

Chapter 6 - Housing

Introduction

Overview

Hopkins is a well established, complete community with a traditional downtown area and neighborhoods containing a variety of housing types. Although many people think of downtown Hopkins when they think of the City, the residential neighborhoods are a strong contributor to the overall character of the community. Hopkins' neighborhoods contain housing that ranges from traditional single-family homes on smaller, narrow lots to larger, more expansive homes on heavily wooded lots in excess of one acre. Multi-family housing consists of a variety of forms from townhouses to apartments to more contemporary loft units. In recent years, Hopkins has seen significant construction in downtown housing with the east end of Mainstreet becoming a strong residential node.

Although Hopkins is classified as a fully developed community, its housing stock will continue to evolve and change. Over the next 10 years (2020), the City of Hopkins is projected to add an additional 300 households with 200 more households expected by 2030. Most of this growth will occur as a result of redevelopment, both in and around the downtown area and on sites along some of the major roadways like Excelsior Boulevard, Shady Oak Road and Blake Road.

Market Response to Housing in Hopkins

Despite the aging of much of Hopkins' housing stock and the shortage in older units of some contemporary conveniences, houses historically have sold relatively quickly in Hopkins. In 2000 the Census reported a vacancy rate of approximately 2 percent for the entire community; however, the City is keenly aware that the size and design of many Post-War houses, combined with the physical deterioration that can occur in such units over time, can produce a downward spiral of conditions, values and market response.

Hopkins has a number of positive attributes that contribute to the desire to maintain properties and to expand and modify existing homes



Single Family Home

to meet more contemporary marketplace needs. The City's location has convenient accessibility to major roads, transit routes and off-road bicycle trails; numerous job opportunities in the City and surrounding area; excellent schools; and abundant social and cultural amenities contribute to keeping the housing market strong. Past comprehensive plans have emphasized the need to keep Hopkins' housing marketable. This plan will continue to emphasize and expand upon this directive.



Residential Rehabilitation Loan and Grant Program

Hopkins has a long history of using loan and grant programs to further housing goals. In response to the need to promote private reinvestment in the aging housing stock, the City has been administering a program of grants and loans to owner-occupants with lower incomes. For the past 35 years, this program has assisted in the improvement of over 300 housing units in all parts of the City. The program is funded by the City's share of County administered Community Development Block Grant funds.

Hopkins has also fostered housing innovation. It pioneered housing improvement districts that required special legislation. Setting up the State's first housing improvement district allowed the city to implement major improvements to a townhome development and two condominium developments in the Westbrooke area, reversing a decline in housing quality and stabilizing the neighborhood as a desirable residential area.

Development Standards are Supportive of Housing Choices

The Hopkins Zoning Ordinance has been continually modified over the years to support and implement the housing initiatives identified in the Comprehensive Plan. The current Zoning Ordinance includes five districts that allow detached housing on parcels ranging in size from 6,000 to 40,000 square feet. Five other districts allow attached housing including duplexes, four-unit buildings, townhouses, and apartments at densities ranging from 3,500 to 1,000 square feet of lot area per unit (12 to 43 dwelling units per net acre). The R-4 and R-5 districts allow for very urban densities with minimal amounts of open area. This type of development has proven popular in many communities throughout the Twin Cities Metropolitan Area.

Housing Construction

Although the City is considered fully developed, over 400 new housing units have been built in Hopkins since 1990. Many of the new units have been created through redevelopment efforts including projects such as The Oaks of Mainstreet, Marketplace Lofts, Oakridge Place and The Summit. Other projects such as Marketplace & Main are poised to begin construction as soon as market conditions improve. The impact of these projects on the image of the City has been profound. Hopkins now offers the attraction of urban style housing choices within a compact, historical downtown area. This is exactly the type of environment that many suburban communities today are trying to emulate. In Hopkins, the fit of housing, jobs and the availability of goods and services occurs in a very genuine way. The community has a rich character that cannot be duplicated by new communities that are constructed at one point in time. Accordingly, Hopkins will remain a desirable location for the private marketplace to continue to seek opportunities for redevelopment that fit into the existing fabric of the community.

A Guide for Future Housing Initiatives

The housing section of the Hopkins Comprehensive Plan is intended to help guide the changes that lie ahead. It contains overall goals, an analysis of past trends, the identification of current issues, a plan for future housing, and strategies and implementation methods to guide future decisions. At its core, the housing plan focuses on two primary themes: 1) ongoing maintenance of existing housing and 2) opportunities to add new housing as a part of future redevelopment efforts.



Marketplace Lofts



Regency Townhomes

Goals

A set of overall goals provides a framework for housing initiatives in Hopkins. Pertaining to housing, the City of Hopkins seeks to:

- **Retain and enhance detached single-family homes.** Hopkins has a high percentage of multi-family housing. Most of the housing constructed in the future will also be multi-family due to locational and economic considerations. The city will generally continue to protect existing single-family neighborhoods from redevelopment and undue encroachments to maintain a variety of housing types.
- **Continue to emphasize housing maintenance.** Much of Hopkins' single-family and multi-family housing is at least 40 years old. Due to the age of the structures, emphasizing ongoing maintenance will be critical to maintaining and enhancing real estate values and keeping neighborhoods desirable in the eyes of future home buyers.
- **Take advantage of redevelopment opportunities to provide new housing choices for the community.** Redevelopment has created exciting new housing opportunities in recent years and future projects will offer even more choices. Of particular note is the current plan to expand light rail transit to serve southwestern Twin Cities suburban communities. The Southwest LRT line passes directly through Hopkins creating redevelopment opportunities at and around three potential station locations.
- **Encourage the development of owner-occupied housing.** Hopkins has a high percentage of rental housing. To maintain overall housing diversity, the city encourages new housing to be owner-occupied where feasible.
- **Continue to strive for a mix of housing that accommodates a balance of all housing needs.** The current supply of housing in Hopkins provides opportunities for people in all stages of the housing life-cycle. Hopkins' current housing stock also addresses a wide range of income levels. Entry level opportunities exist in the supply of rental housing; more affordable units are also available for first-time home buyers. Existing neighborhoods offer opportunities for move-up housing, and the needs of seniors are addressed in a number of subsidized and market rate housing choices. Support services for seniors in the form of assisted living and long-term care opportunities also exist in the community.

Analysis of Housing Stock

Household Characteristics

The housing stock in the City of Hopkins is described by the follow-

ing data from the 2000 U.S. Census Bureau. A household in Hopkins includes all the people who occupy a housing unit as their usual place of residence. The following household characteristics offer another perspective on the characteristics of people living in Hopkins:

- 45 percent of Hopkins' households is family households (see Table 6.1). This compares with 58 percent for Hennepin County and 65 percent for the region.
- The decrease in married couple homes may not be a true depiction of Hopkins since this decrease may be closely associated with the current housing stock. Single-family homes have not significantly decreased over the years. Instead there has been an increase in more contemporary loft style units. These units typically consist of non-family households and would influence the decrease in married couple homes.
- Householders living alone increased by nearly 500 residents between 1990 and 2000.
- 23 percent of all households include children under the age of 18 (see Table 6.2) compared to the region that has 34% of such households.
- 55 percent of Hopkins households is non-family households. This is significantly higher than Hennepin County (41%) and the region (35%).



Single Family Home

Table 6.1 - Household Type (1990 and 2000)

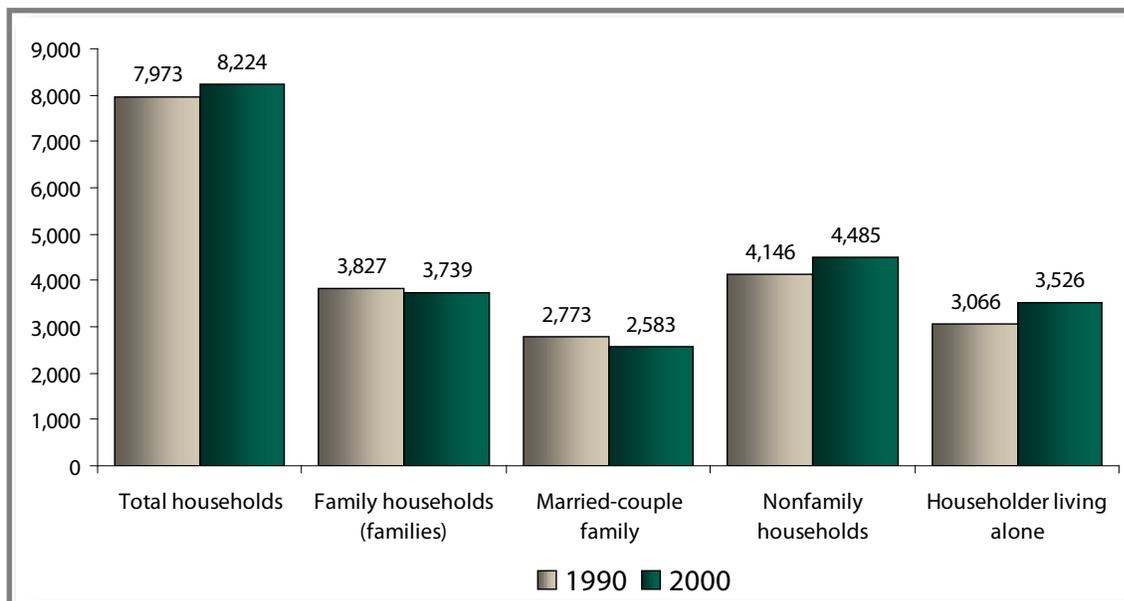
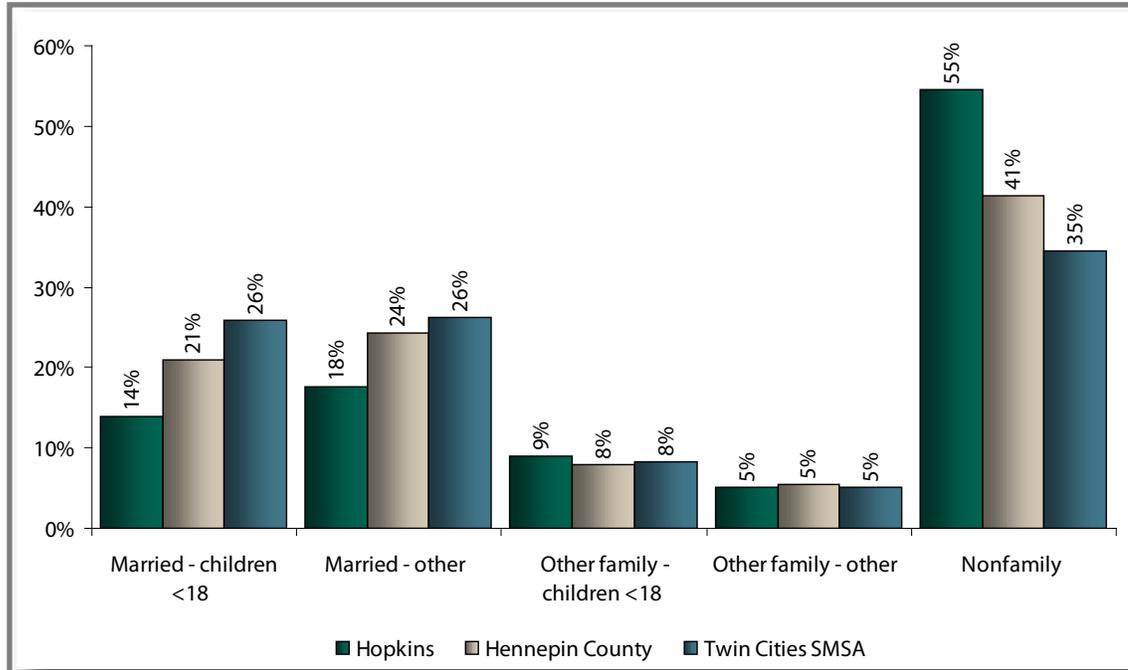


Table 6.2 - Household Type – City/County/Region (2000)



Housing Implications

- The increase in householders living alone may be indicative of a longer-term pattern. If so, it will continue to support a market for multi-family, smaller unit housing.
- The proliferation of households containing a smaller percentage of children under the age of 18 will have an impact on enrollment at local schools, and it may have an impact on the future sales of traditional single-family homes.

Demographics

Communities are continually evolving over time as residents age or move to other communities. Understanding Hopkins’ demographics can provide a telling story about future market needs. The 2000 Census shows a small increase in population since 1990 of about 4 percent (see Table 6.3). By 2030 Hopkins is projected to add an additional 1,000 residents.

Table 6.3 - Age

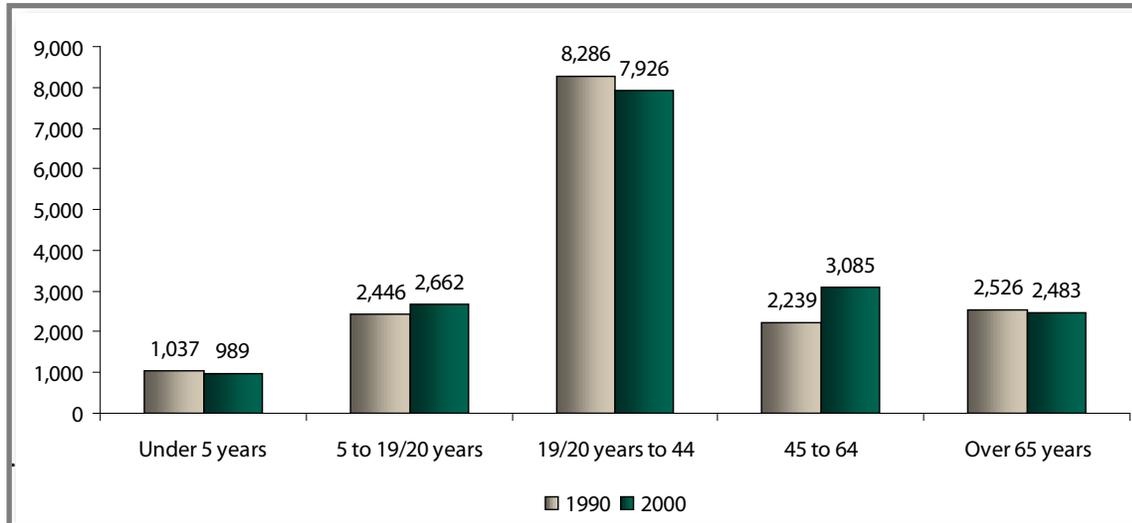


Table 6.4 - Age (2)

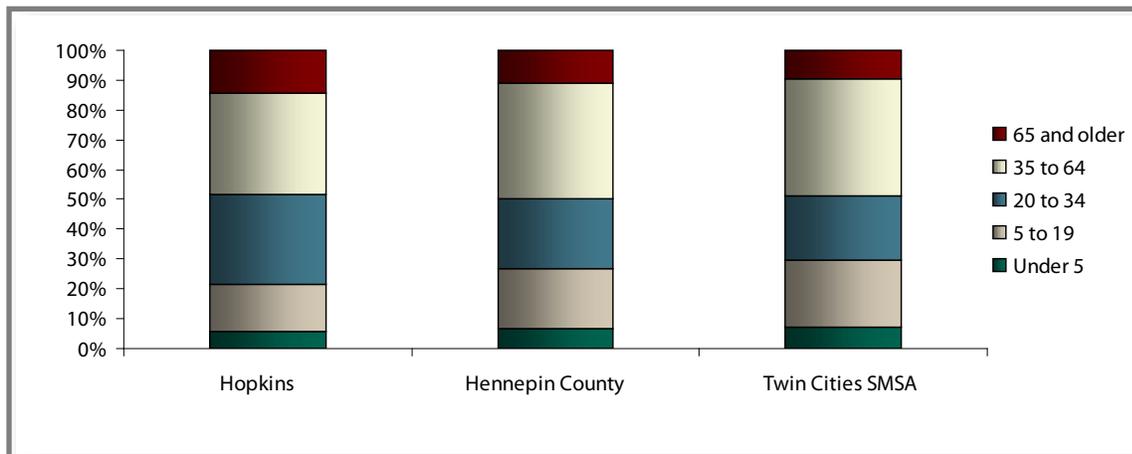


Table 6.4 provides a breakdown of age groups in Hopkins. A typical trend for the region and the state is the aging Baby Boom generation. This age group, typically between 45 and 64, currently makes up 18 percent of Hopkins' population. As this age group continues to grow in size, it may pose several important questions for the community. Is

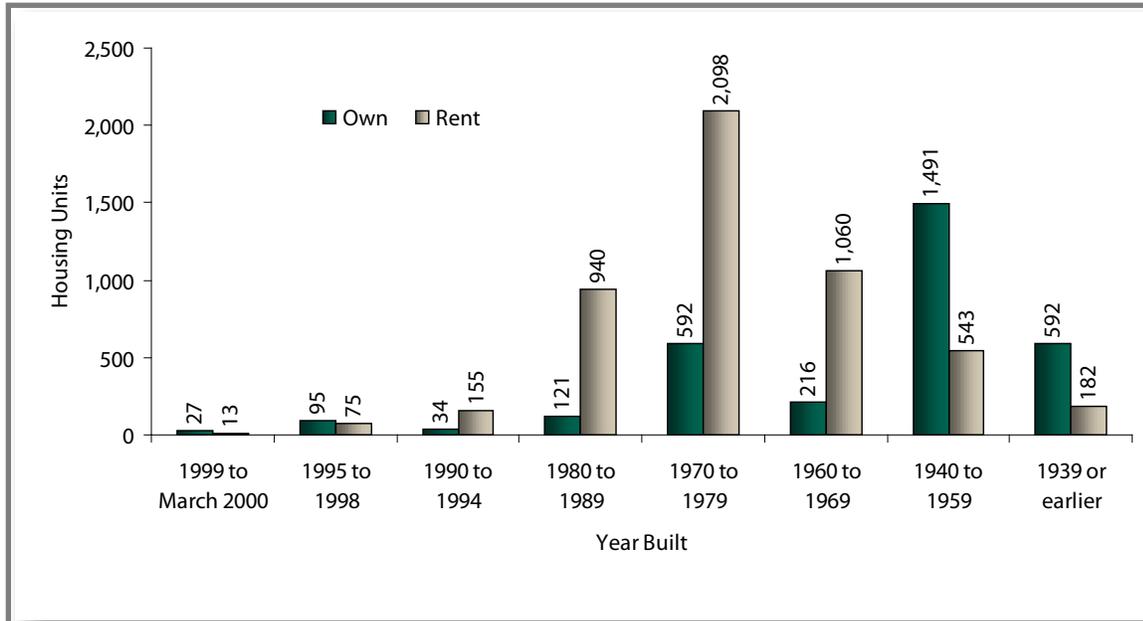
there a diverse housing stock to accommodate an aging population, and are there the necessary services (health services, medical facilities and assisted living) to support the aging population? Providing a diverse housing stock not only gives residents a community to age in place, but options for all income levels.

Demographic Implications

- Changing demographics will impact the existing housing stock. One-level homes will continue to be popular since they better accommodate the needs of an aging population.
- Existing and new housing will continue to need to offer choices for residents to age in place.
- Hopkins and other agencies will continue to see a need for support services for the senior population.
- Since Hopkins is a fully developed community, redevelopment initiatives will be needed to accommodate the projected 1,000 additional residents by 2030.

Housing Stock

Between 1999 and March 2000, 40 new housing units were built in Hopkins (see Table 6.5). A significant number of new units have been created through land redevelopment over the last 5 years, including projects such as Oakridge Place, Marketplace Lofts and The Summit. The focus of the community is now on housing maintenance and redevelopment of blighted and/or obsolete properties. Any new construction will likely occur on infill lots and through redevelopment.

Table 6.5 - Year Structure Built

Overall, the single-family housing stock in Hopkins is in good condition. In some cases, small concentrations of deteriorated multi-family housing exists. Although the older units located between Downtown and TH 7 and in South Hopkins need more ongoing maintenance due to age, there is apparent pride in ownership of these single-family structures, and they are generally well maintained.

A large portion of Hopkins multifamily units were built in the 1970s (Table 6.6) and lead to concerns about deterioration and deferred maintenance issues. Proper maintenance of these units is a strong interest of the City. The City does have standards for the maintenance of rental housing that go beyond the Building Code. The provisions of the code require periodic inspections of rental units and repair of identified deficiencies.

Housing Stock Implications

- Efforts will need to focus on programs and initiatives that encourage the maintenance of the existing aging housing stock.
- Generally single-family and multifamily units constructed 40+

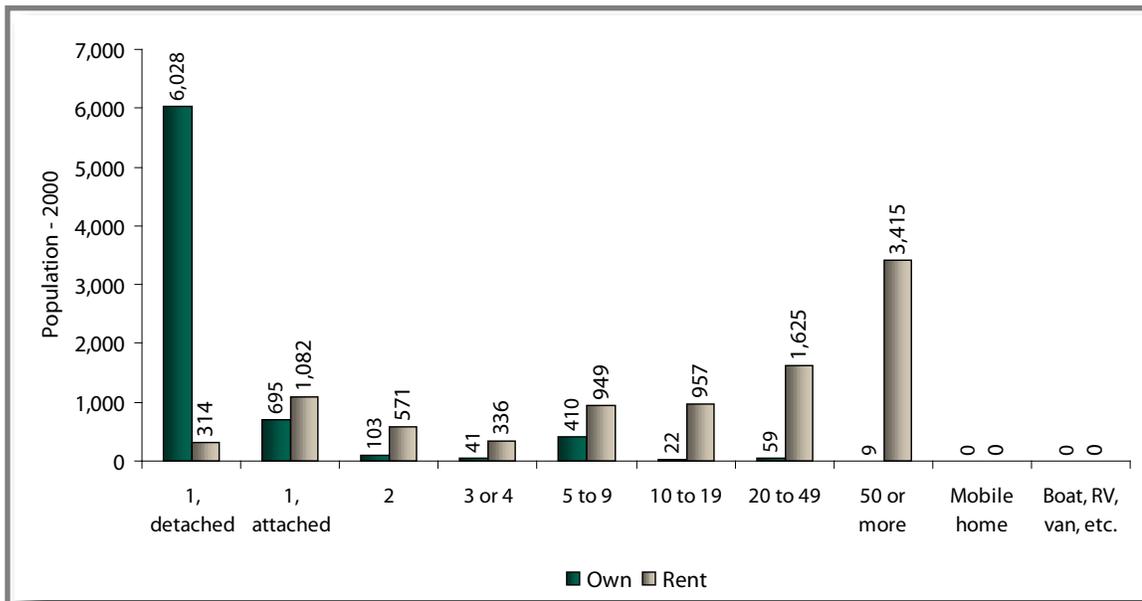
years ago begin to approach an age where continual maintenance improvements are needed. The City may need to find creative ways to encourage homeowners and landlords to conduct maintenance improvements.

- The City will need to continue to seek outside programs that assist in the maintenance and enhancement of the existing housing stock.

Tenure

One of the unusual facts about the Hopkins housing stock is the high proportion of renter-occupied units compared to owner-occupied units. According to data from the 2000 Census Bureau, 62 percent of the housing in Hopkins was renter-occupied and 38 percent of the units was owner-occupied (see Table 6.6).

Table 6.6 – Housing Type and Tenure (2000)



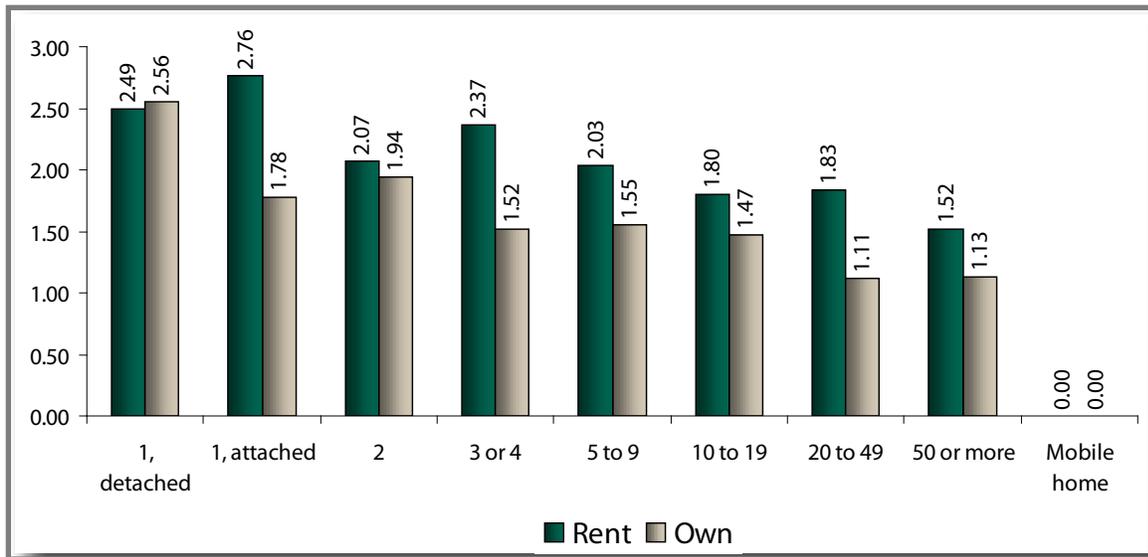
The Census also reports the population living in various types of housing. This data can be used to calculate the average number of people living in different housing types. Table 6.7 compares average population by housing type and tenure (own or rent). This data provides some interesting observations about housing in Hopkins:

- There is a large rental population; however, there is also a signifi-

cant amount of single-family homes that are owner occupied. Hopkins offers a diverse housing stock that allows residents to own single family-homes or rent multifamily units.

- Structures with 3 to 49 units are primarily occupied by one and two person households.

Table 6.7 - Population Per Housing Type and Tenure (2000)



Tenure Implications

- Hopkins will continue to have a large number of rental units, making turnover a potential issue.

Household Income

Income influences many aspects of a community. Income provides consumers the ability to acquire housing (own or rent) and purchase goods from local businesses. According to the 2000 Census, 27 percent of Hopkins’ homeowners was spending more than 30% of their household income on housing costs (see Table 6.8). This is 9 percent more than the Twin Cities average of 18 percent. 36 percent of Hopkins’ renters was also spending more than 30 percent of their household income on housing costs. (see Table 6.9).

Table 6.8 - Selected Housing Costs as % of Household Income (2000)

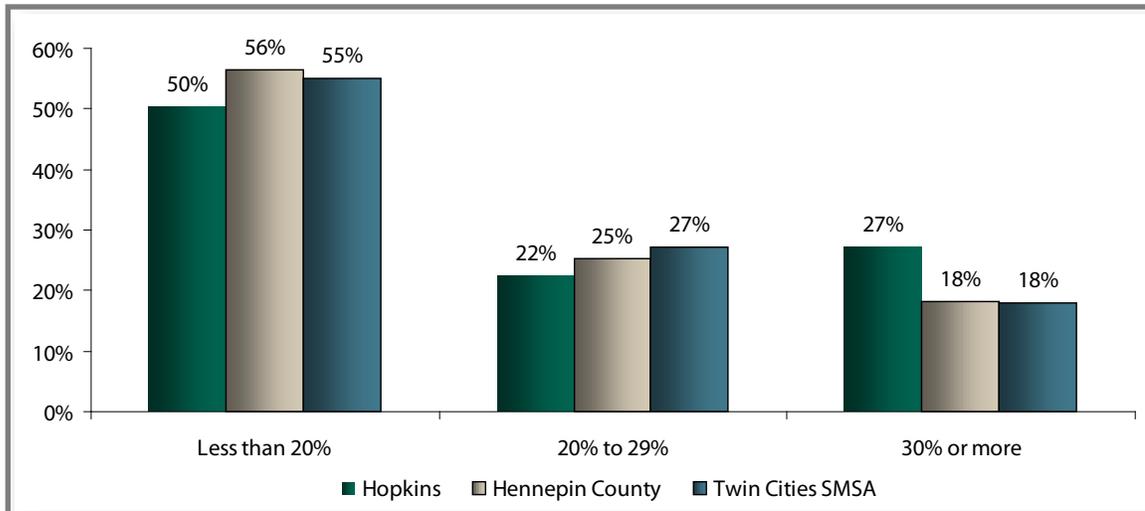
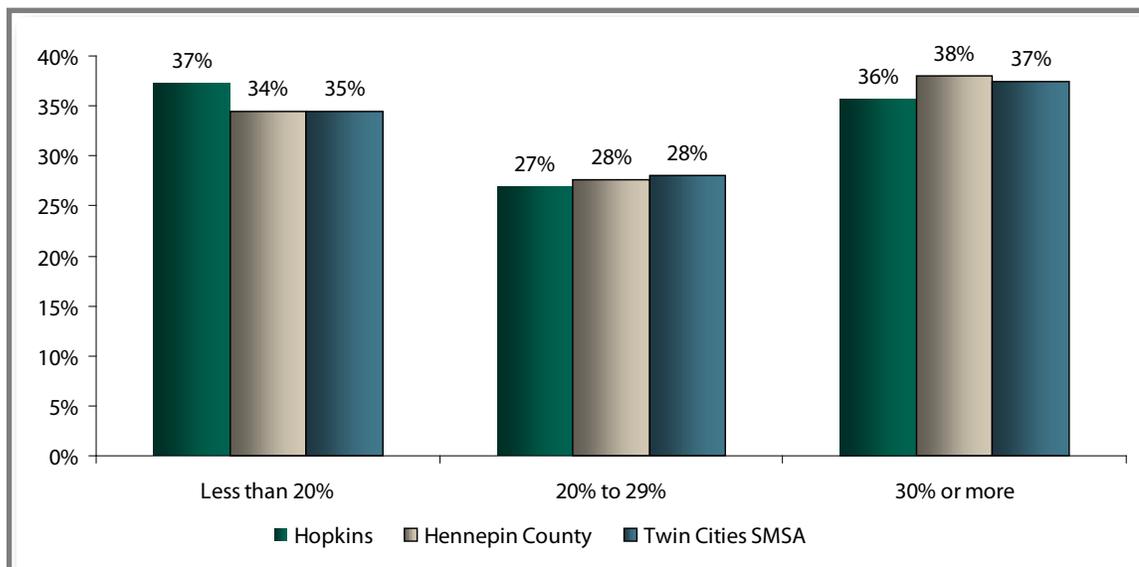


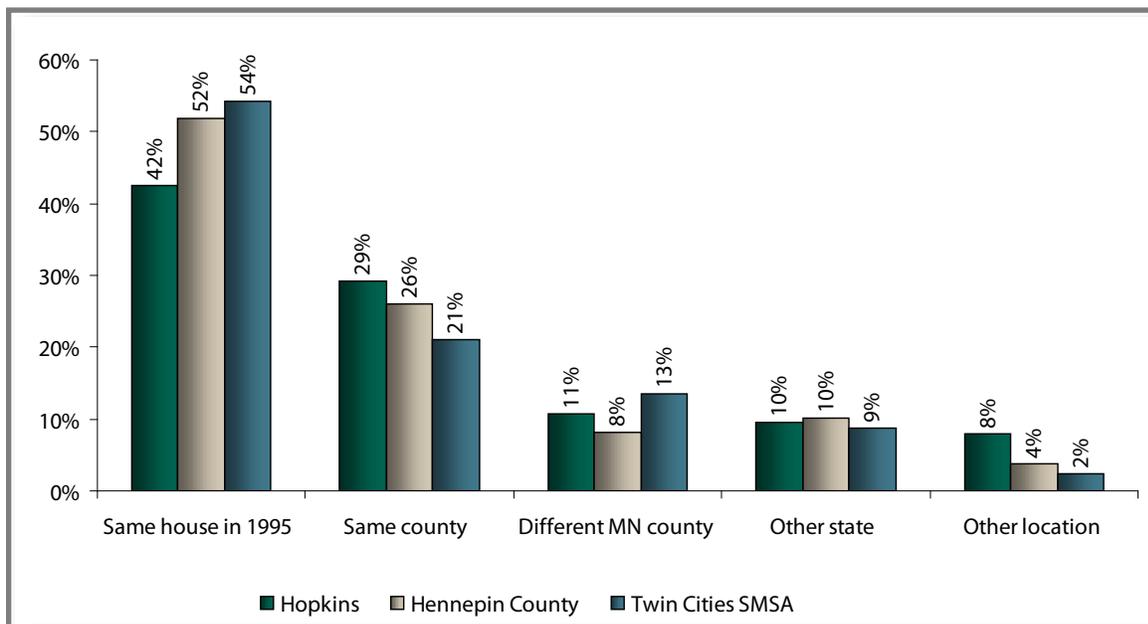
Table 6.9 - Gross Rent as % of Household Income (2000)



Regardless of income spent on housing, the City of Hopkins has been relatively successful in retaining and attracting new residents. 42 percent of the population (age 5 and older) lived in the same house in 1995 (see Table 6.10). This compares with 52 percent for all of Hennepin County and 54 percent for the region. The census does not report the portion of the population that moved to a different house within Hopkins during this period. People moving to Hopkins from a different location in Hennepin County made up 28 percent of the 2000 population. This portion of the population is higher than the comparable segments of the County (22 percent) and regional (25 percent) populations.

Hopkins' success in retaining residents is partially attributable to the supply of existing single-family homes. Rental units, however, have been a challenge for the City. There has been a high turnover rate of tenants in some rental units compared to the rest of the housing stock. This issue is a concern for the City, because it can influence a community on several levels. Fluctuations in school enrollment create educational challenges for the Hopkins School District. High turnover rates also influence the overall well being of the community. Retaining residents creates a stronger sense of community and stronger cohesiveness.

Table 6.10 - Residence in 1995 – City/County/State



Housing Income Implications

- Based on current household incomes, portions of Hopkins' housing is affordable.
- Hopkins will need to consider ways to accommodate future affordable housing units to meet Metropolitan Council requirements.
- The City will need to work with other governmental and non-profit entities to help reduce the turnover rate of rental housing.
- The City of Hopkins will need to continue collaborating with the Hopkins School District to assess the social, economic and educational implications of the overall housing supply.

Home Buyers/Renters

The opportunity for purchases by first-time homebuyers in Hopkins is enhanced by the supply of smaller, older homes in Central Hopkins and in other neighborhoods. Parts of the Presidential neighborhoods, Park Valley and Peaceful Valley are also more affordable. Campbell, Hobby Acres and Interlachen Park neighborhoods offer opportunities for move-up buyers. More expensive homes are available in the Bellgrove and Knollwood neighborhoods. The relatively large number of rental apartments and townhouses also offer choices for households who do not wish to or cannot afford to purchase homes.

The Housing and Redevelopment Authority (HRA) owns and maintains 76 dwelling units rented to low-income households. All of the units are located in one building near Downtown. Other subsidized rental units are operated by coops and non-profit agencies not directly affiliated with the City. Overall, 12 percent of the total rental units in Hopkins is subsidized and 7 percent of the Cities total housing stock is subsidized (exclusive of group homes).

A small percentage of low income individuals in Hopkins receive rent assistance through the federal Section 8 Rent Assistance Program administered by the Metropolitan Housing and Redevelopment Authority (HRA). The City of Hopkins currently has 350 households receiving rent subsidies through the Section 8 Housing Program. This program, however, does not fully meet the need for housing affordability in Hopkins or elsewhere, and levels of funding have been reduced annually throughout the past two decades.

Home Buyer/Renter Implications

- Changing market trends will continue to influence the Hopkins housing market.
- The City will need to continue offering and promoting housing assistance programs to facilitate both home ownership and affordable rents.

Housing Affordability

Housing is considered affordable when it consumes no more than 30 percent 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.

Affordability in the City of Hopkins is defined by the Metropolitan Council and the U.S. Department of Housing and Urban Development (HUD). Based on the thresholds of these agencies, Hopkins and other metro area communities should focus on providing housing that is affordable to families earning 60 percent of the Twin Cities median family income. Under HUD definitions this translates to a home priced at or below \$152,000. At that price, a family of four who earns \$47,100, which is 60 percent of the Twin Cities median family income of \$78,500, is spending 30 percent or less of its gross income on home ownership.

Rental housing is defined differently than home ownership. The threshold for rental housing is considered affordable to families earning 50 percent of the Twin Cities median family income. The rental threshold for affordable housing for a family of four is \$39,250.

This results in the following affordable rental rates:

- Efficiency Unit - \$687 a month
- 1 Bedroom Unit - \$736 a month
- 2 Bedroom Unit - \$883 a month
- 3 Bedroom Unit - \$1,020 a month



Town Terrace Apartments



Hopkins Arches

In response to affordable housing needs, the Hopkins Comprehensive Plan is required to acknowledge the community's share of the region's need for low and moderate income housing. In January of 2006, the Metropolitan Council released a summary report entitled "Determining the Affordable Housing Need in the Twin Cities 2011-2020." This report not only forecasted the regional need for newly-constructed, affordable housing (2020), but also allocated each community's share of the regional need for the comprehensive planning process. The total need for newly-constructed affordable housing units in the Twin Cities is estimated to be 51,000 between 2011 and 2020.

Based on this report, the Metropolitan Council has forecasted a need of 143 new affordable units between 2011 and 2020 for the City of Hopkins. This number is determined based on a variety of factors such as low-wage job proximity, existing housing stock and transit services. The following is a summary of these factors and the formula used by the Metropolitan Council:

72 Base allocation of the amount of the 300 new housing units which should be affordable (same across the region with minor adjustments).

+66 Low-wage Job Proximity: communities, such as Hopkins, with more low-wage jobs than local low-wage working residents have their share increased by a proportional amount (1.93 ratio).

-9 Housing Stock: 43 percent of Hopkins' housing stock is considered affordable at 60 percent of median income. Since 30 percent is seen as desirable, the community's share decreased by a proportional amount.

+14 Transit Service – Level 2 transit service available results in an increase of 20 percent to the community's share.

143 Total New Affordable Units Needed

It is important to note that the study was concerned only with newly-constructed affordable housing or development actions that consume land. The study recognizes that a portion of low income households will find housing in older, market-rate units that have depreciated in price to maintain occupancy; however, these housing units are not

included in determining the number of units needed. Since Hopkins is a fully developed community, it is assumed the 143 additional units will be achieved through redevelopment initiatives. These initiatives are discussed further in the Land Use chapter.

Housing Plan

Hopkins' Housing Plan identifies strategies and approaches to help meet the identified housing goals which include:

- Retain and enhance detached single-family homes.
- Continue to emphasize housing maintenance.
- Take advantage of redevelopment opportunities to provide new housing choices for the community.
- Maintain a housing supply that responds to changing demographics.
- Encourage the development of owner-occupied housing.
- Continue to strive for a mix of housing that accommodates a balance of all housing needs.

The goals listed above and the implementation actions that follow are intended to ensure long-term housing quality, meet Hopkins' share of the regional need for low and moderate income housing, preserve the integrity of existing neighborhoods, promote housing redevelopment in appropriate areas and continue to provide a mix of housing types that keeps the community viable and competitive.

Neighborhood Preservation

The City regards the preservation and protection of its existing residential neighborhoods as one of its most important actions; therefore, the City will work to protect the integrity and long-term viability of its neighborhoods and strive to reduce the potential negative impacts of nearby commercial or industrial land development through zoning, site plan reviews, and code enforcement.

Long-term stability and growth of neighborhoods are key elements in Hopkins' efforts to remain a desirable place to live and to achieve long-term sustainability. Neighborhoods are more than attractive places to live. The residential sectors of Hopkins provide employees for busi-



nesses, a market for goods and services, and they create an image of the community. Neighborhoods are also a reflection on the community's social and economic standards of living and overall quality of life.

To address neighborhood preservation, Hopkins will:

- Strictly enforce its municipal regulations pertaining to housing and yard maintenance to protect the value and integrity of residential neighborhoods.
- Support housing maintenance through continued administration of applicable programs.
- Continue to enforce its maintenance code for multiple-family housing and rental housing.
- Protect residential areas adjacent to downtown Hopkins from the undue encroachment of non-residential uses.
- Promote the infilling of vacant parcels in and near residential neighborhoods. The redevelopment of existing developed land will be in accordance with uses specified in the Comprehensive Plan.
- Pursue efforts to remove land uses that are inconsistent with the Comprehensive Plan and incompatible with existing residential neighborhoods.
- Enforce high standards for all multiple-family residential development. Factors to be considered in reviewing new housing proposals will include but not be limited to the aspects of building massing, parking locations, access, traffic impacts, landscaping, exterior architectural design, fencing, trash handling, and parking ratios.

Housing Redevelopment

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. In these locations, the City has indicated its land use intentions through the Land Use Plan and the zoning regulations. In the future, however, the opportunities for additional housing may be expanded. The planned Southwest LRT line has the potential for significant change including creating additional potential locations for more housing or mixed-use development. Future improvements to Shady Oak Road and possibly Blake Road also have the potential to expand housing opportunities.

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.

To address future redevelopment, Hopkins will:

- Focus on the implementation of short and long-term redevelopment recommendations contained in the land use section of this plan.
- Remain open to the consideration of new housing types and designs that meet the broad spectrum of existing and future residents' needs.
- Work closely with Hennepin County and other agencies on the implementation of the Southwest LRT line.

Housing Assistance

The City of Hopkins has a long history of providing housing assistance for low income, elderly and special needs residents. Due to the age of the City's housing stock, a significant number of rental and owner-occupied units are affordable. Accordingly, Hopkins will continue to provide housing assistance in a targeted manner.

In order to provide housing assistance, the City will:

- 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.
- 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 non-profit entities to improve the quality of existing housing and/or ensure that rents remain affordable.



Housing Initiatives

The City of Hopkins will pursue a series of action steps related to the maintenance of strong neighborhoods and the creation of new housing through appropriate redevelopment efforts. The following initiatives will be pursued:

- Continue and/or expand existing housing programs.
- Examine and improve housing maintenance codes and actively enforce these codes.
- Maintain and improve public infrastructure in neighborhoods.
- Monitor the effectiveness of the Truth in Housing Program to ensure that it is helping to maintain and upgrade residential housing stock.
- Encourage the use of rental rehabilitation and single-family housing loan programs offered by various private and public sources.
- Continue to promote first-time home buyer programs offered by outside agencies.
- Continue to promote and offer the Residential Rehabilitation Loan/Grant Program.
- Continually monitor the condition of existing housing units and identify properties that have deteriorated to the point that they may need to be removed and replaced with new housing.
- Aggressively enforce the Nuisance Abatement Ordinance/Housing Code in regard to dilapidated housing units.
- Continue communication and outreach efforts with residents of multi-family housing including working with the Hopkins Apartment Managers Association (HAMA) to ensure that multi-family housing residents are welcomed to the community.
- Discourage the construction of additional assisted living facilities and long-term care facilities. Hopkins has an extensive supply of such uses, which places significant pressure on existing police and emergency medical response services.
- Continue to coordinate redevelopment initiatives associated with the LRT stations.

Additional information on housing programs and actions is included in the Implementation Section of the Comprehensive Plan.