



APPENDIX B3: HOUSING PROFILE

Existing Conditions

This section describes existing conditions in housing stock and market in Hopkins.

Units and Affordability

As of 2015, Hopkins had about 9,184 housing units, 40% of which were single family and 60% of which are multi-family. Most homes are renter occupied (66%). Over 75% of homes in Hopkins are affordable to households with incomes below 80% AMI. However, about 31% of households in Hopkins are cost burdened, the majority of which make 30% or less of AMI. There are 283 publically subsidized units in Hopkins, totaling about 3% of the City’s housing units. These and other housing conditions are detailed in **Tables B3.1 and B3.2.**

Table B3.1 – Housing Units		
Housing Units	Number of Units	Percent of Total
Total Housing Units	9,184	100%
– Owner Occupied	3,142	34%
– Rental	6,042	66%
Single Family Homes	3,628	40%
Multi-family Homes	5,556	60%
Publicly Subsidized		
– Senior Housing	64	0.7%
– Housing for People with Disabilities	38	0.4%
– All Other Publicly Subsidized Units	181	2%
Affordable Housing		
Housing Units affordable to households with incomes at or below 30% Area Median Income (AMI)	874	9.5%
Housing Units affordable to households with incomes between 31 and 50% Area Median Income (AMI)	1,814	20%
Housing Units affordable to households with incomes between 51 and 80% Area Median Income (AMI)	4,452	48%

Source: Metropolitan Council

Table B3.2 – Households Experiencing Cost Burden	
Existing households experiencing housing cost burden with incomes below 30% AMI	1,477
Existing households experiencing housing cost burden with incomes between 31 and 50% AMI	846
Existing households experiencing housing cost burden with incomes between 51 and 80% AMI	567

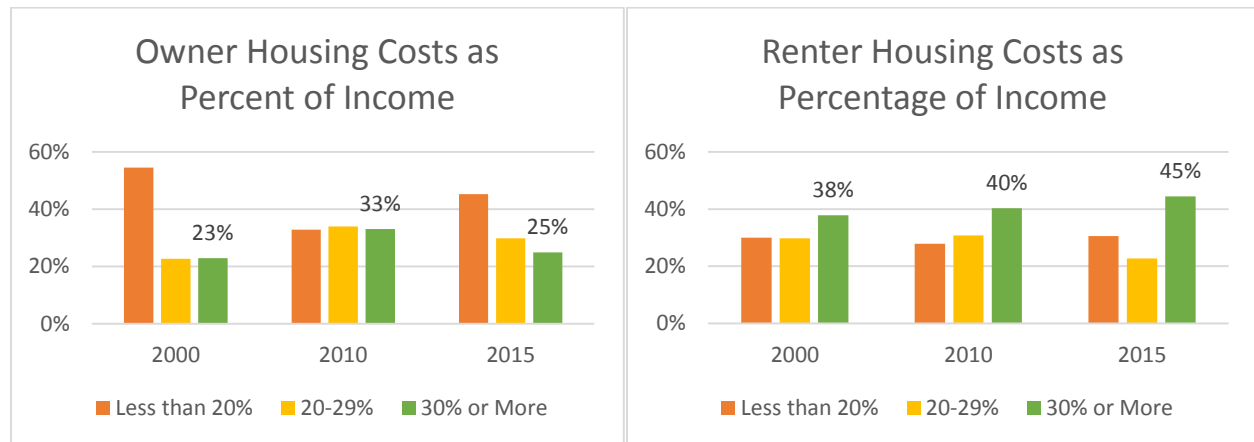
Source: Metropolitan Council

Housing is considered affordable when it consumes no more than 30% of gross household income. Families spending more than 30 percent of their income on housing may have difficulty affording basic needs like food or clothing, or handling unanticipated medical or financial expenses. For renter households, cost burden typically occurs when households spend 50% or more of income on housing.

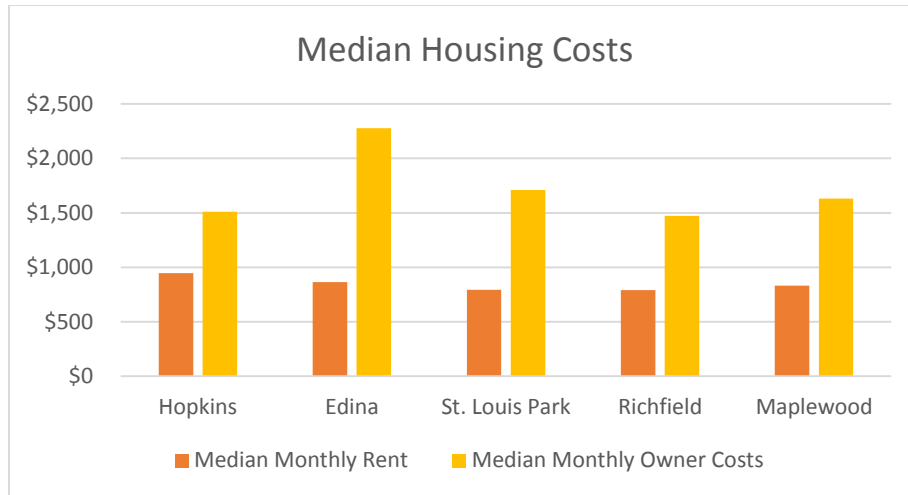
Housing cost burden has fluctuated for homeowners between 2000 and 2015 but has become a concern for more renters. Owner housing cost burdens in 2015 for Hopkins and Hennepin County were similar to cost burden rates in 2000, about 23% of owner households – decreasing from a slight increase in 2010 likely due to the Great Recession. Hopkins has a slightly higher owner cost burden rate than Hennepin County and the Twin Cities Region. On the other hand, Hopkins has slightly lower rental housing cost burden than both the County and the region. Rental housing cost burden has increased 21% since 2000 in Hopkins, from 38% of renter households to 45%.

Table B3.3 – Housing Cost Burden, 2015			
	Hopkins	Hennepin County	Twin Cities Region
Cost Burden Owners	25%	23%	23%
Cost Burden Renters	45%	46%	49%

Source: US Census



Compared to neighboring and comparable communities, Hopkins has the lowest average housing costs, which helps make the City an affordable place to live. Interestingly, Hopkins has the highest median monthly rent and one of the lowest median monthly owner costs. This means there is little difference between the 2 types of housing costs (about \$560 dollars), compared to larger housing cost differences seen in other cities.



Source: US Census

Housing Link tracks affordable housing that is financed through a variety of housing programs, including HUD, MN Housing, Public Housing, USDA/RD, or Tax Credit. A list of the subsidized developments in Hopkins is included below. These nine properties have a total of 493 units – 205 affordable at 30% AMI, 118 at 50% AMI, and 82 at 60% AMI. Note that this is a lower threshold than the 80% AMI in the table above. Also note that the totals above are much higher, because they include “naturally occurring” (i.e. unsubsidized) affordable units.

Name	Number of Units	Number Affordable Units
Sonoma Apartments	24	24
CIP Hopkins	4	4
Crown Ridge Apartments	63	40
Tower Terrace Townhomes	32	32
Hopkins Village	161	152
The Renaissance/Raspberry Ridge	101	101
Dow Towers	76	76
Fraser Hopkins Court	15	14
Oxford Village	51	50
TOTAL	527	493

Source: Housing Link

Housing Units

The most common housing unit types in Hopkins are detached, single family homes and 50+ unit multifamily housing. Smaller multifamily housing options, like duplexes, triplexes, and quadplexes, have decreased since 2000, and the proportion of owner occupancy households has also decreased since 2000 while renter occupancy households have increased.

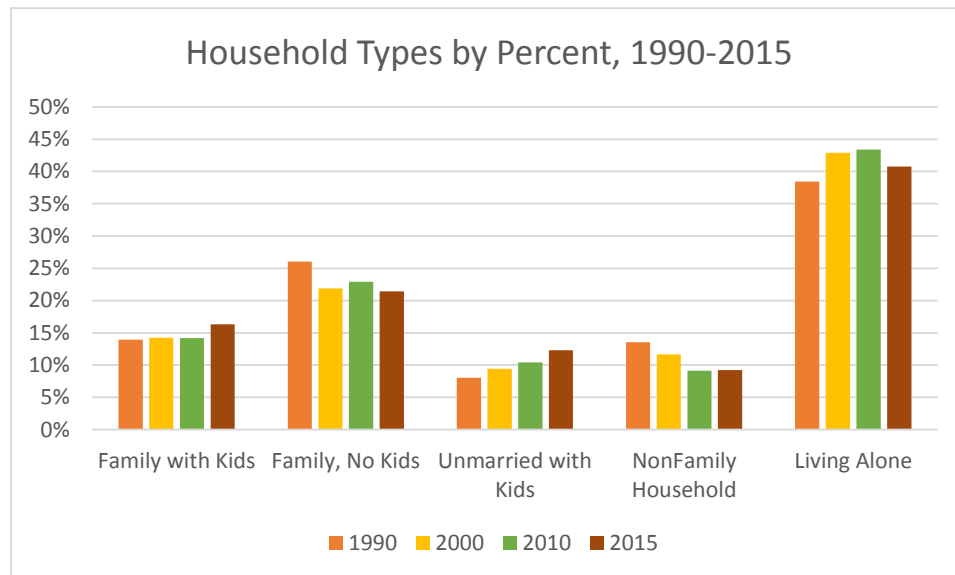
Currently, about 66% of the housing stock in Hopkins is rental. This is up moderately from 61% in 2000, reflecting a rebalancing in the proportions of housing stock.

Table B3.5 - Housing Type by Tenure						
	2000		2010		2015	
	Owned	Rented	Owned	Rented	Owned	Rented
1, detached	2,357	126	2,373	331	2,085	303
1, attached	391	392	376	438	216	437
2	53	276	62	133	13	88
3 to 4	27	142	27	189	7	241
5 to 9	264	467	393	362	268	443
10 to 19	15	531	48	512	39	550
20 to 49	53	887	85	1,028	34	1,229
50 +	8	2,245	28	2,006	44	1,931
Mobile Home	0	0	0	36	0	0
Total	3,168	5,066	3,392	5,035	2,706	5,222

Source: US Census

Household Type and Householders

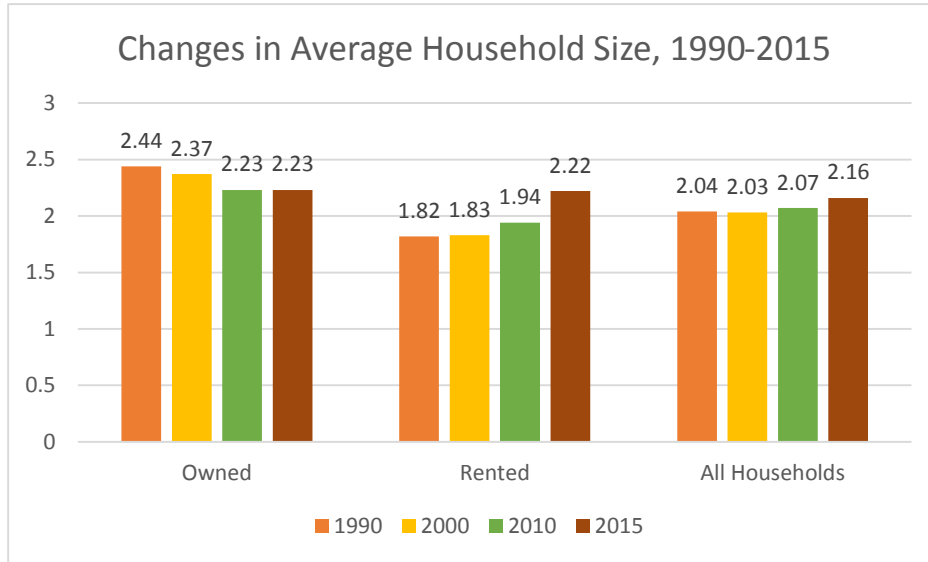
Household types have also slightly shifted in Hopkins since 1990. The most prominent household type is still residents living alone, but the percentage of families with kids and unmarried households with kids has increased. This supports the increase in residents under 20 noted above. At the same time, there has been a decrease in both nonfamily households and family households with no kids (couples).



Source: US Census

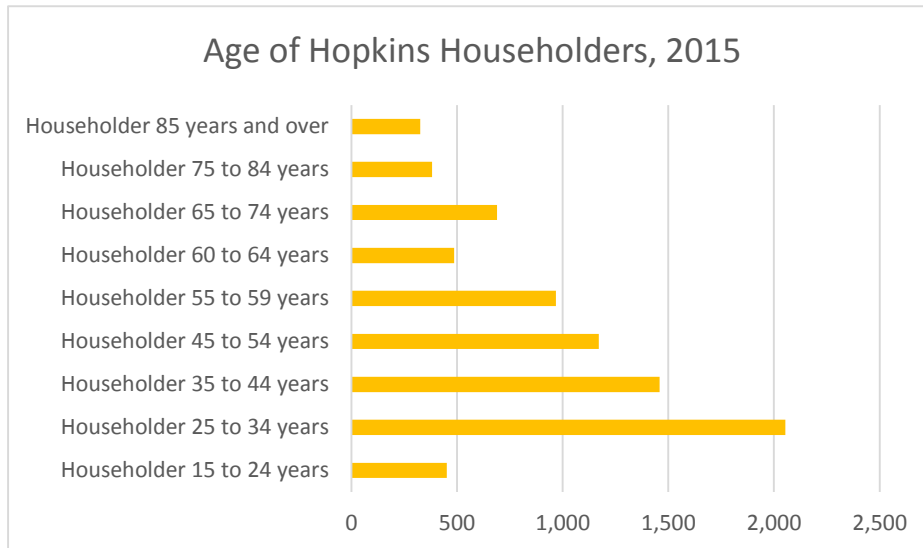
Since 1990, the average household size for owned housing units has decreased while the average

household size for rented units has increased. In 2015, the average household size for both rental and owned units was 2.2 persons. The decrease in average owner household size may be a reflection of the empty-nest Baby Boomer population in single family homes.



Source: US Census

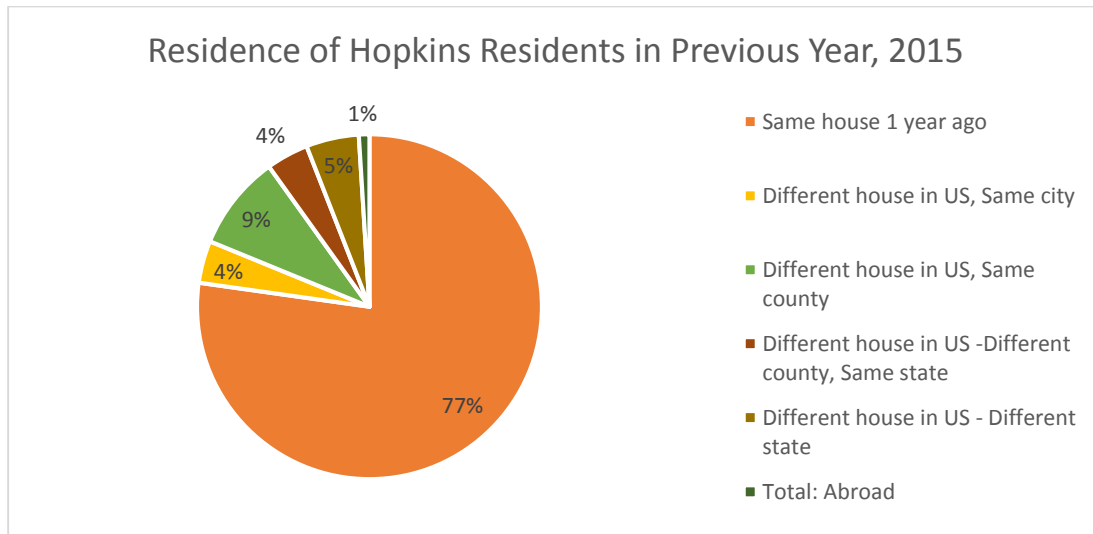
About 25% of the City’s householders are between age 25 and 34, the majority of these households being renter households. This demographic was also the largest portion of Hopkins households in 2000 and 2010. Householders age 60-64 has been the fastest growing segment of householders since 2000, which aligns with the aging Baby Boomer population.



Source: US Census

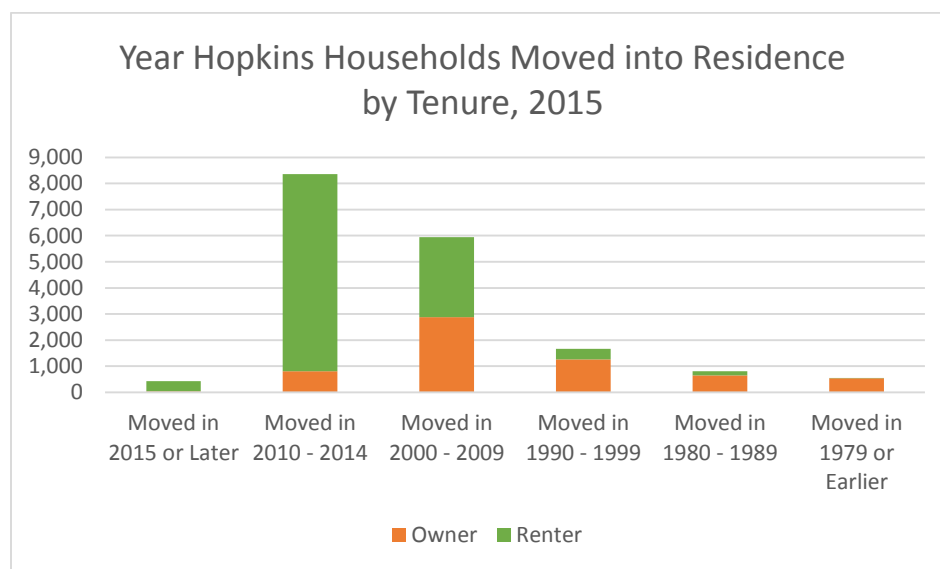
Hopkins Residency

Due to changes in data collection, data on residency and mobility from the 2000 census cannot be compared with 2010 and 2015 ACS data. The majority of Hopkins residents did not move between 2014 and 2015. About 4% of residents who moved did so within the City. Most residents moving into the City do so from other areas in Hennepin County.



Source: US Census Bureau, American Community Survey

In 2010, the American Community Survey started collecting data on intra-city moves; in 2010, about 6% of new households moved within Hopkins, which decreased slightly to 4% in 2015. These percentages are similar to Hennepin County averages for intra-city moves. Nearly 50% of Hopkins households moved into their current households between 2010 and 2014. 65% of renter households moved into their current house between 2010 and 2014 while almost 50% of owner households moved into their current house between 2000 and 2009. Most households moving into Hopkins do so from other Hennepin County cities.



Source: US Census

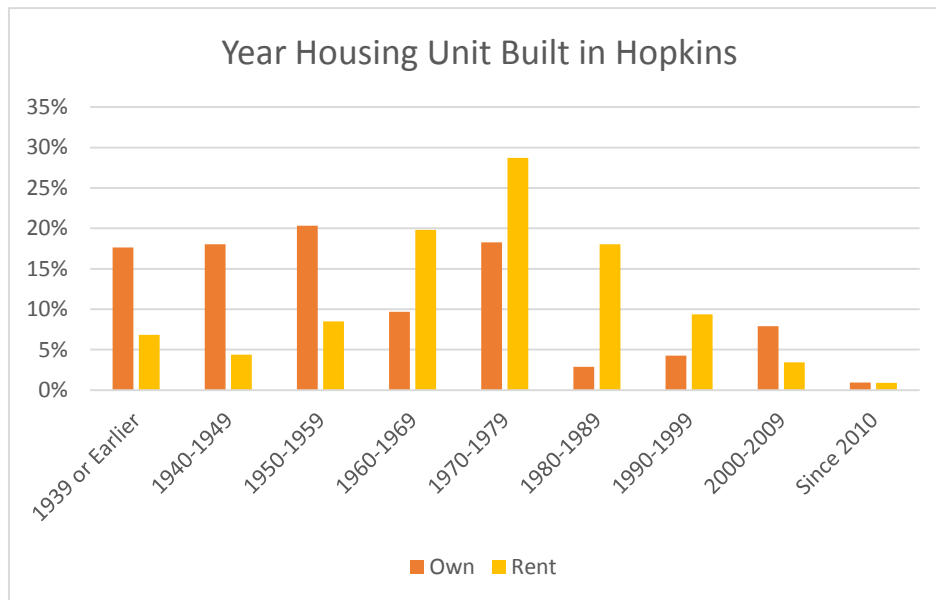
Nearly 50% of Hopkins households moved into their current households between 2010 and 2014. 65% of renter households moved into their current house between 2010 and 2014 while almost 50% of owner households moved into their current house between 2000 and 2009. Newer residents in Hopkins are more likely to rent than own, tend to be younger, and are more racially and ethnically diverse.

Table B3.6 – Year Hopkins Households Moved into Residence					
Moved in 2015 or Later	Moved in 2010 - 2014	Moved in 2000 - 2009	Moved in 1990 - 1999	Moved in 1980 - 1989	Moved in 1979 or Earlier
2%	47%	33%	9%	5%	3%

Source: US Census Bureau, American Community Survey

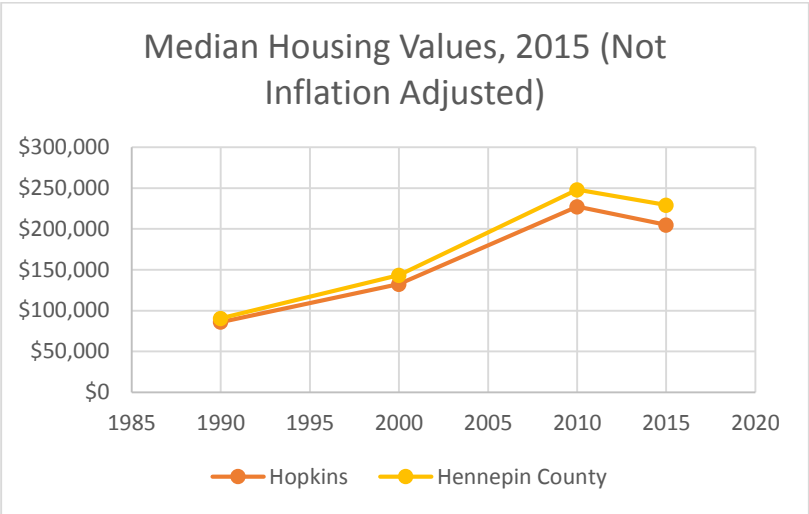
Housing Age and Values

66% of Hopkins owner housing units are over 50 years old, which is higher than Hennepin County (53%). Most of Hopkins’s rental units were built between 1960 and 1989, which is similar to Hennepin County counts. As units continue to age, maintenance or redevelopment will need to be considered to preserve the quality and value of Hopkins neighborhoods and housing stock.

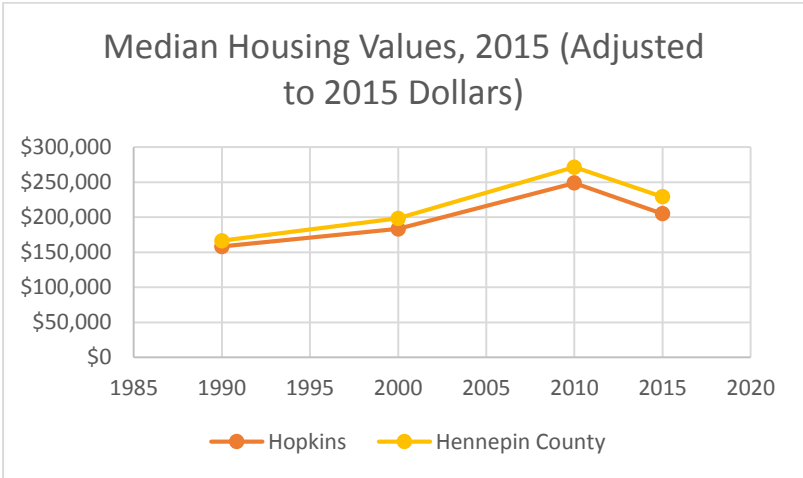


Source: US Census

In 2015, the median housing values for owner occupied housing units was \$205,000. This is lower than the median housing value for Hennepin County. This value is also a 10% decrease from 2010 median housing values. However, when adjusted for inflation, this decrease in value is an 18% decrease. Similar decreases (both inflation adjusted and unadjusted) are seen on a County level as well, suggesting the difference in housing values is due to larger market or economic trends.



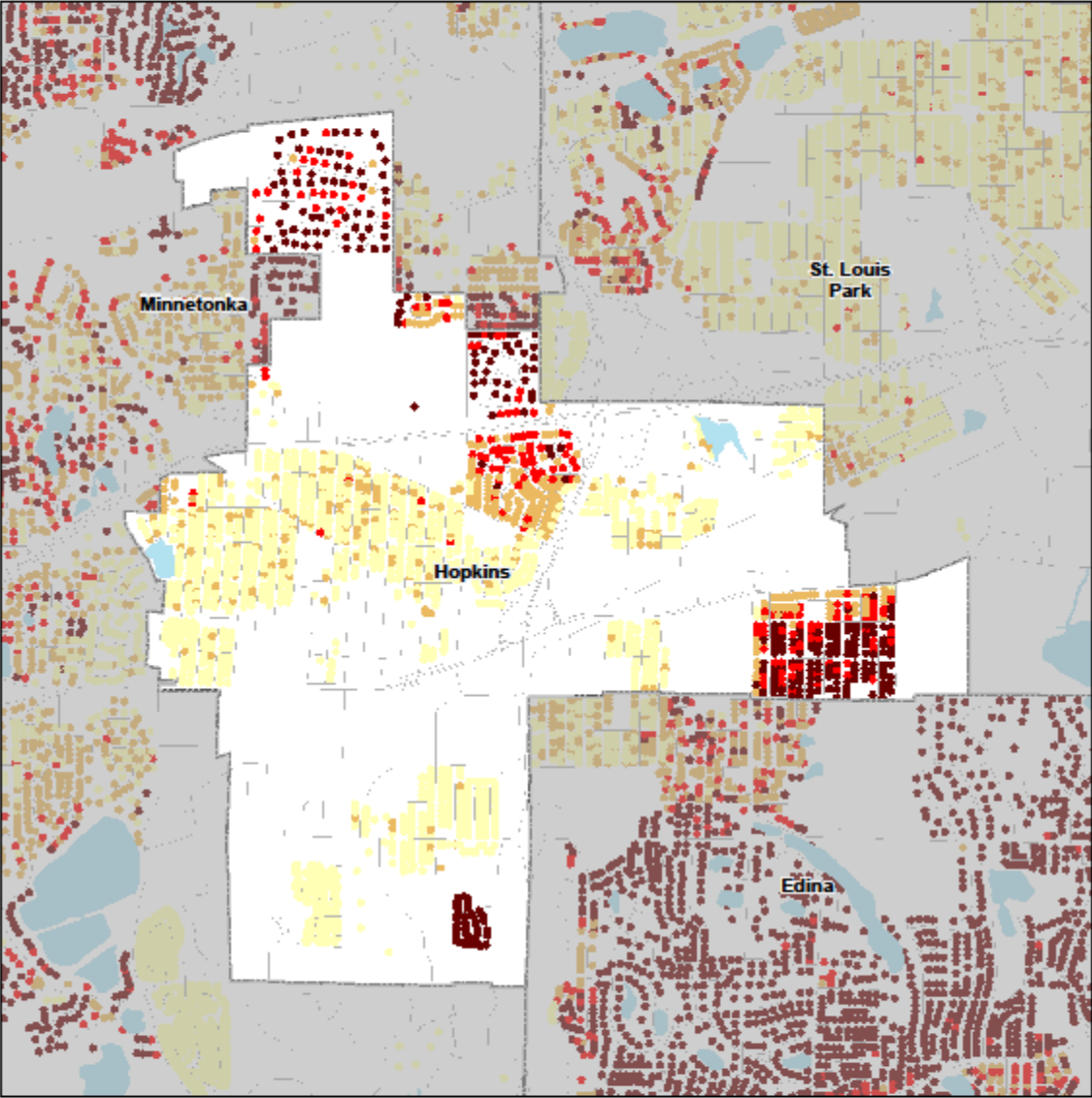
Source: US Census



Source: US Census

Figure B3.1: Owner Occupied Units by Value

**Owner-Occupied Housing by Estimated Market Value
Hopkins**

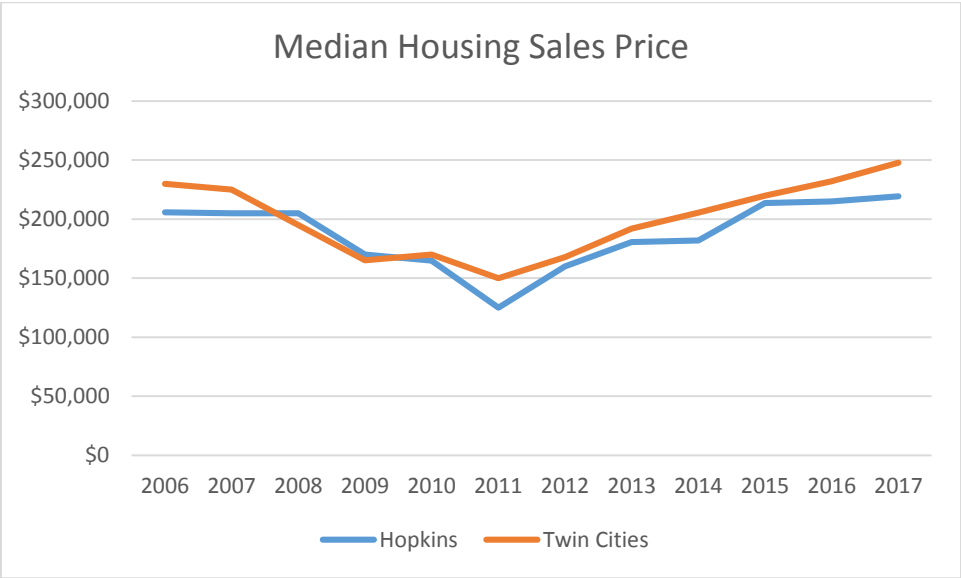


County Boundaries	Owner-Occupied Housing Estimated Market Value, 2015	1 Inch = 0.4773 miles
City and Township Boundaries	\$238,500 or Less	
Lakes and Major Rivers	\$238,501 to \$350,000	
Street Centerlines	\$300,001 to \$450,000	Source: MetroGIS Regional Parcel Dataset, 2015 estimated market values for taxes payable in 2015.
	Over \$450,000	Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

Housing Market Conditions

Past Trends

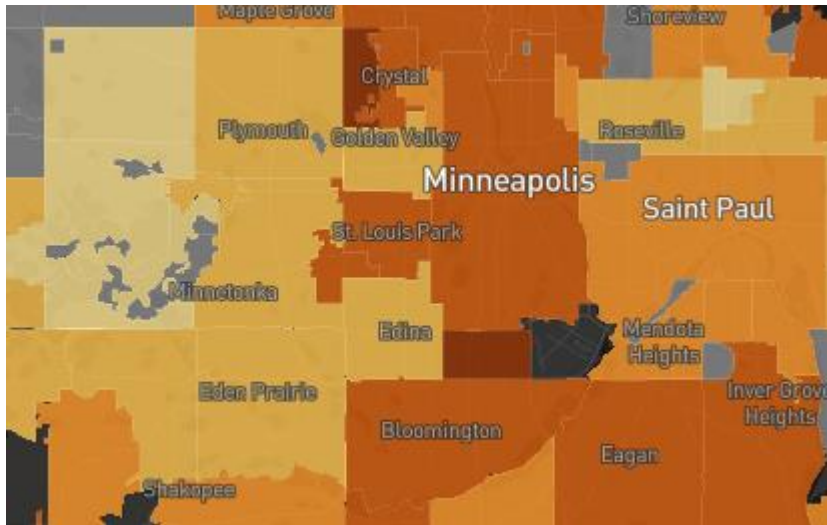
Housing values in Hopkins have been traditionally slightly below overall regional average. In 2016, the median home value was \$204,300, compared to \$220,000 regionally. This reflects the fact that the much of the housing stock is older and smaller compared to conditions in other parts of the region. Like the rest of the region and nation, Hopkins was impacted by the Great Recession (2007-2009), with housing prices bottoming out in 2011. Median housing prices followed a similar pattern to the region as a whole, as shown in the chart below. By 2015, the median sale price finally exceeded the pre-recession level (not adjusted for inflation), a year earlier than the region as a whole.



Current Conditions

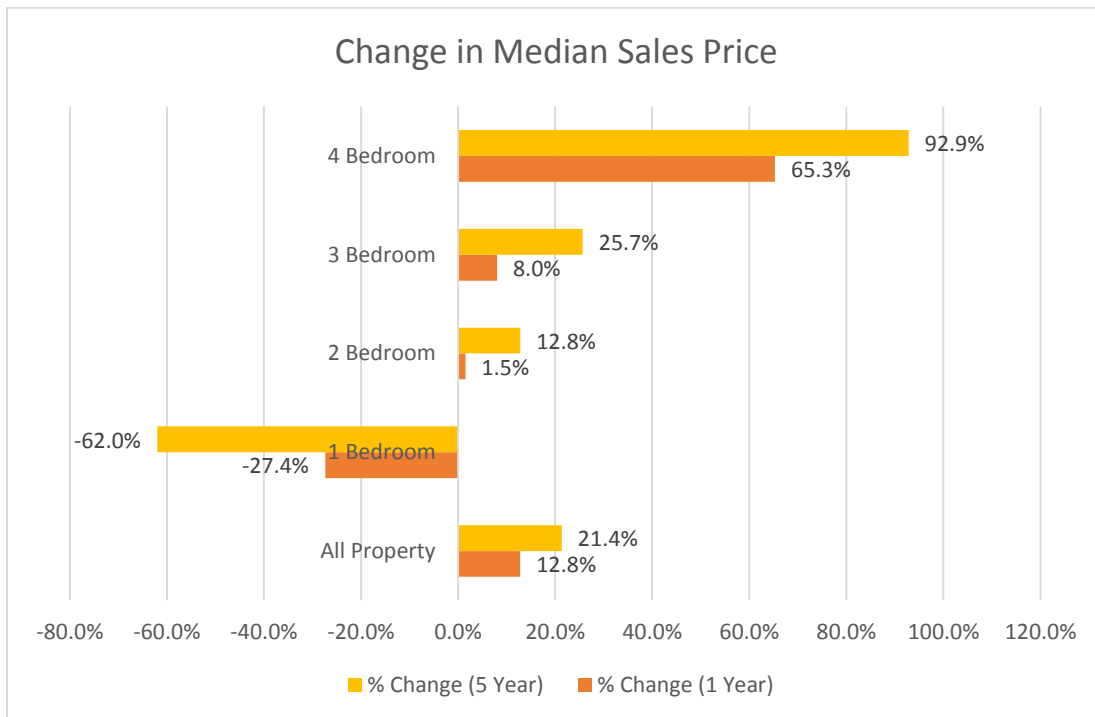
Despite (and perhaps even because of) lower than average values, the Hopkins housing market has been very strong in recent years. The Star Tribune prepared a housing market analysis for 2016, comparing all communities in the seven-county metro that had 100 or more sales. This index and comparison were based on the average price per square foot, average number of days on the market, percent of the list price received by the seller, and the share of all distressed sales (foreclosure and short sale).

Using these metrics, Hopkins’ housing market is “hotter” than a number of neighboring communities, including St. Louis Park, Golden Valley, Minnetonka, Edina, and Eden Prairie. This reflects (1) steady increases in price per square foot, leading to fewer distressed sales (+18% increase in value/square foot in 2016 from previous 4-year average), (2) relatively short time on the market (averaging 51 days), and (3) high likelihood of selling close to asking price (averaging 98% of original price). Similar status was held by various other developed suburbs, including Richfield (which ranked highest), Crystal, Bloomington, and Fridley. This indicates a high level of demand for housing in these areas relative to supply. It is notable that there was less demand shown in suburbs with higher overall costs of housing – likely related to the fact that there were fewer homebuyers shopping at those price points.

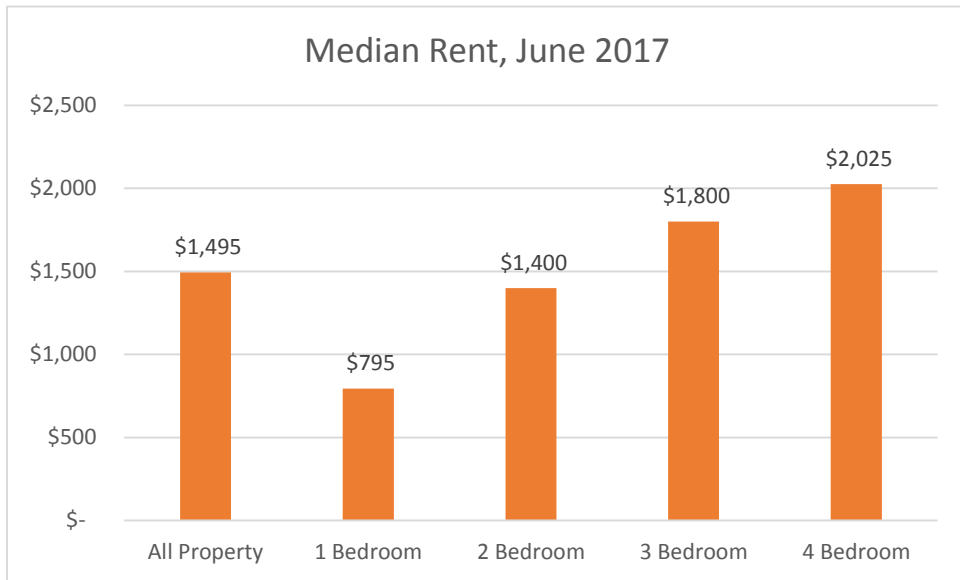


Source: Star Tribune

Trulia.com provides more detailed housing market data for both median home sale price and median rent. Overall, median home sale prices have increased 21% since 2012. The biggest increases over the past 5 years have been in 4 bedroom homes. Part of this may be driven by declines in overall inventory of sales available for sale – which have not gone back up to pre-recession levels despite increasing demand. One counter trend is one bedroom homes which have decreased 62% in median sale price from levels in 2012. Median rent has increased a slight 2% over the past year, on average. In April 2017, the median rent for all units was \$1,495. This includes both apartment and single family home rentals.

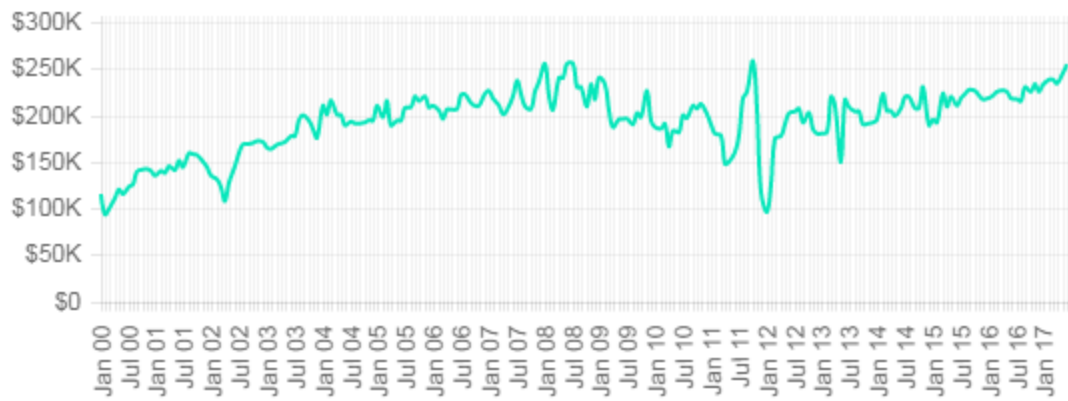


Source: Trulia



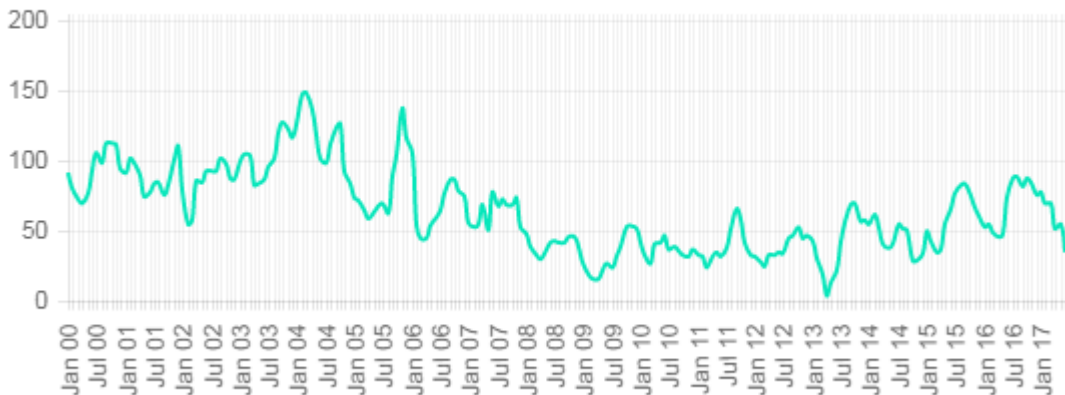
Source: Trulia

Median Sales Price



Source: Trulia

Number of Sales



Source: Trulia

Projected Housing Needs

According to Metropolitan Council projections, the City of Hopkins is expected to grow by about 1,330 households between 2015 and 2040, requiring slightly more housing units, to account for vacancy and turnover.

With an older housing stock than the county average, rehabilitation will be an important part of city housing goals. Efforts will need to focus on programs and initiatives that encourage the maintenance and upkeep of the housing stock. The City may need to find creative ways to encourage homeowners and landlords to conduct improvements.

Most of Hopkins new growth in housing will be attributable to redevelopment. Today, there are limited locations in the community where it may be appropriate to allow and encourage housing redevelopment. However, as shown in the section below, these are more than adequate to accommodate all planned housing growth in the city. In these locations, the City has indicated its land use intentions through the future land use plan and zoning regulations. In the future, opportunities for additional housing may be expanded, as additional areas are redeveloped. In most cases, future housing construction is expected to be the outcome of private market actions.

On a case-by-case basis, Hopkins will consider financial participation in housing redevelopment projects when projects provide demonstrable public benefits consistent with this Comprehensive Plan and city redevelopment policies.

Factors Influencing Demand for Housing

As described above, the housing market in Hopkins is presently fairly strong. Factors influencing demand for housing here include the following:

- **Existing Housing Stock** – The existing housing in Hopkins determines in part the market who will seek it out. As it has traditionally been lower cost housing than in surrounding communities, households seeking a reasonably priced option will be attracted to live here. This likely will continue to include young singles and families seeking starter homes, and others at transition points in their lives looking for new options.
- **Demographic Changes** – As the overall population in the region ages, there will be more demand for senior housing, including models integrating a continuum of care. These will tend to support the need for smaller units due to smaller household sizes, including more multi-family options and accessible single-level units. On the other hand, the influx of foreign born immigrants could lead in the other direction, with larger household sizes and potential interest in multigenerational housing options to house extended family.
- **Market Conditions.** As described in the previous section, the housing market in Hopkins has been characterized in recent years by strong demand from buyers. This is expected to continue to lead to rising prices, as demand exceeds the supply of units on the market, as well as incentivizing the construction of additional housing in Hopkins.
- **Availability of Land for Development.** As a fully built-out city, all development in Hopkins will require redevelopment of existing sites. While this may be more complex than developing greenfield sites, the locational advantages of the city due to the proximity to jobs and amenities outweigh that factor. This is especially true for sites that are currently underutilized, and/or are positioned to have higher value uses than currently occupying the site. This is particularly true in targeted areas of development such as transit station areas. The next section discusses these areas in more detail.

Station Area Forecasts

Among redevelopment sites in the city, the planned Green Line Extension light rail line station areas likely have the most potential for change, including the potential for more housing or mixed-use development. In 2014, Marquette Advisors conducted a housing study for the Green Line Extension corridor to detail current conditions and project housing needs once the line opens. The recommended new residential development for the three LRT stations is shown in **Table B3.7**.

In total, the study recommends 1,244 new housing units in the Blake Station area, 680 new units in the Downtown Hopkins Station area, and 500 new units in the Shady Oak Station area. It is anticipated the demand for these units will be split between short term (demand within the next 5 years) and long term (demand extending beyond 10 years). The City has already taken steps to incorporate new residential development as part of station area plans and initial construction, which will work towards meeting the anticipated initial demand.

As can be seen from these numbers, the projected capacity for growth in these station areas is significantly higher than the city's total forecasted growth through 2040. If the station areas actually do reach their growth potential within the planning horizon, a comprehensive plan may be needed to increase overall growth forecasts for the city.

Table B3.7 – Total Recommended New Housing Units			
	Rental	Owner	Total
Blake Road	1,140	104	1,244
Downtown Hopkins	630	50	680
Shady Oak	500	0	500
Total Units	1,703	154	2,424

Source: Marquette Advisors

Affordable Housing

Definition

Housing affordability is one of the most important characteristics of housing. Broadly defined, affordability means that the intended residents are able to pay for the cost of housing without expending a disproportionate share of their income. In practice, the City focuses on policies and interventions regarding affordability for low income households, as they typically have the most challenges in finding affordable options. The definition of affordability for low income households can be found in the box on page XX. There are several main categories of affordable housing:

- **Subsidized housing.** Subsidized units typically receive some sort of public funding for construction and/or renovation, with the criteria that for a defined period of time, rents will be kept below market and that there are income or other eligibility restrictions on residents.
- **Naturally occurring affordable housing.** These are units that are priced typically below market, usually due to their own inherent condition, rather than any restriction or regulation. Like a number of other older developed suburbs, a significant percentage of the housing stock in Hopkins falls into this category. However, as they are not protected, their values and rents can rise depending on property and market conditions. There is no official tally of these in the area, as market values can change without notice.
- **Supportive housing.** Supportive housing integrates services with housing. It is typically targeted at specific groups that need additional support, such as people with disabilities, people experiencing homelessness, or people dealing with addictions or having other specialized medical needs.
- **Senior housing.** While most affordable housing cannot be restricted based on demographics of residents, senior housing is an exception. This type of housing has age guidelines for residents, and often features appropriate supporting services, often related to healthcare.

Definition of Affordability

This plan uses the definition of affordability used by the Metropolitan Council for developing and tracking affordable housing allocations. Affordability is based on a percentage of Area Median Income (AMI), the midpoint of the Twin Cities region income distribution. Low income affordability is defined at three levels:

- Extremely low income (30% of AMI)
- Very low income (50% of AMI)
- Low income (80% of AMI)

This is further broken down by household size. The US Department of Housing and Urban Development has calculated levels of affordability based on these criteria. For example, as of 2017, a four-person household is considered extremely low income if its household income is below \$27,100 per year. The income limits are adjusted yearly based on changing market conditions.

Affordable Housing Goals

Maintaining existing affordable housing and increasing overall supply of affordable units are important goals for the City of Hopkins. In addition, the Metropolitan Council has recognized this is a regional issue, and has developed affordable housing goals for cities throughout the region including Hopkins. The intent is to ensure that affordable housing is available throughout the region, particularly in areas with access to regional job centers. According to the Metropolitan Council’s affordable housing allocation, Hopkins’s share of affordable housing need is 197 units through the year 2030. **Table B3.8** breaks this down further by level of affordability/subsidy.

It is anticipated that this allocation will be met through the construction of multifamily housing, at a density of over 12 units per acre. More information on planned densities and future growth can be found in **Appendix B1**.

Table B3.8 – Affordable Housing Allocation	
At or below 30 AMI	90
From 31 to 50 AMI	51
From 51 to 80 AMI	56
Total Number	197

Source: Metropolitan Council

In terms of housing type, it is anticipated that the LRT station areas can accommodate a significant amount of affordable units, to the extent the total could exceed the overall allocation. The tables below

show the anticipated breakdown of affordable units by station area.

Table B3.9 – Recommended New Rental Development by Housing Type						
	0-30% AMI	30-60% AMI	60-80% AMI	80-100% AMI	100% AMI or More	Total
Blake Road	45	45	40	40	970	1,140
Downtown Hopkins	0	0	110	11	410	630
Shady Oak	0	0	75	75	350	500

Source: SWLRT Housing Study

Table B3.10 - Recommended New Ownership Development by Housing Type				
	Entry Level	Mid-Market	High-End	Total
Blake Road	40	40	24	104
Downtown Hopkins	25	25	0	50
Shady Oak	0	0	0	0

Source: SWLRT Housing Study

Housing Implementation Plan

Housing Goals and Strategies

The City of Hopkins is committed to meeting its goals for low income affordable housing maintenance and production, as well as providing a wide range of housing options at all income levels. **Table B3.11** shows a range of approaches by which the City and its partners can meet these goals. Not all of these will be used at any given time, and the circumstances under which they are applicable will vary.

Table B3.11 – Housing Implementation				
Housing Goal/Need	Implementation Opportunity	Policy	Fiscal	Programs
Affordable Housing (up to 80% AMI)	Multifamily and mixed use zoning, PUDs	Site assembly for redevelopment; zoning ordinance	Section 8 rental assistance; tax abatement; TIF; rental assistance and housing voucher programs; public housing	Landlord and tenant education; tenant advocacy; community land Trust; affordable mortgage products/MCPP (Minnesota Cities Participation)

				Program); CDA rental housing
Preserving existing rental housing stock	Existing rental units and parcels	Zoning ordinance	Rental rehabilitation grants and loans; 4d tax program	Landlord and tenant education; rental inspections at point of sale
Supporting young and first-time homeowners	Citywide		Single family rehabilitation grants and loans; first-time homebuyer incentives	Homebuyer education; community land trust
Maintaining homeownership	Citywide		Single family rehabilitation grants and loans	Foreclosure prevention counseling; community land trust
Senior housing	Multifamily and mixed use zoning, PUDs	Site assembly for redevelopment; zoning ordinance	Tax abatement; TIF; public housing	
Assisting and placing homeless individuals or families	Citywide		Rental assistance	Rental and homeless displacement counseling; coordinated entry
Increasing the livability of the city	Citywide	Zoning ordinance		Livable Communities Demonstration Account (LCDA); rental licensing and inspections

Housing Programs

To implement its housing goals and policies, the City of Hopkins administers the following programs. Additional ones may be added in the future, as needs and resources are identified.

- **Home Improvement Area:** HIAs allow a townhome or condo association low interest loans to finance improvements to common areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes.
- **Home Sale Point of Sale:** City ordinance requiring an inspection prior to the sale or transfer of residential real estate. The inspection is intended to prevent adverse conditions and meet minimum building codes. Sellers are responsible for incurring any costs for the inspection.
- **Public Housing:** Public housing offers affordable rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in a variety of types and sizes; from single family scattered rentals to high-rise apartments. HUD administers Federal aid to local housing agencies (HAs) that manage the housing for low-income residents at rents they

can afford.

- Rental Licenses: City implemented program licensing rental properties in the community. Designed to ensure all rental properties meet local building and fire safety codes.
- Rental Collaboration: City organizes regular meetings with owners, property managers, and other stakeholders operating in the rental housing industry. Collaborative, informational meetings that includes city staff, updates on economic development and real estate development, and updates from the local police, fire department, and building inspection departments.
- Financial Tools: As appropriate, Hopkins will consider using a variety of means to upgrade existing housing to provide a fair share of rental housing for low and moderate income households. Tools may include revenue bonds, tax increment financing, tax abatement and Community Development Block Grants along with other public funding sources as they may become available. The City will also consider partnerships with private and nonprofit entities to improve the quality of existing housing and/or ensure that rents remain affordable.

The City of Hopkins partners with other organizations and levels of government to provide the following programs and services:

- Housing Fair: Free seminars and advice for homeowners related to remodeling and home improvements. Most housing fairs offer educational seminars and "ask the expert" consulting services. Exhibitors include architects, landscapers, building contractors, home products, city inspectors, financial services, among others.
- Remodeling Handbook: Plan book to assist homeowners in renovating older housing stock in first-ring suburban communities. Collaboration with a number of inner-ring communities.
- Rental Assistance: Participate in the rent assistance programs of Hennepin County and the Twin Cities Metropolitan Housing Authority and serve as a local clearinghouse for information pertaining to rental assistance.