the City had achieved very high levels of home building, with approximately 475 owner-occupancy houses permitted in 2004. But by 2010, fewer than 50 single family houses were constructed in Chaska.

In 2012, some recovery began in the owner-occupancy housing segment, and more than 100 single family units have been constructed in Chaska annually since that time. The large majority of these units are in the form of detached single family houses, but some attached construction, including twin homes and town houses have also been built.

There has also been some new construction of multifamily rental projects, as summarized below:

- ▶ ***Creek's Run Townhomes Phase 2*** - 38 units permitted in 2016
- ▶ ***Clover Ridge Townhomes*** - 15 units permitted in 2016
- ▶ ***Height of Chaska*** - 138 senior units providing varying levels of care
- ▶ ***Creek's Run Townhomes Phase 1*** - 40 units in 2013
- ▶ ***The Landing*** - 54 senior housing units in 2012

Pending Projects

According to City staff, there are some larger-scale projects proposed or planned for construction in 2017, including:

- ▶ A market rate rental project with 100 to 120 luxury rental units has been proposed in 2017
- ▶ A 70-unit town house project has been proposed - units would be intended for owner-occupancy
- ▶ A 250-lot subdivision is starting development in 2017 but lots will be improved in 40-lot phases

Lots and Land

No specific information was obtained from the City of Chaska on the estimated supply of improved residential lots, or land within some phase of planning or development. However, as indicated in the pending projects for 2017 that are listed above, developers are able to respond to market conditions, and introduce new phases of lot development as dictated by demand. As a result, there are no constraints on future housing development that would be anticipated in Chaska due to an inadequate supply of lots or land.

Met Council Affordable Standard - Recent Construction

The Metropolitan Council conducts an annual survey to estimate the number of newly constructed owner and renter-occupancy housing units that are affordable to a household at 80% of the area median income level. Due to the timing of the reports, information on 2016 housing construction activity was not yet available.

There are some potential differences that may exist between the unit totals displayed in the table below, and the annual building permit summary presented on the previous pages. For most years, any differences would be minor. There can also be some differences in the estimated tenure of units, depending on the data source that was used.

Table 3 Affordable Housing Construction Activity: 2010 to 2015					
Year	Single Family Total	Single Family Affordable	Multifamily Total	Multifamily Affordable	Total Affordable Units
2015	135	1	138	28	29
2014	162	1	2	2	3
2013	130	2	18	0	2
2012	119	2	54	54	56
2011	54	2	0	0	2
2010	43	6	0	0	6
2010-2015 Total	643	14	212	84	98

Source: Metropolitan Council

As tracked by the Metropolitan Council, approximately 11.5% of all housing units constructed within the City of Chaska between 2010 and 2015 would meet the basic definition of affordable housing, based on a standard set at 80% of median income.

Most of the affordable units were created in multifamily projects, which largely represented rental housing. Chaska has had some units constructed through the federal housing tax credit program, or using HUD resources. As a result, more than 39% of the multifamily units are considered to be affordable. Within the single family housing segment, this percentage was much lower, at less than 2.2% of recent construction.

Metropolitan Council Housing Performance Scores

The Met Council, in conjunction with the Minnesota Housing Finance Agency, issues an annual score for each Metropolitan Area community. These scores are used to give priority in funding to cities and townships that are maintaining or expanding their supply of affordable housing and using fiscal, planning, and regulatory tools to promote affordable and mixed-income housing. These scores can range from 0 to 100 points.

The Metropolitan Council Housing Performance Score gives Chaska 97 out of 100 possible points, the highest for any city in Carver County. Of 117 jurisdictions that received a score in 2016, there were only six cities that had a higher score than Chaska, including the central cities of Minneapolis and St. Paul.

Affordable Housing Inventory Assessment

To assist communities with their Comprehensive Planning efforts, the Metropolitan Council has analyzed American Community Survey and other available data sources to establish a starting point for addressing affordable housing needs. According to the Met Council, this information meets the minimum requirements for the Existing Housing Assessment component of the Comprehensive Plan. This document can be viewed at:

https://metro council.org/Handbook/Files/Existing-Housing-Assessment/02393809_Chaska_ExistingHsg.aspx

Only one of the items from the Existing Housing Assessment is provided below. It examines the number of existing units that are considered affordable to low and moderate income households. For the City of Chaska, this assessment used a total housing unit inventory count of 9,795 units in 2015.

Table 4 Affordable Existing Housing Allocation - 2015		
Affordable Level	Total Units	% of All Units
30% or less of median	1,018	10.4%
31% to 50% of median	1,693	17.3%
51% to 80% of median	3,630	37.1%
Above 80% of median	3,454	35.3%
Total	9,795	100%

Source: Metropolitan Council

According to the analysis by the Metropolitan Council, the existing housing stock in Chaska is relatively affordable. Overall, nearly 65% of all units were viewed as affordable to households earning 80% or less of the Twin Cities median income level in 2015. Nearly 28% of all existing units were viewed as affordable for households at or below 50% of the median income level.

While the affordable housing breakdown does not identify occupancy tenure, the overall unit total implies that many affordable single family ownership options exist. In the analysis, there were only 3,031 total rental units citywide. With more than 6,300 units in Chaska that were considered to be affordable, this would indicate that a large number of single family houses were also counted using this standard.

Affordable Housing Allocation Needs

As part of the Metropolitan Council’s assistance role in helping communities to plan for future development, a city-by-city allocation has been made which distributes the region-wide affordable housing needs. The Region’s total need for affordable housing during the time period from 2021 to 2030 is 37,900 units. Chaska's allocation of this need is 571 units.

It is important to recognize that the allocation of units should be interpreted as a goal for the community, but the Metropolitan Council recognizes that most cities will not be able to create all of the units, especially serving the lowest end of the median income range. Instead, these allocations are provided for planning purposes, to help assure that a city could accommodate this level of unit growth, if the opportunities emerge. While recognizing that these are targets for items such as land use planning or infrastructure extensions, the numbers could also be used to establish targets for actual construction.

Although the most recently released allocation targets span the period between 2021 and 2030, they represent better guidance than those released for the period between 2011 and 2020. The allocations for the current decade were based on a rate of growth that was projected to be substantially greater than what has actually occurred. As a result, the numeric targets are much too high for the share within more affordable price ranges. Instead, the allocations for the next decade are better matched to current growth trends.

Table 5 Ten-year Affordable Housing Allocation Goals					
	30% or less of median	31% to 50% of median	51% to 80% of median	Total Affordable	% of Expected Units
Unit Allocation	249	156	166	571	30%

Source: Metropolitan Council

The allocation goals cover a 10-year time period, and would include both rental and ownership housing options. However, in most cases, these would tend to represent rental housing creation, as serving low and moderate income households with ownership options would be extremely difficult, especially for households below 50% of the median income level.

In comparison to recent patterns, these allocations are high. In actual practice between 2010 and 2015, fewer than 100 affordable units were created in Chaska, based on these standards. This represented approximately 11.5% of all construction, while this allocation sets a goal that approximately 30% of future construction will be within the affordable price ranges.

American Community Survey Rental Data

The American Community Survey (ACS) provides additional information on rental units that exist in each of the cities in Carver County. Chaska has the largest number of rental units and renter-occupancy households. At the time of the 2010 Census, approximately 40% of all renters in Carver County were living in the City of Chaska. The number of renters was more than double the City of Chanhassen, which had the second largest supply of rental units.

Due to the larger number of renter households in Chaska, the annual sampling completed by the American Community Survey has a better chance of collecting more consistent data. As a result, additional details have been provided.

The most recent estimates available for Chaska are for 2015. In that year, the ACS estimated that there were 2,988 renter-occupancy households living in the City, with a margin of error +/-261 households. Based on all other information, this estimate may be slightly high for occupied rental units, but there were 2,665 available units counted in the 2010 Census, and more units were added between 2010 and 2015. As a result, the 2015 American Community Survey estimate would appear to be relatively accurate.

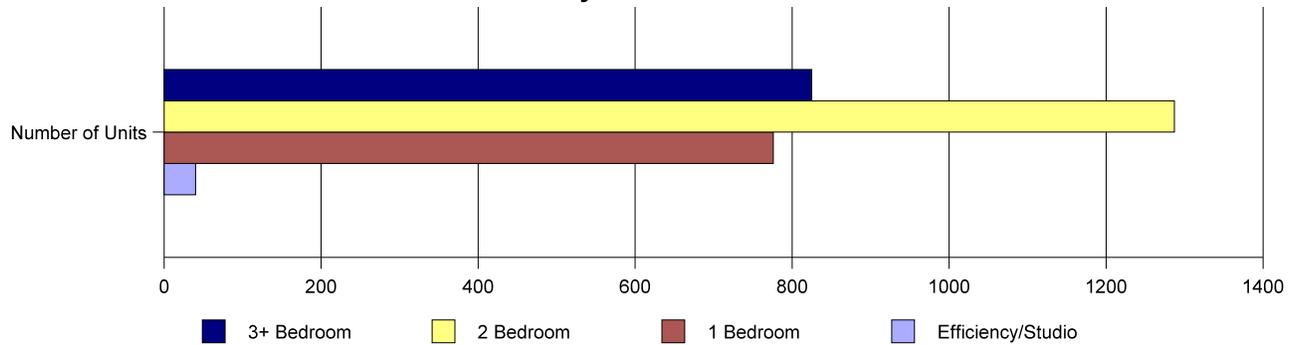
Table 6 Chaska Rent Distribution by Bedrooms - 2015						
Unit Size	Rent less than \$500	Rent \$500 to \$749	Rent \$750 to \$999	Rent \$1,000+	No cash rent	Total Units
Efficiency/Studio	16	24	0	0	0	40
1 Bedroom	125	103	346	202	0	776
2 Bedroom	40	40	675	486	46	1,287
3+ Bedroom	0	41	66	591	127	825
Total	181	208	1,087	1,279	173	2,928

Source: American Community Survey

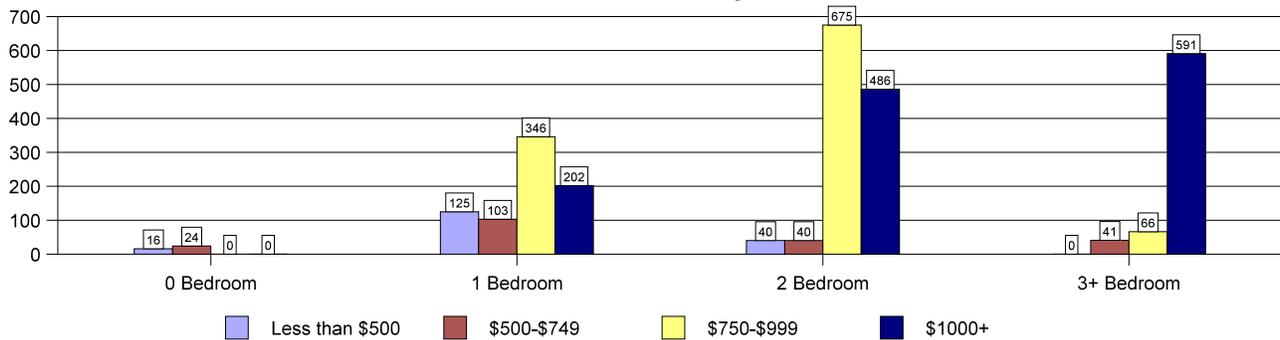
According to the American Community Survey, nearly 44% of all rental units in Chaska have two bedrooms. Approximately 28% have three or more bedrooms, and nearly 27% have one bedroom. Chaska has a small number of efficiency/studio rental options.

These statistics would represent occupied housing, as no distribution details exist for vacant units.

Chaska Rental Units by Number of Bedrooms - 2015



Chaska Gross Rent Distribution by Bedroom Size - 2015



Median Gross Rent

While information on rental rates from 2015 is already somewhat dated, the following median gross rent levels were defined.

Table 7 Median Gross Rental Rates in 2015

	0 Bedroom	1 Bedroom	2 Bedroom	3+ Bedroom	All Units
Median Gross Rent	\$658	\$866	\$965	\$1,437	\$980

Source: American Community Survey

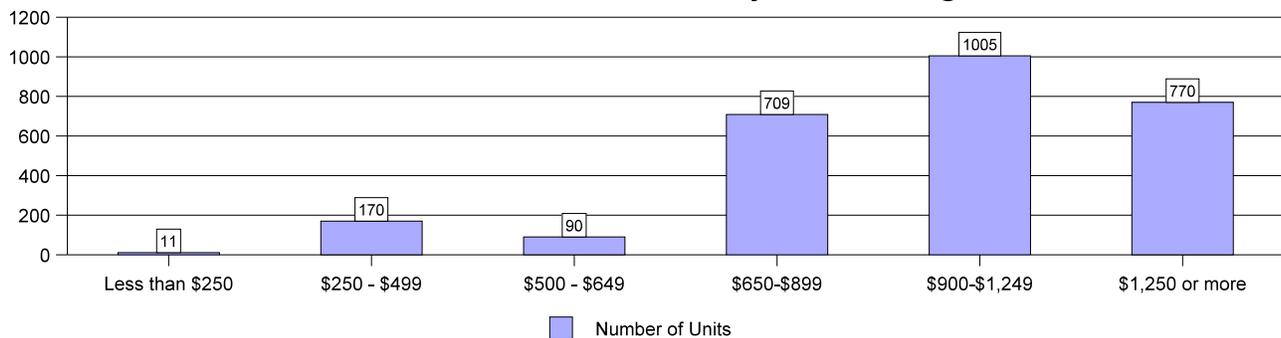
The median gross rent in 2015 for all rental housing units in Chaska was \$980 per month, including tenant-paid utilities. The median for 0-bedroom units was \$658. For 1-bedroom units, the median gross rent was \$866 per month. For 2-bedroom units, median gross rent was \$965 per month.

Prices increased rapidly for rental units with three or more bedrooms. For these larger units, the estimated median gross rent was \$1,437 per month. It is possible that many rental units with three or more bedrooms exist in single family structures, such as houses converted to rental use or rental town homes. In single family rentals, it is typical for the tenant to pay nearly all of the utilities, which contributes to the higher monthly gross rent amount.

Gross Rental Rate Distribution

The information on gross monthly rent by the number of bedrooms used fairly broad ranges for reporting rents. The American Community Survey also presents information on gross rents within more defined ranges, but this information is not distributed by bedroom mix.

Chaska Rental Unit Distribution by Rent Range - 2015

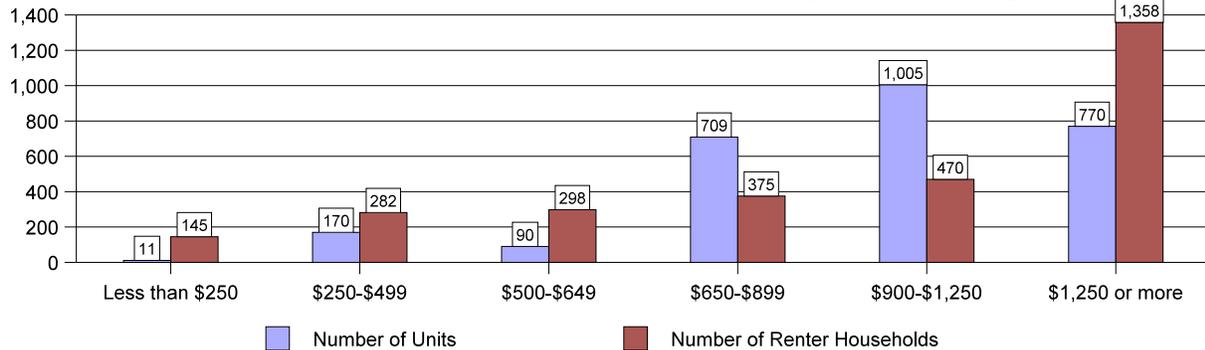


The rent distribution tables from the American Community Survey also do not differentiate between different segments of the market. Since all types of renter households should be surveyed, the rent distribution should include subsidized units, tax credit units, and probably some specialized senior housing, including units that include special services such as meals. However, the vast majority would represent conventional, market rate housing units.

Comparison of Rent and Renter Income

Using the overall distribution of gross monthly rents and renter household income, which is also included in the American Community Survey, it is possible to compare rents and income. The following chart displays the overall rent distribution within defined price ranges as estimated for all rental units in the City. This is then compared to the number of renter households that would need a unit within this same basic price range, using a standard that 30% of income can be applied to housing costs.

Comparison of Income to Unit Distribution by Rent Range - 2015



Comparing supply and demand, based on the price needed versus unit distribution, shows some interesting patterns. First, there are many more low income households that need a unit priced less than \$500 than there are units available. There are more than twice as many households with an annual income below \$20,000 as there are units that have a gross rent that is less than \$500 per month.

The mismatch between very affordable units and renter households with an income below \$20,000 would be helped somewhat by rent assistance Vouchers or other public assistance programs. However, even with some rent assistance available, there are many lower income households with a housing cost burden. This is a group that generally cannot be served by the conventional rental market, where very few units exist in an affordable price range.

The unit supply in the price range between \$500 and \$649 is limited, and there are approximately three times as many households within the corresponding annual income range.

In the moderate rent ranges between \$650 and \$900, there are nearly twice as many units than corresponding households based on income. Presumably, many of the lower income households that cannot find a unit that is priced below \$650 instead move into units in these higher price ranges, even though it may constitute a rent burden. It is also probable that some higher income households are renting down, and are applying a smaller percentage of their income to housing costs.

In the higher rent ranges of \$900 or more, the overall supply of units in 2015 was generally similar to the number of renter households with moderate to higher incomes. The American Community Survey estimates show that approximately 62% of all renter households in Chaska in 2015 had an annual income of \$36,000 or more.

It is important to recognize additional factors that may have impact the estimated supply of higher-priced rental units. Some of the higher-priced units probably reflect specialized senior housing options, including independent living units that include meals and/or services. These units are generally priced at \$1,250 or more, and would tend to inflate the unit count within the higher rent ranges. With the limited detail available within the American Community Survey, it is difficult to adjust the data to reflect the impact of specialized senior housing on the rent distribution.

Rental Housing Cost Burden

The American Community Survey also provides data on the number of renter households that are paying different percentages of their gross household income for housing in the City.

Table 8 Gross Rent as a Percentage of Income by Age			
Percent of Income for Housing	Renter Households Age 64 and under	Renter Households Age 65+	All Renter Households
Less than 30%	1,366	281	1,647
30% or more	838	256	1,094
Not Computed	149	38	187
Total	2,353	575	2,928

Source: American Community Survey

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

According to the American Community Survey, approximately 37% of all renters in the City were paying 30% or more of their income for rent. The rental cost burden statistics showed all age groups were impacted.

In numeric terms, most cost-burdened households were age 64 or under. In percentage terms, approximately 44.5% of senior households were paying 30% or more of their income for housing. Nearly 36% of the non-senior renter households also had a cost burden.

Although a housing cost burden could be caused by either high housing costs or low household income, in Chaska it was primarily due to the income levels for renters. More than 73% of the renter households with a housing cost burden had an annual household income below \$35,000 in 2015. To avoid a cost burden, these households would have needed a unit with a gross monthly rent of \$875 or less.

According to the 2015 American Community Survey, the median household income for all renters in Chaska was \$44,753 in 2015, above the Countywide renter median of \$41,599. For all renter households, the median percentage of household income applied to rental costs was 26.1%. This was a lower percentage than the Countywide median of 27.8% of income needed for rent.

Rental Housing Data

Census Records

According to the 2010 Census, the City of Chaska had 2,424 occupied rental housing units, and at least 241 unoccupied units, for a total estimated rental inventory of 2,665 units. The City's rental tenure rate was 27.5% in 2010, similar to the Statewide rental rate of 27%. The 2010 Census represents the last official benchmark of the size of the City's rental stock.

Based on building permit reports, as many as 257 rental units have been added in multifamily projects constructed after the 2010 Census. This recent total would include units that started construction in 2016 and that may not yet be ready for occupancy. With the newly-built units, the total rental inventory in 2017 may be as large as 2,922 units, before allowing for any additional shifts between vacant and occupied units, or changes in tenure-conversion.

Rental Registration Records

Chaska does have a rental housing licensing requirement. In early 2017, there were 2,521 licensed units. There are some types of State-licensed housing, such as group homes, nursing homes, memory care and assisted living, that do not need to license with the City.

The City also recognizes that not all units are properly licensed, especially in single family rental homes. When compared to other data sources, the potential undercount could be as large as approximately 600 units, but the actual number of unlicensed rental units would probably be lower than this number. The remaining difference would be due to unit types that are not required to register in Chaska, such as assisted living.

Metropolitan Council Estimates

The *Local Planning Handbook* prepared by the Metropolitan Council includes an ***Existing Housing Assessment*** for Chaska. That research document estimated that Chaska had 3,031 rental housing units in 2015, which would include both occupied and vacant housing. Based on the overall distribution of units, regardless of occupancy, the estimated rental tenure rate was 30.9%.

This estimate from Met Council would show the largest number of rental units, exceeding both the Census reconciliation and the rental registration totals.

Reconciliation of Data Sources

Although no precise number exists on the size of the overall rental stock, a working estimate of 2,900 to 3,100 total units in 2017 represents a reasonable number for Chaska’s rental housing inventory. While some of these units would be unoccupied, the best available information would indicate that a low rental vacancy rate tends to exist in the community, so only a small percentage would be unoccupied at any point in time.

Rental Market Segments

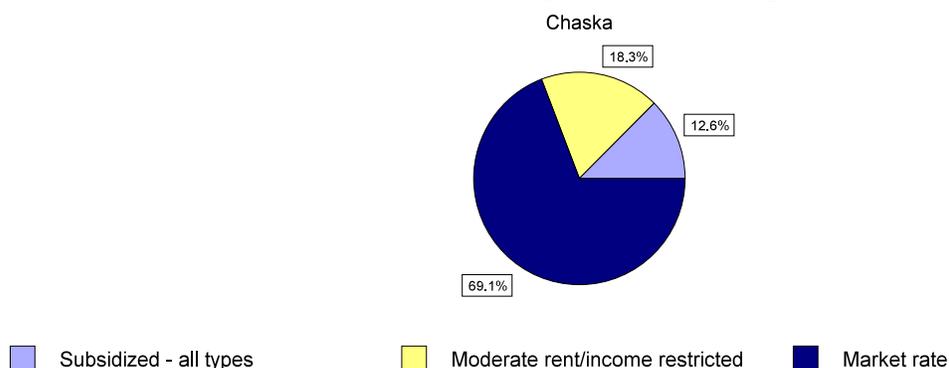
Chaska has the most diverse housing stock in Carver County. Although precise details do not exist, the following summary generally defines the different subsets of the local market. This summary does not include the various providers of specialized senior housing, such as nursing home rooms, assisted living, memory care units or group homes.

- ▶ **Federally-subsidized units** - 327 units
 - ▶ General occupancy - 79 units
 - ▶ Senior/disabled occupancy - 173 units
 - ▶ Senior occupancy - 54
 - ▶ Homeless and long-term homeless, including veterans - 21 units

- ▶ **Moderate rent with income and occupancy restrictions** - 478 units
 - ▶ Moderate rent tax credit - 284 units
 - ▶ Moderate rent Carver County CDA (includes Windstone) - 194 units

- ▶ **Market rate housing** - 1,700 to 1,900 units

Rental Units by Market Segment



Some of the defined housing segments listed above may apply differing rules and regulations. For example, some of the federally subsidized housing units have project-based rent assistance, allowing tenants to pay rent on 30% of income, while other units may charge a basic rent amount, even if it exceeds 30% of income. However, the basic rent structure in a subsidized unit without project-based assistance would still be well below comparable market rents and would represent a very affordable housing option.

Within the moderate rent/income restricted properties, the maximum allowable income or rent limits could be set at differing levels, from potentially 50% to 100% of the area median level. While the specifics can vary, the goal of this housing is to serve more moderate income renters, and the regulations exist to keep these units in an affordable price range. Since these projects cannot typically offer any project-based rent assistance, they tend to serve moderate income households, while subsidized housing serves low income renters.

Excluding the specialized senior segment that includes services, approximately 69% of all rental units in Chaska serve the traditional market rate segment. Nearly 31% of the identified rental options are in some form of affordable housing, in projects that have rent subsidies, income restrictions and/or a maximum rent structure.

There are also some tenant-based rent assistance Vouchers in use. However, the exact locations within the City for these Vouchers cannot be determined. It is probable that some are being used within the income-restricted projects, assisting very low income tenants that cannot afford an even low or moderate rent structure. But it is also likely that some Vouchers are being used in market rate housing, increasing the percentage of units in Chaska that could be considered as subsidized housing.

Affordable Housing Gains and Losses

There has been some growth in the supply of income-restricted housing affordable housing in Chaska. Since 2010, Creek's Run Townhomes I and II, with a combined 50 affordable units, and The Landing, with 54 subsidized senior units, have all been constructed.

There have no identified losses of affordable, income-restricted housing since 2010. Some of the earliest tax credit projects did complete their compliance requirements in the 2000s. At least two formerly subsidized projects, Lake Grace Apartments and Windstone Townhomes, did end their subsidy contracts in the past, but both projects were acquired by the Carver County CDA which has an affordable housing mission.

Rental Housing Survey

In February and March of 2017, a telephone survey was conducted of multifamily rental developments in the cities in Carver County. The survey primarily focused on rental properties with six or more units. The following table presents information for subsidized, moderate rent/income restricted, and marketed rate projects separately.

The following basic definitions have been applied to identify these specific sectors within the broader housing market.

Subsidized housing is defined as units that have some form of federal or state subsidy assistance, typically provided through the U.S. Department of Housing and Urban Development (HUD), or through USDA Rural Development. In many cases, subsidized housing can offer project-based rent assistance, designed to allow households to pay rent based on 30% of income. However, not all subsidized projects can offer rent assistance for all units. In some cases, generally in Rural Development projects, a basic minimum rent is required. But these basic rents are still below the prevailing rental rates, and can offer a more affordable option, even if more than 30% of income is required from some households.

Moderate rent/income restricted housing is defined as projects that are regulated in some way, with maximum income limits, rent restrictions, occupancy restrictions, or all of the above. There are various programs that can be used to create this type of housing. The federal housing tax credit program is often used, and maximum tenant incomes are capped at 60% of median. The Carver County CDA has also developed some units that have income limits capped at either 80% or 100% of the area median income level.

These **moderate rent/income restricted** properties rarely have any type of project-based rent assistance, although a small number of units may be designated as replacement Public Housing/MHOP, or as units serving people experiencing long-term homelessness. While a small percentage of units may be very affordable, most within this market segment tend to serve more moderate income households. Many projects will require that a tenant have a monthly income that is at least double the rent amount, so a unit priced at \$850 would require an annual income above \$20,000. Although the actual gross monthly rental rates in these projects may often approach the prevailing rental rates in the purely private market, the regulatory restrictions that apply are intended to keep these units in an affordable range for many years.

As used in this document, **market rate** rental housing defines projects that do not have any forms of rent, income or occupancy restrictions, other than those that pertain to the private competitive marketplace. Within the market rate segment, there may be newer, “luxury” projects with very high rent levels, as well as older conventional housing that offers low monthly rates.

Survey Coverage

Nearly all of the larger identified multifamily rental projects in Chaska were successfully contacted in the telephone rental survey.

The following rental segments were represented in the survey results:

- ▶ 100 units of subsidized general occupancy housing in 10 separate projects
- ▶ 227 units of subsidized senior/disabled occupancy housing in 3 projects
- ▶ 478 units of moderate rent/income restricted housing in 10 projects
- ▶ 1,152 units of market rate housing in 16 projects

General summaries of the survey findings are presented by market segment.

Subsidized Housing Summary

There are 14 different rental projects in Chaska that can offer some units of federally subsidized rental housing. Combined, these projects have 327 very affordable units. All of these subsidized units have access to project-based rent assistance, allowing tenants to pay rent based on 30% of income.

Ten of the projects, with a combined total of 100 units, provide general occupancy subsidized housing, although some of these units have additional restrictions, such as veteran's housing or serving homeless or long-term homeless populations. The other three projects, with 227 combined units, are designated for senior and/or disabled tenant occupancy.

The general occupancy options are:

- ▶ **Brickstone Townhomes** - 4 MHOP units in a mixed-income project
- ▶ **Brickyard Apartments** - 6 units in a mixed-income project
- ▶ **Chaska Village Townhomes** - 28 units
- ▶ **Clover Field Marketplace** - 21 units in a mixed-income project
- ▶ **Clover Ridge Townhomes** - 3 units in a mixed-income project
- ▶ **Carver County Public Housing** - 10 units in scattered sites
- ▶ **Creek's Run Townhomes I** - 4 units in a mixed-income project
- ▶ **Creek's Run Townhomes II** - 4 units in a mixed-income project
- ▶ **East Creek Carriage Homes** - 5 MHOP units in a mixed-income project
- ▶ **Lake Grace Apartments** - 8 units in a mixed-income project
- ▶ **Windstone Townhomes** - 4 Public Housing scattered site units and 3 project-based Vouchers in a mixed-income project

Some of the subsidized general occupancy units do have special occupancy restrictions. Other units, such as MHOP, are generally filled through a referral system through the Minneapolis PHA.

The senior/disabled occupancy options are:

- ▶ **Talheim** - 59 units
- ▶ **The Landing** - 54 units
- ▶ **Waybury at Chaska** - 114 units

Occupancy/Vacancy

All of the subsidized projects in Chaska reported full occupancy at the time of the rental survey, and most reported the existence of a waiting list. Any open units that may exist from time to time are due to the application processing requirements that may apply.

Moderate Rent/Income Restricted Housing Summary

There are 10 rental projects in Chaska that meet the basic definition within this segment as used in this Update. Due to the differing types of assistance that were used, these projects have differences in the specific rules that apply and the income groups served.

The primary assistance programs used within this market segment are federal low income housing tax credits and Carver County CDA project financing. Tax credit projects serve households up to 60% of the median income, while CDA projects may serve households up to 80% or more of the median income level.

The rental projects in Chaska included within this housing segment are as follows:

- ▶ **Brickstone Townhomes** - 26 moderate rent tax credit units in a mixed-income project
- ▶ **Brickyard Apartments** - 26 moderate rent CDA units in a mixed-income project
- ▶ **Carver Ridge Townhomes** - 82 moderate rent tax credit units in a mixed-income project
- ▶ **Clover Field Marketplace** - 38 moderate rent tax credit units in a mixed-income project
- ▶ **Creek's Run Townhomes I** - 36 moderate rent tax credit units in a mixed-income project
- ▶ **Creek's Run Townhomes II** - 34 moderate rent tax credit units in mixed-income project
- ▶ **Crosstown Commons** - 34 moderate rent tax credit units
- ▶ **East Creek Carriage Homes** - 34 moderate rent tax credit units in a mixed-income project
- ▶ **Lake Grace Apartments** - 83 moderate rent CDA units in a mixed-income project
- ▶ **Windstone Townhomes** - 85 moderate rent CDA units in a mixed-income project

Combined, these projects offer 478 total units of moderate rent housing that have income limits and/or rent restrictions for tenants. Some additional units within these projects have been analyzed as subsidized housing, due to the presence of project-based rent assistance.

Occupancy/Vacancy

As reported to the telephone survey, a high rate of occupancy exists within this moderate rent income-restricted segment. No actual vacancies were reported when each project was contacted. There may have been some units in the process of being filled, as processing paperwork can result in units being unoccupied for short periods of time, but nearly all projects work from existing waiting lists to fill open units.

The lengths of waiting lists can vary, but low turnover is common in this type of affordable housing. As a result, waiting lists can be out-of-date, as many moderate income households cannot wait for an extended period of time when looking for a housing option.

The strongest indicator of unmet demand for moderate rent income-restricted housing was reported for Creek’s Run Townhomes II, which was still under construction at the time that research was being completed for this Update. The manager of this property had assembled a list of interested applicants, and had more than 500 households on that list for the 38 total units that were planned for initial occupancy later in 2017.

Rental Rates

Moderate rent income-restricted units assisted through the low income housing tax credit program have a maximum rent structure that is capped at 60% of the median income level. In some cases, a portion of the units may be set-aside at even lower income levels, with rents at 50% or less of median income.

In 2017, the following rent limits were applicable to most of the projects:

<u>Bedrooms</u>	<u>50% of Median</u>	<u>60% of Median</u>
0-Bedroom	\$758	\$910
1-Bedroom	\$812	\$975
2-Bedroom	\$975	\$1170
3-Bedroom	\$1126	\$1351
4-Bedroom	\$1256	\$1507

While there is some variation in the rent structure between individual projects, most of the moderate rent tax credit units have a gross monthly rent that is between the 50% and 60% of median income levels.

Although the Carver County CDA projects can serve households up to 80% of median income, the rent structure tends to be lower and is typically less than the 50% of median income rent limits.

Market Rate Housing Summary

A majority of the rental options in Chaska would be defined as purely market rate housing. The rental survey was successful in collecting information from more than 1,200 units within this housing segment.

In market rate housing there can be wide variation in unit types. Some of the older market rate units in Chaska are in older buildings with few amenities and a relatively affordable rent structure. There are also some “luxury” rental projects, which have a much higher rent structure, and offer many modern amenities for residents, including swimming pools, fitness centers, and attached parking.

Some of the market rate rental stock also exists in smaller properties that were not included in the survey. This would include single family houses that are offered as rental units.

Occupancy/Vacancy

There were a limited number of vacant units reported to the telephone survey, but overall, the occupancy rates were high in Chaska’s market rate properties. The estimated vacancy rate at the time of the rental survey was approximately 1% within this housing segment.

There is limited current information that would allow for a direct comparison between the vacancy rate in Chaska and within the larger Twin Cities regional market. However, vacancy rates have generally remained low in the Twin Cities in recent years, resulting in above average unit construction within the market rate segment.

As tracked elsewhere in this document, very little new construction of market rate rental housing has taken place in Chaska in recent years. Unlike other Metro Area communities, the limited expansion in supply has resulted in a low rental vacancy rate.

Rental Rates

There is a significant variation in the market rate rents being charged in Chaska. Many of the older market rate projects, especially those constructed in the 1970s or 1980s, would actually meet the definition of “affordable” rental, as tracked by the Metropolitan Council. Newer projects typically have higher rates, but also offer more amenities.

HousingLink is a nonprofit organization that was created as a clearinghouse for affordable housing resources and information. This organization publishes a quarterly ***Twin Cities Rental Revue*** which tracks changes in rental rates by neighborhood or community. Chaska is one of the cities included in the report. The frequent updates available from this source allow for ongoing monitoring of rental rates.

The following median rent estimates have been taken from the fourth quarter of 2016. This reflects median rents within the apartment segment.

<u>Bedrooms</u>	<u>Estimated Median</u>
0-Bedroom	N/A
1-Bedroom	\$775
2-Bedroom	\$1289
3-Bedroom	\$1569
4-Bedroom	N/A

The rent structure reported by HousingLink is generally higher than many of the multifamily projects contacted by Community Partners Research in the telephone survey. However, the rents being reported by HousingLink would reflect units that have become available for rent during the prior quarter. It is known that turnover rates in more affordable housing tend to be low, and the higher-rent segment may have the greatest likelihood of being advertised as available housing.

Tenant-based Rent Assistance Vouchers

In addition to the subsidized properties with project-based rent subsidies, Carver County renter households have access to HUD Housing Choice Vouchers. In March 2017 there were 249 Vouchers in use in the County, including 148 in Chaska. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City and County can vary from month to month.

Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amount. The rent assistance is administered by the Metro HRA, and serves much of the Twin Cities Metropolitan Area.

Metro HRA maintains a waiting list of households looking to secure a rent assistance Voucher. No specific information could be obtained on the number of Carver County households that are currently on the waiting list. However, the waiting list is closed to new applicants due to its length.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Aspen Oaks 111201 Village Rd	4 - Efficiency 30 - 1 Bedroom <u>10 - 2 Bedroom</u> 44 Total Units	\$650 \$695-\$7505 \$850-\$860 +electric, water, sewer	No vacant units	Mix of tenants	Two-level apartment-style living units with private entrances constructed in 1970. Rent includes heat and garbage, with tenant paying electric, water and sewer. Unit amenities include stove, refrigerator, dishwasher, microwave, disposal, AC and patio/balcony. Many units have unique floor plans and features. Efficiency units have 475 sq ft; 1-bedrooms have 485 or 673 sq ft; 2-bedrooms have 794 or 823 sq ft; all units have 1 bathroom. Manager reported full occupancy.
Barbary Knoll Apartments 1595-1596 Millpond Ct	5 - 1 Bedroom 54 - 2 Bedroom <u>1 - 3 Bedroom</u> 60 Total Units	\$795-\$825 \$895-\$915 N/A +electric	No vacant units	Mix of tenants	Three-level walkup apartment building constructed in 1974. Awarded tax credits in 1989 for renovation but 15-year compliance was fulfilled. Rent includes heat but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, microwave, wall AC, balcony/patio, extra storage, and detached garage. One-bedrooms have 800-950 sq ft and 1 bathroom; 2-bedrooms have 1050 sq ft and 1 bathroom. Manager reported full occupancy with good demand.
Brickstone Estates 800 Walnut Pl	4 - Studio 19 - 1 Bedroom 26 - 2 Bedroom <u>4 - 3 Bedroom</u> 53 Total Units	\$825 \$970-\$995 \$1070-\$1125 \$1425 +electric	No vacant units	Mostly working-age tenants	Apartment project constructed in 2000. Rent includes heat but tenant pays electric. Amenities include stove, refrigerator, AC, patio/balcony, in-unit laundry and underground parking. Project amenities include community room, fitness center and children’s play room. Various floor plans exist but studios have 542 sq ft and 1 bathroom; 1-bedrooms have 783-850 sq ft and 1 bathroom; 2-bedrooms have 1061-1239 sq ft and 1 bathroom; and 3-bedrooms have 1670-1718 sq ft and 2 bathrooms. Manager reported full occupancy - most tenants are working-age.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Carver Ridge Townhomes (formerly Northcreek) 340 Crosstown Blvd	<u>10 - 3 Bedroom</u> 10 Market Rate + 82 tax credit units	\$1300 +heat, electric	No vacant units	Market rate units in mixed-income project	Mixed-income tax credit rental project constructed in 2 phases in 1985 and 1999, with 10 market rate units and 82 tax credit units listed separately. Market rate units are 2-level town houses. Tenant pays heat (gas) and electric in addition to rent. Amenities include stove, refrigerator, dishwasher, microwave, AC, in-unit laundry in 3-bedrooms and detached garage for extra fee. Project amenities include club house, fitness room and playground. Three-bedroom town homes have 1000 sq ft and 1 bathroom. Manager reported full occupancy.
Chaska Place Apartments 325 Engler Blvd	1 - Studio 23 - 1 Bedroom 78 - 2 Bedroom <u>27 - 3 Bedroom</u> 129 Total Units	\$959 \$1109-\$1129 \$1339-\$1399 \$1599-\$1649 +heat, electric	No vacant units	Mix of tenants	Apartment project with 3-level buildings constructed in 2004. Tenant pays heat and electric in addition to rent. Unit amenities include stove, refrigerator, dishwasher, microwave, disposal, AC, in-unit laundry, balcony/patio and underground parking. Project amenities include indoor pool, sauna, hot tub, community room, fitness room, game room and picnic area. Various floor plans exist but studios have 677 sq ft and 1 bathroom; 1-bedrooms have 535-793 sq ft and 1 bathroom; 2-bedrooms have 818-1382 sq ft and 1 or 2 bathrooms; and 3-bedrooms have 1250 to 1454 sq ft and 2 bathrooms. Manager reported full occupancy - many applicants are local but also many people looking to move into area.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Cedar Creek 135 Crosstown Blvd	1 - Efficiency 33 - 1 Bedroom <u>15 - 2 Bedroom</u> 49 Total Units	\$670 \$870-\$995 \$1005-\$1155 +electric	2 vacant units 2 - 1 Bdrm	Mix of tenants	Rental complex with 2 buildings constructed in 1972 and 1980. Rent includes heat, water, sewer and garbage, with tenant paying electric in addition to rent. Unit amenities include stove, refrigerator, dishwasher, microwave, wall AC, patio/balcony and detached garage for extra \$50. Complex amenities include fitness room and playground. One-bedrooms have 750 sq ft and 1 bathroom; 2-bedrooms have 1015 sq ft and 1 bathroom. Higher rent units have been renovated or are more desirable ground floor locations. Manager reported 2 vacant units due to ongoing turnover - new tenants often move in for job opportunities in the area.
Clover Field Marketplace 2915 Clover Ridge Dr	1 Bedroom 2 Bedroom <u>3 Bedroom</u> 57 Market Rate in 117 unit project	\$1081 \$1340 \$1605 +heat, electric	High rate of occupancy	General occupancy	Mixed-income apartment project constructed in 2008 that includes 57 market rate units and 59 tax credit units, which are listed separately. Tenant pays gas heat and electric in addition to rent. Unit amenities include stove, refrigerator, dishwasher, microwave, walk-in closets, in-unit laundry and balcony. Project amenities include community room, fitness center, and underground parking. One-bedrooms have 681-683 sq ft and 1 bathroom; 2-bedrooms have 1056 sq ft and 2 bathrooms; 3-bedrooms have 1163-1179 sq ft and 2 bathrooms. Some vacancies can exist in market rate units.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Hazeltine Shores Townhomes 3456 Lake Shore Dr	48 - 1 Bedroom 83 - 2 Bedroom <u>35 - 3 Bedroom</u> 166 Total Units	\$1195 \$1390 \$1630 +heat, electric	2 vacant units 1 - 1 Bdrm 1 - 3 Bdrm	Mix of tenants	Rental town house project with 25 buildings constructed in 1989-1990. Tenant pays gas heat and electric in addition to rent. Unit amenities include stove, refrigerator, dishwasher, microwave, central AC, patio/balcony, in-unit laundry, attached garage and fire place in some units. Project amenities include outdoor pool, community room, fitness room, playground and lake shore location near Hazeltine golf course. One-bedrooms have 737 sq ft and 1 bathroom; 2-bedrooms have 1015-1030 and 2 bathrooms; 3-bedrooms have 1380 sq ft and 2 bathrooms. Two units vacant at time of survey due to lease breaks, but waiting list exists and units will quickly fill. Mix of demand from locals and people from out of state moving in for employment.
Highland Shores 3100 Chestnut St N	2 - Efficiency 26 - 1 Bedroom <u>30 - 2 Bedroom</u> 58 Total Units	\$965 \$1120-\$1275 \$1415-\$1600 +heat, electric	No vacant units, waiting list	General mix of tenants	Apartment project constructed in 2008. Tenant pays heat and electric in addition to rent. Amenities include stove, refrigerator, dishwasher, microwave, granite counter tops, central AC, in-unit laundry, balcony and underground parking. Project amenities include community room, fitness room, and lake front patio. Various floor plans exist but efficiencies have 583 sq ft and 1 bathroom; 1-bedrooms have 830-1070 sq ft and 1 bathroom; 2-bedrooms have 1242-1463 sq ft and 2 bathrooms. Manager reported full occupancy and a waiting list is maintained - many calls from people that want to move to the Chaska area.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Lake Hazeltine Woods 3400 Autumn Woods Dr	14 - 1 Bedroom 25 - 2 Bedroom <u>3 - 3 Bedroom</u> 42 Total Units	\$1515-\$1615 \$1565-\$1795 \$2465-\$2505 +utilities	3 vacant units 2 - 1 Bdrm 1 - 3 Bdrm	Mix of tenants	Town house rental units with 1-level or 2-level living constructed in 2002. Rent includes water, sewer and garbage, with tenant paying heat and electric in addition to rent. Amenities include stove, refrigerator, dishwasher, disposal, microwave, AC, in-unit laundry, patio/balcony and attached garage. Various floor plans exist but 1-bedrooms have 1222-1342 sq ft and 1 bathroom; 2-bedrooms have 1502-1568 sq ft and 2 bathrooms; 3-bedrooms have 3000 sq ft and 3 bathrooms. Manager reported 3 vacant units at time of survey.
River Gables 110 1 st St E	1 -Studio 1 Bedroom <u>2 Bedroom</u> 104 Total Units	\$870 \$998-\$1138 \$1120-\$1276 +electric	4 vacant units 4 - 2 Bdrm	Primary tenants age 55 and older	Multi-level mixed-use commercial and apartment building constructed in 2001 in downtown area. Rent includes heat but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, microwave, disposal and in-unit laundry. Project amenities include community rooms, underground parking for additional fee and public terraces with river views and downtown location. Some furnished apartments available. Various floor plans exist but studios have 650 sq ft and 1 bathroom; 1-bedrooms have 765-797 sq ft and 1 bathroom; and 2-bedrooms have 881-1062 sq ft and 1 or 2 bathrooms. Building originally constructed for senior occupancy but later changed to general occupancy - approx. 75% of tenants are age 55+. Four vacant units at time of survey due to turnover, but manager reported this as atypical.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
<p>Sun Lake Woods Apartments 1045 Yellow Brick Rd</p>	<p>18 - 1 Bedroom 52 - 2 Bedroom <u>12 - 3 Bedroom</u> 82 Total Units</p>	<p>\$1060-\$1070 \$1180-\$1330 \$1350 +heat, electric</p>	<p>No vacant units</p>	<p>Mix of tenants</p>	<p>Apartment complex with 3-level buildings constructed in 2001. Tenant pays gas heat and electric in addition to rent. Unit amenities include stove, refrigerator, dishwasher, microwave, disposal, AC, fireplace, patio/balcony, in-unit laundry, and underground parking included in rent. Project amenities include indoor swimming pool and spa, fitness center, game room, walking/biking trails, and playground. Multiple floor plans exist with 1-bedrooms ranging from 800 to 900 sq ft and 1 bathroom; 2-bedrooms have 1025 to 1282 sq ft and 1.5 or 2 bathrooms; 3-bedrooms have 1392 sq ft and 2 bathrooms. Manager reported full occupancy and good demand.</p>
<p>Sun Lake Apartments 902 Yellow Brick Rd</p>	<p>10 - 1 Bedroom 22 - 1 Bdrm+den <u>32 - 2 Bedroom</u> 64 Total Units</p>	<p>\$985-\$1055 \$1065-\$1095 \$1115-\$1145 +heat, electric</p>	<p>No vacant units</p>	<p>Mix of tenants</p>	<p>Apartment complex with 4 2-level buildings constructed in 1988. Tenant pays gas heat and electric in addition to rent. Unit amenities include stove, refrigerator, AC, patio/balcony, in-unit laundry, and detached garage included in rent. One-bedrooms have 800 sq ft and 1 bathroom; 1-bedroom+dens have 900 sq ft and 1 bathroom; 2-bedrooms have 1025 sq ft and 2 bathrooms. Manager reported full occupancy and good demand.</p>
<p>Town Square Apartments 220 Walnut Street</p>	<p>24 - 2 Bedroom <u>6 - 3 Bedroom</u> 30 Total Units</p>	<p>\$975-\$1000 \$1225 +electric</p>	<p>No vacant units</p>	<p>Mostly working-age tenants</p>	<p>Three-level apartment building with elevator constructed in 1989 in the downtown area. Rent includes heat but tenant pays electric. Amenities include stove, refrigerator, AC and underground parking. Two-bedrooms have between 970 to 1100 sq ft, with 1 or 2 bathrooms; 3-bedrooms have 1372 sq ft and 2 bathrooms. Owner reported full occupancy - most tenants are working-age and employed locally.</p>

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Waters Edge 218 Waters Edge Dr	6 - 1 Bdrm Apt 6 - 2 Bdrm Apt 96 - 2 Bdrm TH <u>12 - 3 Bdrm TH</u> 120 Total Units	\$795 \$875 \$950 \$1050 +heat, electric	No vacant units	Mix of tenants	Rental complex with 12 buildings constructed in 1986. Most units are town houses but also 12 apartments are inter-mixed. Tenant pays electric heat and electricity in addition to rent. Unit amenities include stove, refrigerator, dishwasher, AC and detached garage included in rent. Two-bedroom town homes have 988 sq ft and 1.5 bathrooms; 3-bedroom town homes have 1134 sq ft and 1 bathroom. Manager reported no vacancies and good demand.
Woodcrest Townhomes 2479 Woodcrest Dr	8 - 1 Bedroom 66 - 2 Bedroom <u>10 - 3 Bedroom</u> 84 Total Units	\$850-\$875 \$950-\$995 \$1085 +heat, electric, water, sewer	2 vacant units 2 - 2 Bdrm	Mix of tenants	Rental complex with 2-level town houses constructed in 1986. Rent includes garbage but tenant pays heat, electric, water and sewer in addition to rent. Unit amenities include stove, refrigerator, dishwasher, wall AC, in-unit laundry hookup in 3-bedrooms, and detached garage. One-bedrooms have 800-850 sq ft and 1 or 1.5 bathrooms; 2-bedrooms have 1000 sq ft and 1.5 bathrooms; 3-bedrooms have 1146 sq ft and 1.5 bathrooms. Manager reported 2 vacant units with more turning over in next month - large number of 2-bedrooms results in ongoing turnover.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/ Income Restricted					
Brickstone Townhomes 850 Walnut Pl	28 - 3 Bedroom <u>2 - 4 Bedroom</u> 30 Total Units including 4 MHOP	\$1216 \$1317 +electric	No vacant units	60% of median with 4@30% of median	Tax credit town house project placed in service in 1997 - entered extended compliance in 2014. All units serve households at or below 60% of median income, and 4 units at 30% of median with MHOP rent assistance. Rent includes heat, but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, central AC, in-unit laundry, balcony/patio and attached garage. Project amenities include community room, fitness center and playground. Unit sizes not available but manager estimated 3-bedrooms at 1100 sq ft and 4-bedrooms at 1300 sq ft; all units have 2 bathrooms. Manager stated that there are never vacancies, with low rate of turnover.
Brickyard Apartments 701-709 Walnut St	11 - Studio 19 - 1 Bedroom <u>2 - 1 Bdrm+den</u> 32 Total Units with 6 project-based Vouchers	\$730 \$810 \$930 +electric	No vacant units, waiting list	General occupancy 80% of median with 6@50% of median	Mixed-use commercial/residential building constructed by the Carver County CDA in 2001. Income limits at 80% of median apply at time of tenant move-in. Six project-based Vouchers for households at 50% of median income. Rent includes heat, hot water, water, sewer, garbage and basic cable with tenant paying electric. Unit amenities include stove, refrigerator, dishwasher, disposal, wall, AC, in-unit laundry and access to underground parking for \$35/month. Studios have 694 sq ft; 1-bedrooms have 635-694 sq ft; 1-bedrooms + den have 840 sq ft; all units have 1 bathroom. Manager reported full occupancy and a waiting list - some tenants receive special County assistance and may be referred.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/ Income Restricted					
Carver Ridge Townhomes (formerly Northcreek) 340 Crosstown Blvd	5 - 1 Bdrm flat 5 - 2 Bdrm flat <u>72 - 2 Bdrm TH</u> 82 Total Units + 10 market rate	\$855 \$1015 \$1015 +heat, electric	No vacant units	60% of median	Mixed-income tax credit rental project placed in service in 1999, with 82 tax credit units and 10 market rate units - entered extended compliance in 2015. Project flats and 2-level rental town houses. Part of the project may date to 1985, and tax credit award was used for renovation of existing and construction of new units. Tenant pays heat (gas) and electric in addition to rent. Amenities include stove, refrigerator, dishwasher, microwave and AC; detached garage for extra fee. Project amenities include club house, fitness room and playground. One-bedrooms have 650 sq ft and 2-bedrooms have 853 sq ft; all units have 1 bathroom. Manager reported full occupancy but no waiting list for tax credit units - but good demand and waiting list can develop.
Clover Field Marketplace 2915 Clover Ridge Dr	1 Bedroom 2 Bedroom <u>3 Bedroom</u> 59 Tax Credit with 21 subsidized in 117 unit project	\$729-\$883 \$873-\$1057 \$1220 +heat, electric	High rate of occupancy	Tax credit units at 60% of median income or lower	Mixed-income apartment project constructed with tax credit assistance and placed in service in 2008. Tax credit units serve households at or below 60% of median - project-based rent assistance for up to 21 households with 15 from Metro HRA and 6 serving long-term homeless. Unit amenities include stove, refrigerator, dishwasher, microwave, walk-in closets, in-unit laundry and balcony. Project amenities include community room, fitness center, and underground parking. One-bedrooms have 681-683 sq ft and 1 bathroom; 2-bedrooms have 1056 sq ft and 2 bathrooms; 3-bedrooms have 1163-1179 sq ft and 2 bathrooms. Market rate units are listed separately. Tax credit units have high rate of occupancy.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/ Income Restricted					
Creek's Run Townhomes I 421 Yellow Brick Circle	7 - 2 Bedroom 25 - 3 Bedroom <u>8 - 4 Bedroom</u> 40 Total Units with 4 Vouchers	\$851 \$978 \$1066 +heat, electric	No vacant units, waiting list	60% of median with 4@30% of median	Tax credit rental town house project that was placed in service in 2014. Units are 2-level living with attached garage. All units serve households at or below 60% of median income, with 4 units at 30% of median and reserved for long-term homeless. Homeless units have rent assistance Vouchers and are filled through referral system. Tenant pays heat (gas), hot water and electricity in addition to rent. Unit amenities include stove, refrigerator, dishwasher, AC, in-unit laundry and patio. Project amenities include community room, fitness center, playground and walking/biking trails. Two-bedrooms have 1730 sq ft and 1 bathroom; 3-bedrooms have 1850 sq ft and 1 bathroom; 4-bedrooms have 2065 sq ft and 1 bathroom. Manager reported full occupancy and low turnover - 38 new units coming online in 2017.
Creek's Run Townhomes II 421 Yellow Brick Circle	4 - 2 Bedroom 28 - 3 Bedroom <u>6 - 4 Bedroom</u> 38 Total Units with 4 Vouchers	\$837 \$956 \$1056 +heat, electric	Units under construction in 2017	60% of median with 4@30% of median	Tax credit rental town house project that will be placed in service in 2017. Units are 2-level living with attached garage. All units serve households at or below 60% of median income, with 4 units at 30% of median and reserved for long-term homeless. Homeless units have rent assistance Vouchers and are filled through referral system. Tenant pays heat (gas), hot water and electricity in addition to rent. Unit amenities include stove, refrigerator, dishwasher, AC, in-unit laundry and patio. Project amenities include community room, fitness center, playground and walking/biking trails. Two-bedrooms have 1730 sq ft and 1 bathroom; 3-bedrooms have 1850 sq ft and 1 bathroom; 4-bedrooms have 2065 sq ft and 1 bathroom. Manager reported an interest list with more than 500 names has already been formed - the units will be filled through a lottery starting in March 2017.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/ Income Restricted					
Crosstown Commons 1200-1212 Crosstown Blvd	22 - 1 Bedroom <u>12 - 2 Bedroom</u> 34 Total Units	\$660 \$800 +electric	No vacant units	60% of median	Tax credit award placed in service in 2004 for renovation of 2 apartment building project constructed in 1969. Buildings are 3-level walkups. All units serve households at or below 60% of median income. Rent includes heat but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, microwave and wall AC. One-bedrooms have 650 sq ft and 2-bedrooms have 750 sq ft; all units have 1 bathroom. Manager reported that rent assistance Vouchers were being used. No vacant units at time of survey - no waiting list is maintained but units have low rate of turnover.
East Creek Carriage Homes 744 Ravoux Rd	13 - 2 Bedroom 24 - 3 Bedroom <u>2 - 4 Bedroom</u> 39 Total Units with 5 MHOP	\$869-\$1055 \$999-\$1216 N/A +heat, electric	No vacant units	16 units @50%, 23 units@ 60%, 5 MHOP units	Tax credit/HOME town house project placed in service in 1997 - entered extended compliance in 2013. All units serve households at or below 50% or 60% of median income - lower rents listed are 50% units. Five units are MHOP with rent assistance allowing rent based on 30% of income. Units are 2-level with attached garage. Rent includes water, sewer and garbage, with tenant paying heat (gas) and electricity. Amenities include stove, refrigerator, dishwasher, disposal, central AC and in-unit laundry. Two-bedrooms have 1171 sq ft and 1 bathroom and 3-bedrooms have 1344 sq ft and 1.5 bathrooms. Manager reported full occupancy - interest list exists and used to contact applicants when units turn over.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/ Income Restricted					
Lake Grace Apartments 1108 Village Rd	36 - 1 Bdrm Apt 36 - 2 Bdrm Apt <u>19 - 3 Bdrm TH</u> 91 Total Units with 8 project-based rent assistance	\$740 \$850 \$1180 +electric	No vacant units	General occupancy with all units at or below 80% of median	Rental complex including apartment and town house units constructed in 1973. HUD HOME assistance was later used but all compliance requirements have been met. All new tenants must be below 80% of median at time of move-in. Five units have Section 811 assistance for tenants with disabilities and 3 Vouchers for homeless veterans. Rent includes heat but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, disposal, wall AC, detached garage and in-unit laundry in 3-bedrooms. Complex amenities include club house, playground, walking/biking trails and storage units. One-bedrooms have 640 sq ft with 1 bathroom; 2-bedrooms have 840 sq ft with 1 bathroom; 3-bedrooms have 1190 sq ft with 2 bathrooms. Manager reports high occupancy rate with any open units in the process of being filled - special assistance for veterans and disabled are filled through referral system.
Windstone Townhomes 110550 Windmill Ct	10 - 1 Bedroom 58 - 2 Bedroom <u>20 - 3 Bedroom</u> 88 Total Units including 3 Vouchers + 4 additional Public Housing units	\$760 \$890 \$1055-\$1100 +heat, electric	No vacant units	Mix of tenants	Three-level town house rental units constructed in 1971 as a HUD subsidized project - Section 8 contract has ended but project acquired by Carver County CDA. No income limit applies but rent is capped at FMRs. Three of the units have project-based Vouchers including 1 for homeless and 4 additional units are part of Public Housing Scattered Site portfolio. Amenities include stove, refrigerator, in-unit laundry, dishwasher in some units and central AC. Project amenities include 11 acres with walking trails, community room and playground. One-bedrooms have 941 sq ft with 1 bathroom; 2-bedrooms have 1241 sq ft with 1 bathroom; 3-bedrooms have 1492 sq ft with 1.5 bathrooms. Manager reported full occupancy and good demand.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy					
Brickstone Townhomes 850 Walnut Pl	3 Bedroom <u>4 Bedroom</u> 4 MHOP in a 30 unit project	\$1216 \$1317 +electric	No vacant units	60% of median with 4@30% of median	Tax credit town house project placed in service in 1997 - entered extended compliance in 2014. All units serve households at or below 60% of median income, and 4 units at 30% of median with MHOP rent assistance. Rent includes heat, but tenant pays electric. Unit amenities include stove, refrigerator, dishwasher, central AC, in-unit laundry, balcony/patio and attached garage. Project amenities include community room, fitness center and playground. Unit sizes not available but manager estimated 3-bedrooms at 1100 sq ft and 4-bedrooms at 1300 sq ft; all units have 2 bathrooms. Manager stated that there are never vacancies, with low rate of turnover.
Brickyard Apartments 701-709 Walnut St	1 - Studio <u>5 - 1 Bedroom</u> 6 project-based Vouchers in a 32 unit project	\$730 \$810 \$930 +electric	No vacant units, waiting list	General occupancy 80% of median with 6@50% of median	Mixed-use commercial/residential building constructed by the Carver County CDA in 2001. Income limits at 80% of median apply at time of tenant move-in. Six project-based Vouchers for households at 50% of median income. Rent includes heat, hot water, water, sewer, garbage and basic cable with tenant paying electric. Unit amenities include stove, refrigerator, dishwasher, disposal, wall, AC, in-unit laundry and access to underground parking for \$35/month. Studios have 694 sq ft; 1-bedrooms have 635-694 sq ft; 1-bedrooms + den have 840 sq ft; all units have 1 bathroom. Manager reported full occupancy and a waiting list - some tenants receive special County assistance and may be referred.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy					
Chaska Village Townhomes 1131 Crosstown Blvd	20 - 2 Bedroom 8 - 3 Bedroom 28 Total Units	30% of income	No vacant units, waiting list	General occupancy	HUD Section 8 New Construction town house project constructed in 1981. All units have access to rent assistance allow tenants to pay rent based on 30% of income. Units are 2-level. Amenities include stove, refrigerator and wall AC. Two-bedrooms have approx. 1000 sq ft and 3-bedrooms have approx. 1200 sq ft; all units have 1 bathroom. Manager reported full occupancy and waiting list - very low annual turnover so waiting list is often not useful.
Clover Field Marketplace 2915 Clover Ridge Dr	1 Bedroom 2 Bedroom 3 Bedroom 21 Subsidized of 117 Total Units	\$772 \$968 \$1390 +heat, electric 30% of income	No vacant units	Project-based rent subsidy for 15 units plus 6 for long-term homeless	Mixed-income apartment project constructed with tax credit assistance and placed in service in 2008. Tax credit units serve households at or below 60% of median - project-based rent assistance for up to 21 households with 15 from Metro HRA and 6 serving long-term homeless. Rent assistance allows tenants to pay 30% of income for rent. Unit amenities include stove, refrigerator, dishwasher, microwave, walk-in closets, in-unit laundry and balcony. Project amenities include community room, fitness center, and underground parking. One-bedrooms have 681-683 sq ft and 1 bathroom; 2-bedrooms have 1056 sq ft and 2 bathrooms; 3-bedrooms have 1163-1179 sq ft and 2 bathrooms. Market rate units are listed separately. Rent assistance units are fully utilized with limited turnover. Homeless units are often filled through County referral system.
Clover Ridge Townhomes Siefert St	3 - 3 Bedroom 3 Total Units	30% of income	No vacant units	Homeless families with children	Three town house units constructed in 2005 and owned by the Carver County CDA in a larger housing project that includes owner-occupied, renter-occupied and community land trust housing. Project-based Voucher assistance available for homeless families with children, at or below 50% of median income. Units are filled through referral from ISD #112.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy					
Creek's Run Townhomes I 421 Yellow Brick Circle	2 Bedroom 3 Bedroom <u>4 Bedroom</u> 4 Vouchers in a 40 unit project	\$851 \$978 \$1066 +heat, electric	No vacant units, waiting list	60% of median with 4@30% of median	Tax credit rental town house project that was placed in service in 2014. Units are 2-level living with attached garage. All units serve households at or below 60% of median income, with 4 units at 30% of median and reserved for long-term homeless. Homeless units have rent assistance Vouchers and are filled through referral system. Tenant pays heat (gas), hot water and electricity in addition to rent. Unit amenities include stove, refrigerator, dishwasher, AC, in-unit laundry and patio. Project amenities include community room, fitness center, playground and walking/biking trails. Two-bedrooms have 1730 sq ft and 1 bathroom; 3-bedrooms have 1850 sq ft and 1 bathroom; 4-bedrooms have 2065 sq ft and 1 bathroom. Manager reported full occupancy and low turnover - 38 new units coming online in 2017.
Creek's Run Townhomes II 421 Yellow Brick Circle	2 Bedroom 3 Bedroom <u>4 Bedroom</u> 4 Vouchers in a 38 unit project	\$837 \$956 \$1056 +heat, electric	Units under construction in 2017	60% of median with 4@30% of median	Tax credit rental town house project that will be placed in service in 2017. Units are 2-level living with attached garage. All units serve households at or below 60% of median income, with 4 units at 30% of median and reserved for long-term homeless. Homeless units have rent assistance Vouchers and are filled through referral system. Tenant pays heat (gas), hot water and electricity in addition to rent. Unit amenities include stove, refrigerator, dishwasher, AC, in-unit laundry and patio. Project amenities include community room, fitness center, playground and walking/biking trails. Two-bedrooms have 1730 sq ft and 1 bathroom; 3-bedrooms have 1850 sq ft and 1 bathroom; 4-bedrooms have 2065 sq ft and 1 bathroom. Manager reported an interest list with more than 500 names has already been formed - the units will be filled through a lottery starting in March 2017.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy					
East Creek Carriage Homes 744 Ravoux Rd	2 Bedroom 3 Bedroom <u>4 Bedroom</u> 5 MHOP in a 39 unit project	\$869-\$1055 \$999-\$1216 N/A +heat, electric	No vacant units	16 units @50%, 23 units@ 60%, 5 MHOP units	Tax credit/HOME town house project placed in service in 1997 - entered extended compliance in 2013. All units serve households at or below 50% or 60% of median income - lower rents listed are 50% units. Five units are MHOP with rent assistance allowing rent based on 30% of income. Units are 2-level with attached garage. Rent includes water, sewer and garbage, with tenant paying heat (gas) and electricity. Amenities include stove, refrigerator, dishwasher, disposal, central AC and in-unit laundry. Two-bedrooms have 1171 sq ft and 1 bathroom and 3-bedrooms have 1344 sq ft and 1.5 bathrooms. Manager reported full occupancy - interest list exists and used to contact applicants when units turn over.
Public Housing Scattered Site Chaska	2 Bedroom 3 Bedroom 4 Bedroom <u>5 Bedroom</u> 14 Total Units	30% of income	No vacant units, waiting list	General occupancy	Scattered site HUD Public Housing units - CDA acquired single family houses and town homes. All tenants pay rent based on 30% of income. Age of units and floor plans vary. Four of the units are part of the Windstone Townhomes project. Manager reported full occupancy and a countywide waiting list for Public Housing.
Windstone Townhomes 110550 Windmill Ct	1 Bedroom 2 Bedroom <u>3 Bedroom</u> 3 Vouchers in a project that also contains 85 moderate rent and 4 Public Housing units	\$760 \$890 \$1055-\$1100 +heat, electric	No vacant units	Mix of tenants	Three-level town house rental units constructed in 1971 as a HUD subsidized project - Section 8 contract has ended but project acquired by Carver County CDA. No income limit applies but rent is capped at FMRs. Three of the units have project-based Vouchers including 1 for homeless and 4 additional units are part of Public Housing Scattered Site portfolio. Amenities include stove, refrigerator, in-unit laundry, dishwasher in some units and central AC. Project amenities include 11 acres with walking trails, community room and playground. One-bedrooms have 941 sq ft with 1 bathroom; 2-bedrooms have 1241 sq ft with 1 bathroom; 3-bedrooms have 1492 sq ft with 1.5 bathrooms. Manager reported full occupancy and good demand.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Senior/Disabled Occupancy					
The Landing 105 E 1 st St	<u>54 - 1 Bedroom</u> 54 Total Units	\$25 minimum 30% of income	No vacant units, waiting list	Senior occupancy	HUD Section 202/PRAC project that opened for occupancy in 2014. Designated for senior occupancy, age 62 or older. All units have access to rent assistance allow tenants to pay rent based on 30% of income - but not less than minimum rent of \$25. Multi-level building with elevators located near downtown. Unit amenities include stove, refrigerator, microwave and AC. Project amenities include community room, outdoor patio and garden plots. One-bedrooms have 540 sq ft and 1 bathroom. Manager reported full occupancy and waiting list of approx. 30 names.
Talheim Apartments (aka Chaska Manor) 407 Oak St N	58 - 1 Bedroom <u>1 - 2 Bedroom</u> 59 Total Units	\$783 N/A 30% of income	No vacant units, waiting list	Senior/ disabled occupancy	HUD Section 202/Section 8 project constructed in 1984. Designated for senior (age 62+) or disabled tenant occupancy - 10% of units must serve younger disabled people. All units have access to rent assistance allow tenants to pay rent based on 30% of income up to maximum rent listed. Five-level building with elevators located near downtown. Unit amenities include stove, refrigerator, wall AC and emergency call system. Project amenities include community room, weekday congregate dining, and connected to Auburn senior campus. Units have approx. 530 sq ft and 1 bathroom. Manager reported no vacant units and a waiting list - waiting list has been closed due to length.

Table 9 Chaska Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Senior/Disabled Occupancy					
Waybury at Chaska 110340 Geske Rd	109 - 1 Bedroom <u>5 - 2 Bedroom</u> 114 Total Units	30% of income	No vacant units, waiting list	Senior/ disabled occupancy	HUD Section 8 New Construction project constructed in 1979 and now owned by the Carver County CDA. Designated for senior (62+) and/or disabled tenant occupancy. Three-level building with elevator. All units have access to rent assistance allow tenants to pay rent based on 30% of income. Amenities include stove, refrigerator, AC, patio/balcony. One-bedrooms have approx. 640 sq ft and 2-bedrooms have approx. 840 sq ft; all units have 1 bathroom. Any turnover units are filled from waiting list that has more than 80 names.
Subsidized - Tenant-based Vouchers					
Housing Choice Vouchers	148 assisted households in Chaska	30% of income	N/A	N/A	Also known as the Section 8 Existing Program, HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. The County is served by Metro HRA program with 148 Vouchers being used in Chaska and 249 Countywide. The program maintains a waiting list for participation.

Source: Community Partners Research, Inc.

Single Family Home Values

Information was obtained from Carver County on the annual number of “good” residential sales. Good sales represent fair, open market transactions, according to the County Assessor’s Office.

Table 10 Chaska Single Family Sales						
Sales Year	Detached Houses		Townhouses		Condominiums	
	Number of Good Sales	Median Sale Price	Number of Good Sales	Median Sale Price	Number of Good Sales	Median Sale Price
2016	290	\$332,000	157	\$176,000	10	\$195,900
2015	281	\$319,900	138	\$167,400	7	\$207,000

Source: Carver County Assessor; Community Partners Research, Inc.

Based on the County’s sales sample, the typical single family detached house in Chaska has a value of \$320,000 or more. For sales recorded in 2016, the median price had reached \$332,000.

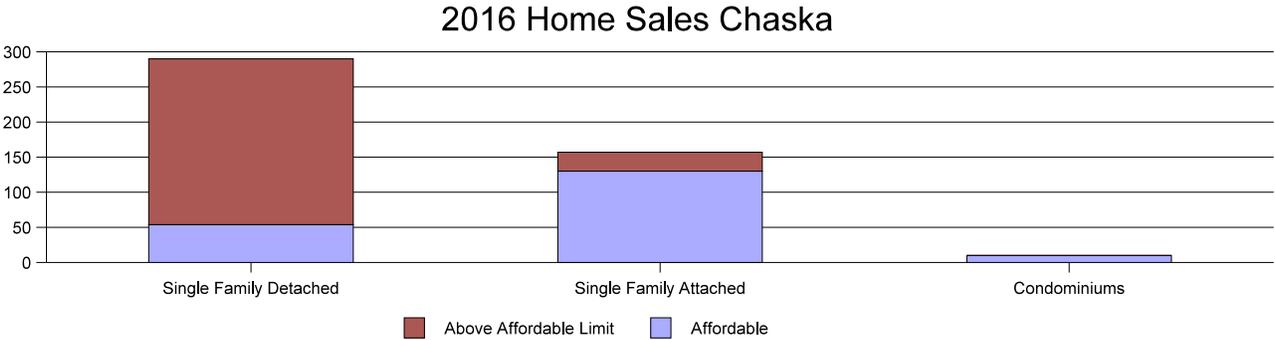
Townhouse sales were in a more affordable price range, between \$167,000 and \$176,000. Condominium units also represented a more affordable ownership option in Chaska, but few sales have been occurring annually.

To better define the share of annual home sales that would be considered more affordable for moderate income households, the following table examines the number of annual sales that have occurred for less than \$238,500, the current affordable ownership threshold used by the Metropolitan Council. The percentage of sales within each housing type is also provided.

Table 11 Chaska Sales for Less than \$238,500						
Sales Year	Detached Houses		Townhouses		Condominiums	
	Number of Sales Under \$238,500	Percent	Number of Sales Under \$238,500	Percent	Number of Sales Under \$238,500	Percent
2016	54	18.6%	130	82.8%	10	100.0%
2015	81	28.8%	126	91.3%	5	71.4%

Source: Carver County Assessor; Community Partners Research, Inc.

Although some of the detached home sales in Chaska in the prior two years occurred within a price range that could be viewed as more affordable, this percentage dropped between 2015 and 2016, due to an increase in home values. However, nearly 83% of the townhouse sales, and 71% or more of recent condominium sales were priced below \$238,500. Based on sales, Chaska has a limited inventory of condominium units.



According to the 2015 American Community Survey, the median household income level for owner-occupancy households was \$95,721. This compared to a median estimated value of \$225,700 for all types of owner-occupancy units.

The American Community Survey identified the median income level for home owner households in Chaska at \$95,721 in 2015. As a result, the median income household only needed to apply 19.3% of income for home ownership at that time.

Employment and Commuting

Each of the individual cities in Carver County provides locally-based employment opportunities for area residents. The base employment data for the year 2010, as used in Metropolitan Council, showed 31,836 jobs available within the various County jurisdictions. This information was taken from the Quarterly Census of Employment and Wages (QCEW), which tracks workers covered by unemployment insurance by place of employment.

The number of jobs varies greatly between communities. In 2010, nearly 66% of all covered jobs countywide were based in Chaska and Chanhassen, the two largest cities. If the employment in Waconia is added, more than 83% of the QCEW jobs were located within these three cities.

This does not imply that residents of Carver County primarily work within the County borders. Other data sources would indicate that most County residents actually leave the County for their primary employment. While some residents do both live and work within Carver County, most of the local jobs are filled by people that travel into the County from other locations.

Although many of the cities in the County serve as residential locations, and residents commute out for employment, job availability will have an impact on future housing needs. This is especially true for more affordable housing creation, as low and moderate income workers can be negatively impacted by the costs of commuting from more distant locations.

The following information is provided for the City of Chaska to better understand current and future employment patterns, and the potential demand created by locally based workers.

Table 12 Chaska Employment Projections			
	Employment in 2010	Projected Employment 2020	Change 2010 to 2020
Chaska	11,123	13,600	2,477 / 22.3%

Source: Metropolitan Council Thrive MSP 2040

The City of Chaska is the largest employment center in Carver County. In the base year of 2010, approximately 35% of all jobs countywide were located in Chaska.

According to the latest Metropolitan Council forecasts, the City is expected to add a substantial number of jobs in the future. Between 2010 and 2020, the projections expect an increase in local employment of approximately 22%, with the addition of nearly 2,500 jobs. By 2020, more than 32% of all jobs in the County will be based in Chaska.

The accuracy of the projections can be tracked through changes that have occurred during the first five years of the current decade. The 2015 annual total showed 12,645 QCEW jobs in Chaska, up by 1,522 jobs from the base year in 2010. At the pace of job growth through 2015, Chaska is on course to exceed the projected level for 2020.

Wages

The last full year of wage data through the Quarterly Census of Employment and Wages (QCEW) is for 2015. In that year, the average wage paid for employment within the City of Chaska was \$54,340, assuming full-time employment. For all of Carver County, the average annual wage was \$52,208.

The top three employment sectors in Chaska were Manufacturing, Education and Health Services, Trade/Transportation/Utilities, and Professional and Business Services.

Commuting

Despite the large number of local jobs, according to the Census Bureau's Center for Economic Studies, approximately 86% of employed Chaska residents commuted out of the City for their job in 2014. The primary work destinations identified for Chaska residents were Eden Prairie, Minneapolis, Chanhassen, Bloomington, Minnetonka, Shakopee, Edina, Plymouth and St. Paul.

In addition to the people that both lived and worked in Chaska, the top locations that were supplying inbound commuters for Chaska-based jobs were Shakopee, Chanhassen, Minneapolis, Eden Prairie, Waconia, Carver, Bloomington and Minnetonka.

Findings and Recommendations

Overview

Much of the future demand for housing production in the City of Chaska will be driven by anticipated household growth. With little evidence of vacant housing capacity, growth in the community will generally require a commensurate level of new housing unit creation. Beyond direct household growth, some housing production may also be needed for unit replacement, to serve pent-up demand, or to address similar demand-generators.

The different cities in Carver County have varying degrees of potential to serve a larger, regional demand for housing. As the two communities that are located on the eastern edge of the County, Chaska and Chanhassen are the cities with the greatest regional growth potential. For example, larger-scale rental development in Chaska or Chanhassen would be a reasonable alternative location for households that might otherwise orient to the communities in Hennepin or Scott Counties.

Chaska is the only city in Carver County that is defined as a “Suburban Edge” community, in recognition of its development status. The other cities near the eastern border of the County are designated as “Emerging Suburban Edge” communities.

The smaller cities in Carver County, and those located a greater distance from the Twin Cities core, represent a less likely alternative for outward migration. There has always been some desire from home owners to live in less developed communities, and a willingness to commute greater distances, but this has been much less evident for renter households. As a result, more locally-generated demand pertains to communities that are located farther west in the County, while more regional demand can apply to cities that are farther east, especially when the city is more fully developed.

For the City of Chaska, the projection review provided earlier pointed to average annual household growth of approximately 200 households per year. While this forecast would apply to a typical year, it would not be surprising to see this annual average exceeded in certain years when larger-scale rental proceeds.

Projected Tenure Distribution

In the 2014 Housing Study, an overall tenure distribution of 32% rental and 68% owner-occupied had been used for the City of Chaska to project unit demand to the year 2020. Based on building permits issued from 2014 to 2016, the actual tenure distribution has been closer to 30% rental and 70% owner since that time.

Looking forward over the next five years, a rental tenure rate of up to 34% rental would appear to be very realistic. While higher than the recent past, multifamily rental projects tend to be constructed in larger phases. As housing market conditions have improved, a slightly higher level of future construction within the rental segment can be justified.

Using the projected growth level of approximately 200 households per year in Chaska results in the need for 1,000 or more housing units over the five-year projection period. The anticipated tenure distribution yields:

- ▶ 340 total rental units to meet growth-generated demand
- ▶ 660 total owner units to meet growth-generated demand

Additional production to serve demand-generators other than expected growth may also occur. This would include unit replacement, pent-up demand that exists in under served segments, and other similar factors.

Metropolitan Council Affordable Allocation Goals

As presented earlier in this document, the Metropolitan Council has set goals for each Metro Area jurisdiction to help address region-wide demand for affordable housing. When compared to the Met Council's growth projection for Chaska, the affordable unit goals are to place 30% of future production into units that serve households at or below 80% of the median income level. To actually reach these goals, Chaska would need to achieve the following probable unit distribution:

- ▶ Approximately 40 rental units per year that are very affordable and serve households below 50% of median income - 200 units over the five-years
- ▶ Approximately 17 rental units per year that are affordable, and serve households between 50% and 80% of median income - 83 units over the five-years

Rental Housing Recommendations

At a minimum, the City of Chaska will need to produce at least 340 total rental housing units over the next five years to keep pace with expected demand generated by household growth. Additional production above this level can be supported, if a larger regional market is targeted for new unit production.

To put the five-year unit production recommendation into context, the total number of units would be greater than the total actual construction that has been achieved in Chaska over the seven-year period encompassing building permit issuance from 2010 through the end of 2016.

With the recognition that achieving the high level of production within the most affordable price ranges is very unlikely, a larger allocation has been made to the more moderate price ranges, serving households up to 80% of the median income level.

Minimum 5-year Rental Housing Recommendations for Chaska

- | | |
|-----------------------------------|------------------|
| ▶ Very affordable/subsidized | 40 to 50 units |
| ▶ Moderate rent/income restricted | 80 to 120 units |
| ▶ Market rate - all types | 170 to 220 units |

The target market for the very affordable/subsidized units would be households below 50% of median income.

The target market for moderate rent/income restricted units would be households typically served by the tax credit program, or through affordable housing efforts through the Carver County CDA, between 50% and 80% of median income, although rent levels should be at or below the 60% limits.

The target groups for market rate housing would be households that can generally be served without any significant development assistance being required to substantially lower the end rental rates.

It is important to recognize that the unit recommendations above are presented as realistic targets for what is probable to occur in Chaska, based on normal growth and development patterns. A larger level of production can be supported, especially with the more affordable price ranges. But a recognition is made that financial resources for affordable rental creation are limited, and achieving even these targets will present challenges for the community.

Additional Evidence of Unmet Need for Affordable Housing

Information that was identified during the research process for this Update that could be used to support additional affordable rental production above the targets identified above include:

- ▶ A very low vacancy rate exists in the current inventory of income-restricted subsidized and moderate rent housing. Turnover rates are also low, and waiting lists exist.
- ▶ Despite the fact that Chaska has done a better job than most other communities in creating affordable rental housing over time, more than 1,000 households are experiencing a “housing cost burden” with 30% or more of their income needed for month housing costs.
- ▶ The cost-burdened rental households include both senior citizens and younger renters, but more than 75% are age 64 or younger.
- ▶ While the median renter household income in Chaska was higher than in most of the other cities in the County, approximately 38% of all renters had an annual income below \$36,000 in 2015, and a limited amount that could be applied to housing. At \$36,000, an affordable rent threshold would be \$900 or less per month for gross rent.
- ▶ In 2017, the most recent phase of affordable rental housing will open for occupancy. With a total of 38 rental units, Creek’s Run Townhomes II had assembled a potential applicant list that had more than 500 names, indicating the level of pent-up demand that exists for this type of housing.
- ▶ At the time of the 2010 Census, approximately 32% of all County households were age 55 or older. Projections to the year 2021 indicate that approximately 42% of all households will be within these senior-designated age ranges. By the year 2030, long-range projections show even greater growth in the number of older adult households. Increasingly, demand from households age 55 and older will grow over the next several years.

Home Ownership Recommendations

At a minimum, the City of Chaska will need to produce at least 660 to 700 total housing units for owner-occupants over the next five years to keep pace with expected demand generated by household growth. Additional production above this level can be supported, if a larger share of the regional market can be captured.

To put the five-year unit production recommendation into context, on an annual average basis this would yield approximately 132 to 140 units per year. Chaska has been within this level of annual production for four of the last five years. Going forward, a stabilized single family construction market should be achievable for Chaska.

Minimum 5-year Ownership Housing Recommendations for Chaska

▶ Entry-level/affordable	100 to 140 units
▶ Moderate/trade-up	260 to 300 units
▶ Higher-priced	260 to 300 units

Entry-level affordable homes are defined as being below the Met Council's affordable ownership threshold, currently set at \$238,500. Moderate/trade-up housing would be defined as up to \$450,000. Higher-priced homes would be above \$450,000.

Attached Housing Construction

Achieving the production in the lower price ranges may be difficult in Chaska, as only a small percentage of recent single family home construction has been below the affordable price threshold. But only limited production has been occurring in recent years in the attached single family segment, and these units would have a better chance of selling in an affordable range.

As tracked by building permit reports, fewer than 10% of single family housing starts in recent years have been attached units. In the future it is probable that 20% to 25% of the units will be constructed as twin homes or town houses. Any affordable new construction is most likely to be in this style of housing.

This would yield the following unit allocation in attached single family units.

▶ Entry level/affordable	70 to 100 units
▶ Above affordable price threshold	60 to 75 units

Summary of Senior-Designated Market Share

The last reliable measure of households by age is contained in the 2010 Census. At that time, approximately 28% of all households in the City were age 55 and older. Countywide in 2010, approximately 32% of all County households were age 55 or older.

As a fast growing city in recent decades, Chaska has often attracted younger adult households to both ownership and rental housing opportunities. Chaska had a smaller distribution of senior and near-senior households.

Obtaining reliable age-based estimates and projections can be difficult between the decennial Census. Esri estimated that approximately 33% of all households in Chaska were age 55 and older in 2016, compared to approximately 38% countywide. Projections to the year 2021 indicate that approximately 36% of Chaska's households will be age 55 and older, compared to 42% of all households in Carver County within these senior-designated age ranges.

Although Chaska does not have the same concentrations of older adult households as many of the other cities in the County, it is a preferred location for senior-oriented housing. It has services and amenities that appeal to older adult households, and offers the most diverse range of housing choices in the County.

The 2014 Housing Study had recommended that up to 36% of the future rental development could be senior-designated, and that a small share of the owner-occupancy units could be in the form of attached housing that was also age-designated for households 55 and older. Based on the anticipated age distribution in 2021, the rental percentage would be very consistent with the overall percentage expected in these older adult age groups.

Since 2014, a large-scale specialized senior housing project was constructed. Height of Chaska has 138 rental units providing a range of housing choices. This single project represents a large share of the rental housing created so far in the current decade. Housing developers in Chaska are cognizant of the growing demand from households age 55 and older, and have been active in creating housing that appeals to older adults.