



## Chapter 3

# Housing



### 3.0 | Introduction

Housing comprises 43% of the land use in the city. Since Chanhassen became a city in 1967, the number of housing options has become more diverse. Housing choices have expanded from single-family detached homes to include apartments, condominiums, attached-single family, senior living facilities, and group homes. “Chanhassen is a Community for Life” and thus has provided land use and zoning supporting a variety of housing options for residents in all stages of life.

The housing plan will examine existing conditions and provide an analysis of housing needs. The data comes from the June 2014 Maxfield Research Inc. “Comprehensive Needs Assessment for Carver County”, the US Census, the Metropolitan Council, the May 2017 Community Partners Research, Inc. “Carver County Affordable Housing Update”, the Minneapolis Area Association of Realtors, and the City of Chanhassen. Whenever possible the city has attempted to use the most recent information available; however, some older sources, particularly the 2014 Maxfield study, provide unique data not found elsewhere.

### 3.0 | Overview of Existing Housing

**FIGURE 3-1 | Historic Count of Housing Types**

Type of housing and units in structure	Housing Type							
	1990		2000		2010		2015	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
Single family detached	3,102	105	5,312	88	5,992	115	6,111	144
Single family attached	292	331	920	37	928	169	1,265	316
Duplexes	8	21	10	23	13	0	4	17
Buildings 3-4 units	15	30	24	35	95	23	18	15
Building with 5-19 units	1	197	33	208	48	44	59	176
Building with 20	0	193	0	328	57	583	37	539
Mobile Homes	2	0	0	0	28	0	3	0
Other Units	8	11	0	0	0	0	0	0
<b>Total occupied housing units</b>	<b>3,428</b>	<b>588</b>	<b>6,199</b>	<b>719</b>	<b>7,161</b>	<b>934</b>	<b>7,497</b>	<b>1,207</b>

Source: US Census & City of Chanhassen Building Permit Activity

Since 2000 the city has grown from a Census estimated 6,195 owner occupied homes and 719 rental units to an estimated 7,497 owner occupied homes and 1,207 rental units in 2015.



**HOUSING** | Preserve Housing



**FIGURE 3-2** | Housing Permits Issued 2000-2017

Year	Single Family	Attached Single Family*	Apartments	Dwellings
2000	124	34	162	320
2001	85	44	100	229
2002	54	246	0	300
2003	59	94	243	396
2004	76	16	0	92
2005	60	24	0	84
2006	89	42	48	179
2007	65	86	18	169
2008	28	38	0	66
2009	71	14	0	85
2010	71	30	0	101
2011	106	62	0	168
2012	107	78	0	185
2013	89	86	0	175
2014	57	96	0	153
2015	80	24	0	104
2016	48	0	76	124
2017	55	12	0	67
Average	74	57	36	167

Source: City of Chanhassen

*\*Attached Single Family homes are multi-family homes in which one structure has several dwellings sharing a common wall or walls with another unit. Attached homes are different from apartment buildings in that they usually have fewer dwelling units, typically two to six, and are more likely to be owner occupied than rented. Examples include duplexes, townhomes, and row houses.*

Over the last 18 years, the city has approved the construction of an average of 167 dwelling units a year. During 2003, the city issued 396 permits, compared to 66 permits in 2008. The extreme variation during this period is the result of it spanning both the height of the real estate boom and the subsequent economic recession. The five-year average of 125 permits a year represents typical post-recession permit volume for the city. As of 2018, projections for the city's growth between 2017 and 2021 range from a low of 165 units a year to a high of 200 units a year.

### 3.1.1 | Occupied Housing Units by Type and Tenure

FIGURE 3-3 | 2015 Housing Unit Types

Housing Type	
Single-family	Multi-family
8,180	1,276

Source: U.S. Census, Metropolitan Council

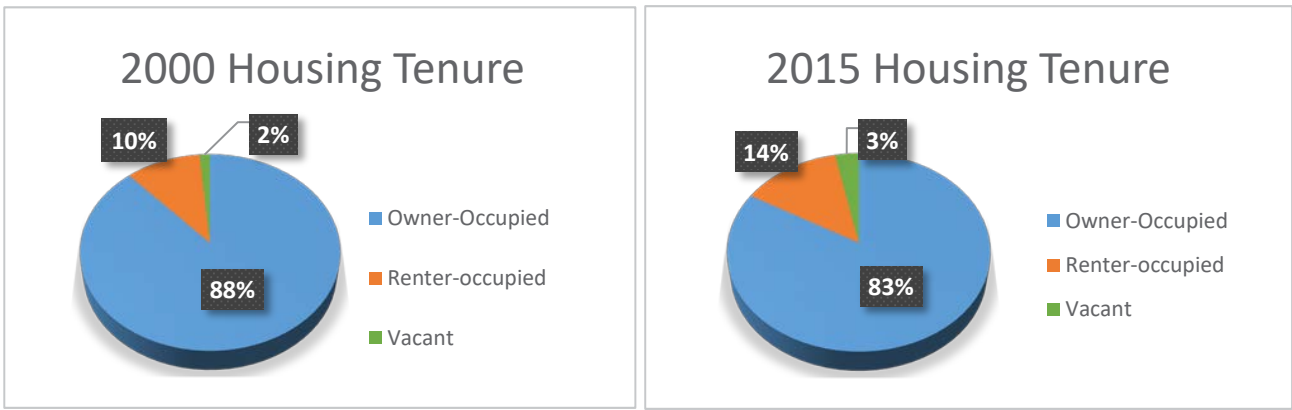
FIGURE 3-4 | 2015 Housing Tenure

Tenure	
Ownership Units	Rental Units
8,186	1,270

Source: U.S. Census, Metropolitan Council



FIGURE 3-5 | Housing Tenure



Source: US Census ( 2000, 10-year and 2015, 5-year )

Approximately 83% of the city’s housing was owner occupied in 2015, down from 88% in 2000. Detached single-family housing continues to be the mainstay of the city’s housing stock; however, the city has added 1,026 attached single-family units since 2000. Many of these units are owner occupied townhomes, although some of these dwellings are being rented.

The city has also approved projects featuring multifamily dwellings during this period. Multifamily dwellings are defined as buildings with more than five units. These units include larger townhouses, condominiums, and apartments. Multifamily developments are generally rental properties; however, townhouses and condominiums can be either owner or renter occupied. Since the year 2000, the city has added 647 apartment units.

## 3.1.2 | Owner Occupied Housing

**FIGURE 3-6** | Age of Owner Occupied Housing Stock (Selected Communities)

Cities	Owner occupied					
	before 1950	1950-1969	1970-1989	1990-1999	2000-2009	2010-2014
Carver	109	39	119	275	509	166
Chanhassen	159	788	2,560	2,552	1,133	714
Chaska	306	419	1,749	1,910	1,797	364
Victoria	128	202	319	617	927	358
Waconia	203	459	364	1,005	1,127	365
Carver County	2,512	2,855	7,002	7,522	6,947	2,090

Sources: U.S. Census Bureau, Cities and Townships; Maxfield Research, Inc.

Over half of Chanhassen's housing stock was built after 1990. While Chanhassen's ratio of owner occupied housing built before and after 1990 is similar to Carver County as a whole, a significant portion of its housing stock is older than that of the other rapidly growing cities in the county. For example, 44% of Chanhassen's ownership housing was built before 1990, compared to 25% in Victoria and 29% in Waconia.

**FIGURE 3-7** | Median Resale Price (Selected Communities)

Cities	Median Sale Price (Selected Communities)				
	2013	2014	2015	2016	2017
Carver	\$282,500	\$270,000	\$277,750	\$296,090	\$345,000
Chanhassen	\$305,000	\$318,838	\$325,000	\$336,950	\$346,950
Chaska	\$252,000	\$235,000	\$255,000	\$272,500	\$293,000
Victoria	\$371,500	\$369,990	\$403,250	\$423,018	\$439,900
Waconia	\$229,000	\$237,000	\$250,000	\$266,500	\$272,000
Carver County	\$252,000	\$258,050	\$273,490	\$279,900	\$312,250

Sources: Minneapolis Area Association of Realtors

The above table lists the median sale price for all residential homes, including detached single-family, attached single-family, and condominium style homes. In 2017, Chanhassen's median home sale price of \$346,950 was the second highest in Carver County, \$34,700 over the county's median sales price. Only Victoria's median home sale price of \$439,900 was higher.

**FIGURE 3-8 | Chanhassen Single Family Sales**

Chanhassen Single Family Sales						
Sales Year	Detached Houses		Town Homes		Condominiums	
	Number of Good Sales*	Median Sales Price	Number of Good Sales*	Median Sale Price	Number of Good Sales*	Median Sale Price
2016	332	\$420,000	79	\$228,250	79	\$166,500
2015	356	\$370,000	75	\$228,242	76	\$161,000

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

\*Good sales are fair, open market transactions.

Once the data for detached homes, attached homes/townhomes, and condominiums is separated out, it is clear that the price of Chanhassen's detached single-family housing stock is increasing significantly faster than the price for attached homes/townhomes or condominiums. This discrepancy may be due to the fact that only 24 new attached-single family units and no new condominiums were constructed in 2015 and 2016, meaning that most of these sales involved the resale of older units.

**FIGURE 3-9 | Active Single Family Developments January 2014**

Cities	Active Single Family Developments January 2014						
	Avg. Home Starts (2006-2014)*	Total Lots	Vacant Dev. Lots	Estimated New Home Prices			Estimated Avg. Price**
				<\$325K	\$325K - \$525K	\$525K +	
Carver	29	115	68	25%	70%	50%	\$307,890
Chanhassen	87	479	118	0%	80%	20%	\$385,179
Chaska	68	671	256	50%	75%	20%	\$371,179
Victoria	64	502	106	0%	50%	50%	\$384,893
Waconia	61	481	144	15%	65%	20%	\$285,302
Carver County	357	4,128	1,216	32%	55%	13%	\$310,804

Source: Regional Multiple Listing Service, Maxfield Research Inc.

\*Home Starts are an average of permits issued from 2006 through 2013.

\*\*Estimates are for 2013 and are based on an inventory of active subdivisions.

A 2014 survey of active subdivisions found that Chanhassen's new single-family housing was typically priced between \$325,000 and \$525,000. The Maxfield study shows that Chanhassen and Victoria had the highest average "active" price of approximately \$385,000. There were no active single-family developments under \$325,000.

**FIGURE 3-10** | Active Multifamily Developments January 2014

Cities	Active Multi-Family Developments January 2014						
	Avg. Home Starts (2006-2014)*	Total Lots	Vacant Dev. Lots	Estimated New Home Prices			Estimated Avg. Price**
				<\$325k	\$325K - \$525K	\$525K+	
Carver	20	27	27	60%	40%	0%	\$207,450
Chanhassen	54	185	10	60%	40%	0%	\$322,076
Chaska	31	168	2	30%	40%	0%	\$280,000
Victoria	13	22	0	10%	60%	30%	\$260,000
Waconia	29	296	37	80%	20%	0%	\$225,000
Carver County	159	1,275	258	65%	30%	5%	\$200,000

Source:  
Regional  
Multiple  
Listing  
Service,  
Maxfield  
Research Inc.

\*Home Starts are an average of permits issued from 2006 through 2013.

\*\*Estimates are for 2013 and are based on an inventory of active subdivisions.

The Maxfield Study found that Chanhassen had the highest average price of active multifamily developments. The city's estimated average price of \$322,076 for new multi-family dwellings is significantly higher than the Carver County Average of \$200,000.

### 3.1.3 | Rental Housing

**FIGURE 3-11** | Age of Rental Housing Stock (Selected Communities)

Cities	Renter Occupied					
	before 1950	1950-1969	1970-1989	1990-1989	2000-2009	2010-2014
Carver	20	0	0	0	0	0
Chanhassen	20	62	303	420	279	100
Chaska	154	115	1,140	471	988	0
Victoria	0	7	120	38	11	0
Waconia	96	156	234	74	162	100
Carver County	646	596	2,140	1,015	1,676	197

Sources:  
U.S. Census  
Bureau, Cities  
and Townships;  
Maxfield  
Research, Inc.

**FIGURE 3-12** | Chanhassen Rent Summary Quarter 1, 2017

Bedrooms	Estimated Median Rent
0-Bedroom	\$905
1-Bedroom	\$1,387
2-Bedroom	\$1,516
3-Bedroom	\$1,850
4-Bedroom	N/A

Source: Community Partners Research, Inc.

Approximately one third of Chanhassen's rental housing was constructed before 1990. In Carver County as a whole, over half of rental units were constructed before 1990. No other community in the county has a higher percentage of rental properties constructed after 1990. The city has approved multiple apartment projects in 2017. The Venue with 134 market rate units, Mission Hills Senior Housing with 136 units, and Avienda Lifestyle Center PUD which envisions approximately 700 apartment units.





Market rate rents in Chanhassen are higher than the rest of Carver County, for example, the median rent for a 2-bedroom unit in Chanhassen is \$1,516 compared to \$1,304 in Chaska. This discrepancy in rent rates is likely due to the fact that Chanhassen’s rental stock has a significantly higher percentage of newer units than other communities in Carver County.

Community Partners Research, Inc. found that with an estimated 1,270 rental units Chanhassen has nearly 19% of Carver County’s rental stock. Only Chaska has a larger share of the County’s rental properties. A phone survey conducted by Community Partners Research reported a 1% or less vacancy rate in Chanhassen’s rental properties. Previous work by Maxfield Research, Inc. in 2014 reported Chanhassen’s vacancy rate as 2.90%; however, they found that the city’s affordable housing had a vacancy rate of 0%. Vacancy rates below 5% are generally considered to indicate unmet need for rental housing.

### 3.1.4 | Housing Condition

Seventy-five percent of the Chanhassen’s housing stock was constructed before 2000, and nearly two-thirds of the city’s housing was built between 1980 and 1999. Using the city’s property maintenance code, the city works with homeowners and property managers to ensure that this aging housing stock is safe and maintains its value.

The property maintenance code establishes minimum requirements and standards for premises, structures, equipment, and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety, safety from fire and other hazards, and safe and sanitary conditions. The ordinance also provides for administration, enforcement, and, when necessary, penalties for non-compliance. Maintaining existing housing helps to provide residents with an increased diversity of housing options.

### 3.1.5 | Analysis of Existing Housing Needs

The City of Chanhassen began as a farming and then a bedroom community and has continued to evolve over the last 30 years. While the largest land use is low density residential the city has become a full service community. As the population ages and the industrial and commercial uses attract younger people, the demand for a wide variety of housing has emerged.

The city has identified preserving naturally-occurring affordable ownership and rental housing, ownership housing for seniors looking to downsize, ownership housing for first time-homebuyers, and increasing the supply of rental housing as the highest priority existing housing needs. Preserving and expanding these five categories of housing is a vital component of ensuring that Chanhassen is a community where individuals in all stages of life can find safe and desirable housing.



**FIGURE 3-13 | Existing Housing Needs Action Plan**

Identified Need	Available Tools	Circumstances and Sequence of Use
Preserve existing naturally-occurring affordable ownership housing within all levels of affordability	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist individuals with maintaining their homes and avoiding foreclosure.
	Maintenance Requirements	Staff will continue to enforce the city's maintenance ordinance to preserve the quality and value of existing housing stock.
Preserve existing naturally-occurring affordable rental housing within all levels of affordability	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist property owners with rehabilitating rental properties.
	Maintenance Requirements	Staff will continue to enforce the city's maintenance ordinance to preserve the quality and value of existing rental stock.
	Rental Licensing Program	The city maintained a rental licensing program from 2002 to 2011. The program was discontinued because few violations were uncovered and all of those were addressed by other sections of the code. It is unlikely the city will reinstate a rental licensing program.
Ownership housing for seniors looking to downsize	PUDs	The city has approved and will continue to support the creation of small lot villas/condos/townhouse PUDs in appropriately zoned areas.
	Accessory Dwelling Units	The city code allows for variances to accommodate ageing parents living in a separate dwelling unit within an existing house. Staff will encourage residents to pursue this option when appropriate.
Ownership housing for first time homebuyers	Code Optimization	The city will continue to evaluate its development ordinance and its impact on development costs, especially the PUD ordinance and lot size/setback and design standards.
	PUDs	The city will support the use of PUDs to create a variety of owner occupied housing types (vertical/horizontal townhouses, condominiums, detached villas/cottage style homes, etc.)
	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist first time homebuyers.
Rental housing for individuals of all income levels.	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist perspective renters in finding and affording housing.
	TIF	The city would consider using TIF to support proposals for multifamily housing in locations near transit infrastructure.
	Accessory Dwelling Units	The city would not support the use of accessory dwelling units to provide additional rental housing.

The Metropolitan Council has designated Chanhassen as an Emerging Suburban Edge. The density requirements for this designation are overall average net densities of at least 3-5 dwelling units per acre in forecasted growth through 2040. The city has also provided sufficient high-density land use to potentially meet the goal of accommodating 806 affordable housing units.

## 3.2 | Population and Income

Over the last decade, the city of Chanhassen's population increased just over 20 percent. The median age of the city increased 3.7 years and the household size has decreased by nearly 5 percent.

### 3.2.1 | Demographic Changes

**FIGURE 3-14 | Chanhassen Population by Age**

Chanhassen Population by Age	2000		2015		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Age						
Under 5 years	2,020	9.9%	1,515	6.2%	-505	-25.0%
5 to 9 years	2,227	11.0%	1,931	7.9%	-296	-13.3%
10 to 14 years	1,889	9.3%	2,126	8.7%	237	12.5%
15 to 19 years	1,197	5.9%	2,102	8.6%	905	75.6%
20 to 24 years	590	2.9%	1,026	4.2%	436	74.0%
25 to 34 years	2,608	12.8%	2,370	9.7%	-238	-9.1%
35 to 44 years	4,903	24.1%	3,348	13.7%	-1,555	-31.7%
45 to 54 years	2,816	13.9%	4,839	19.8%	2,023	71.8%
55 to 59 years	732	3.6%	1,808	7.4%	1,076	147.0%
60 to 64 years	419	2.1%	1,173	4.8%	754	179.9%
65 to 74 years	591	2.9%	1,393	5.7%	802	135.7%
75 to 84 years	270	1.3%	464	1.9%	194	72.0%
85 years and over	59	0.3%	342	1.4%	283	479.9%
Total Population	20,321	100.0%	24,437	100.0%	4,116	20.3%

Source: US Census

## HOUSING | Summerwood



In 2015 the largest segment of the population (19.8%) was 45 to 54 years old. The median age of the city's residents was 39.2 years old, an increase of 3.7 years from the 2000 census's average age of 35.5. The average age in the metropolitan statistical area was 36.6 years, roughly unchanged from its 2000 average of 36.1 years. During this same period, the average age in Minnesota increased from 35.4 to 37.7 years, an increase of 2.3 years. These different rates of increase are likely the result of millennials' preference for more urban environment, and Chanhassen's housing market being skewed towards executive/move up housing rather than starter homes affordable to younger couples and families.

**FIGURE 3-15 | Chanhassen Households by Type**

Household Type	1990	2000	2010	2015
Family Households	3,273	5,524	6,257	6,864
Married Couples	2,982	4,925	5,505	5,957
with related children under age 18	1,767	3,143	3,470	3,673
no related children under age 18	1,215	1,782	2,035	2,284
Other families	291	599	752	907
Male household, no wife present	88	168	218	276
with related children under age 18	47	112	128	156
no related children under age 18	41	56	90	120
Female Household, no husband present	203	431	534	631
with related children under age 18	137	316	352	348
no related children under age 18	66	115	182	283
Non-family households	743	1,390	2,095	1,840
1 person	527	1,086	1,718	1,523
2 or more persons	216	304	377	317
<b>Total</b>	<b>4,016</b>	<b>6,914</b>	<b>8,352</b>	<b>8,704</b>

Source:  
US Census

The majority of households in the city are comprised of married couples with children. Many of these couples desire traditional detached single-family housing, and this demand has largely driven Chanhassen's housing market. The city's location in eastern Carver County and proximity to employment centers means that there will continue to be strong demand for single-family housing.

**FIGURE 3-16 | Chanhassen Number of Households and Size**

	2000	2015	Change	% Change
Number of Households	6,914	8,704	1,790	25.89%
Persons per household	2.94	2.8	-0.14	-4.76%

Source:  
US Census

Between 2000 and 2015 the US Census shows that the average persons per household in Chanhassen has dropped from 2.94 to 2.8, a decrease of 4.76%. This decrease is partially explained by young couples choosing to have fewer children, average family size decreased by 3% over this period, and millennials choosing to delay starting families until later in life. Another contributing factor is the increasing number of empty nesters and widows/widowers. This trend of smaller households and families is expected to continue as the population ages; however, Chanhassen's 2015 average household size of 2.8 is significantly higher the metropolitan statistical area's average household size of 2.54. Due to Chanhassen's location in Eastern Carver County and its amenities, it is likely that the city will continue to attract a disproportionately large share of the region's young families with children.

**FIGURE 3-17 | 2016 Estimates**

Chanhassen Population and Household Estimates		
	Met. (2016)	City (2016)
Total Population	25,448	24,951
Number of Households	9,267	9,233
Persons per Household	2.74	2.70

Source: Metropolitan Council,  
Internal Projections.

The Metropolitan Council estimates that Chanhassen's 2016 population was 25,448 people in 9,267 households, which works out to an average of 2.74 people per household.\*



*\*The difference between these estimates and the numbers reported by the US Census is likely the result of the fact that the most recent census data available comes from the 2011-2015 American Community Survey 5-year estimates. This means that since data from 2011 to 2015 is averaged out to reduce the margin of error the census estimates likely underestimate the population and number of households actually present. The 2015 5-year estimates were used for the proceeding discussion because they provide more detailed data on age and household composition and allow for direct comparison with previous years' census data.*

The Maxfield study examined the population’s demographic trends and believes that following will be true in Carver County:

- » Households will increase faster than population as the overall population ages, couples will have fewer children, and single-person households will become more common. By 2040, they predict an average household size of 2.39 people. Caver County’s household size decrease will likely be at a slower pace than other areas of the metropolitan statistical area.
- » Strong growth is expected across all age groups for the next 20 years, with growth in the number of 25 to 39 year olds fueling demand for single-family housing, town homes, and rental options. After 2030, the older adult population, 55+, is expected to increase rapidly, prompting an increased need for senior oriented housing.
- » People between ages 55 and 74 will experience the most rapid growth rates this next decade. The younger portion of this group is still looking for move-up housing, and are willing to consider alternatives to traditional single-family homes.
- » Western Carver County will likely have higher percentage of young families seeking affordable housing; where as, communities in eastern Carver County will likely see a mix of senior, young adults, and older adults. These increases will be due to the aging of the existing population, young adults looking for rental housing near employment hubs, and older adults with greater means purchasing housing that is more expensive.
- » Post 2030 adults ages 60 to 79 are expected to become the second largest age cohort, after adults 40 to 59

### 3.2.2 | Income

**FIGURE 3-18 |** Chanhassen’s Median Household Income by Age

2015 Median Household Income By Age	
Under 25	\$53,472
25 to 44	\$119,778
45 to 64	\$127,852
65 and over	\$43,894
All Households	\$110,569

The U.S. Census estimates that Chanhassen’s 2015 median household income was \$110,569. Caver County’s 2015 median household income is reported as \$86,323, and the metropolitan statistical area is listed as \$68,778. Chanhassen’s amenities, location, and housing stock is expected to continue to attract households with median incomes above the regional average

*Source: American Community Survey 5-Year Estimates*

### 3.3 | Future Housing Demand

**FIGURE 3-19 |** 2040 Regional Development Forecast

Chanhassen Regional Development Forecast				
Category	Census	Revised Forecast		
	2010	2020	2030	2040
Population	22,952	26,700	31,700	37,100
Metro Sewered	20,576	24,320	29,330	34,720
Households	8,352	10,000	11,900	14,000
Metro Sewered	7,519	9,170	11,070	13,170
Employment	10,905	15,600	17,000	18,400
Metro Sewered	10,662	15,400	16,800	18,200

The Metropolitan Council believes that Chanhassen’s population will grow by over 11,500 between 2017 and 2040. This population increase will take the form of over 4,700 new households. The size and composition of these new households will determine the composition of Chanhassen’s housing market.

Source: Metropolitan Council

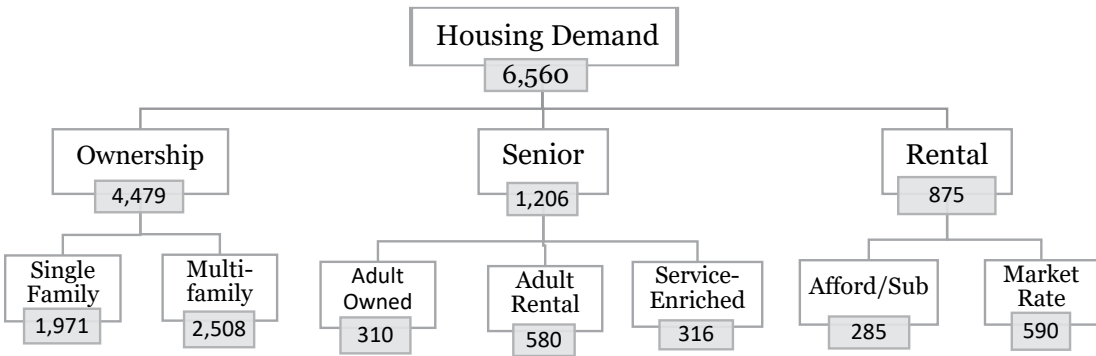
### 3.3.1 | Residential Lands

The city has approximately 1,200 acres of land guided for residential uses. The city projects that the majority of this land will be developed by 2030. It anticipates that land guided for single-family homes will initially be the preferred dwelling type, with an increasing share of multifamily housing developed as the city transitions from building out to in-fill/redevelopment. Most of the housing is expected to be market rate, though there is a strong demand for low- and moderate-income housing as well as senior oriented housing products.

The Maxfield study had projected that the city would add 6,560 units of housing between 2014 and 2040. Since the study was commissioned, new information has caused the Metropolitan Council to revise its projections for the city’s growth to down to 4,733 households.



**FIGURE 3-20 |** Chanhassen Projected Housing Demand, 2014 to 2040\*



Source: Maxfield Research Inc.

*\*The numbers in the Maxfield model are higher than the city’s expected growth; however, the relative distribution of dwelling units between the different categories of housing is still informative.*

**FIGURE 3-21 |** Chanhassen Projected Housing Demand, 2014 to 2040\*

Demand for Additional For-Sale Housing			
	2014 to 2020	2020 to 2030	2030 to 2040
Projected Household Growth	2,615	2,280	1,665
Estimated Homeownership Rate	75%	76%	66%
Total New Homeowners	1,964	1,730	1,095
Ratio Single Family/Multifamily	50/50	35/65	35/65
Number of Single Family/Multifamily	982/982	606/1,125	383/712
Single Family <\$325,000	0 (0%)	0 (0%)	0 (0%)
Single Family \$325,000 - \$525,000	393 (40%)	61 (10%)	38 (10%)
Single Family \$525,000+	589 (60%)	545 (90%)	343(90%)
Multifamily-Gen. Occupancy <\$225,000	471 (50%)	301 (30%)	197 (35%)
Multifamily-Gen. Occupancy \$225,000+	471 (50%)	703 (70%)	365 (65%)
Multifamily-Senior <\$225,000	40	120	150

Source: Maxfield Research Inc.

*\*The numbers in the Maxfield model are higher than the city’s expected growth; however, the expected distribution of dwelling units between the different categories of housing is still informative.*

Maxfield's model shows that they believe the majority of Chanhassen's detached single-family housing will continue to be oriented toward move-up and executive housing, with no new units expected to be available for less than \$325,000. As land available for constructing new detached single-family homes becomes scarcer, they expect the cost of these types of houses to increase. Their model shows that most of the demand for entry-level ownership housing will be met by multi-family developments, i.e. apartment condominiums and town houses.

### 3.3.4 | Demand for Rental Housing

**FIGURE 3-22 | Demand for Additional Rental Housing\***

Demand for Additional Rental Housing			
	2014 to 2020	2020 to 2030	2030 to 2040
Projected Household Growth	2,615	2,280	1,665
Estimated Percent Renters	25%	24%	34%
Total New Rentals	651	550	570
Ratio General-Occupancy/Senior	58/42	53/43	37/63
No. of Units (General-Occupancy/Senior)	375/276	290/260	210/360
<b>General Occupancy</b>			
Percent Subsidized	39%	28%	29%
50-80% Median	100	40	50
50% Median	45	40	10
Total New Rentals	145	80	60
Percent Market Rate	61%	72%	71%
Number Market Rate	230	210	150
<b>Senior Rental Housing</b>			
Percent Affordable Adult	40%	46%	28%
Number	110	120	100
Percent Market Rate	60%	54%	72%
Adult	100	50	100
Congregate	36	50	80
Assisted Living	5	20	40
Memory Care	25	20	40
Number (total)	166	140	260

Source: Maxfield Research Inc.

*\*The numbers in the Maxfield model are higher than the city's expected growth; however, the expected distribution of dwelling units between the different categories of housing is still informative.*

The city anticipates a high demand for rental housing based the community's proximity to Carver County's job hubs, and the desire to locate housing in conjunction with transit or commercial centers. The Maxfield models shows between 2014 and 2030 the greatest demand for rental housing will be for general occupancy rather than senior oriented developments. Throughout the period between 2014 and 2040, they indicate that while the majority of demand for rental housing will be for market rate units, there is also a need for affordable general occupancy and senior oriented units.



### 3.4 | Lifecycle Housing

In 2014 the City of Chanhassen agreed to participate in the Livable Communities Act. In 2015 the City Council adopted a Housing Action Plan.



### 3.4.1 | Livable Communities Act

FIGURE 3-23 | Livable Communities Act

LCA (from 2015 Housing Action Plan)			
	City Index	Benchmark	Goal
Affordability			
Ownership	37%	60-69%	30%
Rental	44%	35-37%	35%
Life-Cycle			
Type (non-single family detached)	19%	35-37%	34% (1991 Comp Plan)
Owner/Rental Mix	85/15%	67-75/25-33%	80-90/20-10%
Density			
Single family detached	1.5 units/acres	1.8-1.9 units/acre	1.8 units/acre
Multifamily	11 units/acres	10-14 units/acre	9-10 units/acre
Overall Average			3.3

Source: City of Chanhassen

In 2014 the City of Chanhassen established the above affordable and life-cycle housing goals as part of its participation in the Metropolitan Livable Communities Act. The city’s participation in this program reflects its commitment to providing all of its residents with access to a balanced housing supply which provides housing options for people of all income levels.

### 3.4.2 | Affordable Need Allocation

In order to ensure that options for affordable housing are available in every community and that no one community is providing a disproportionate share of the region’s affordable housing, the Metropolitan Council assigns each community a share of the region’s affordable housing need. This need is further broken up by income category with specific targets for level of need.

FIGURE 3-24 | Chanhassen’s 2021-2030 Affordable Housing Allocation

Affordable Housing Need Allocation	
31% to 50% AMI	197
51% to 80% AMI	145
At or below 30% AMI	464
Total Units	806
AMI = Area Median Income	

Source: Metropolitan Council.

The Metropolitan Council acknowledges that market conditions and development forces may mean that these units are not constructed; however, they require that cities demonstrate that they have sufficient land guided at high enough densities in order to accommodate these developments, should the opportunity emerge. The Metropolitan Council states that communities can meet this requirement by having a sufficient amount of land guided at a minimum density of 8 units/acre to meet its affordable housing need allocation.

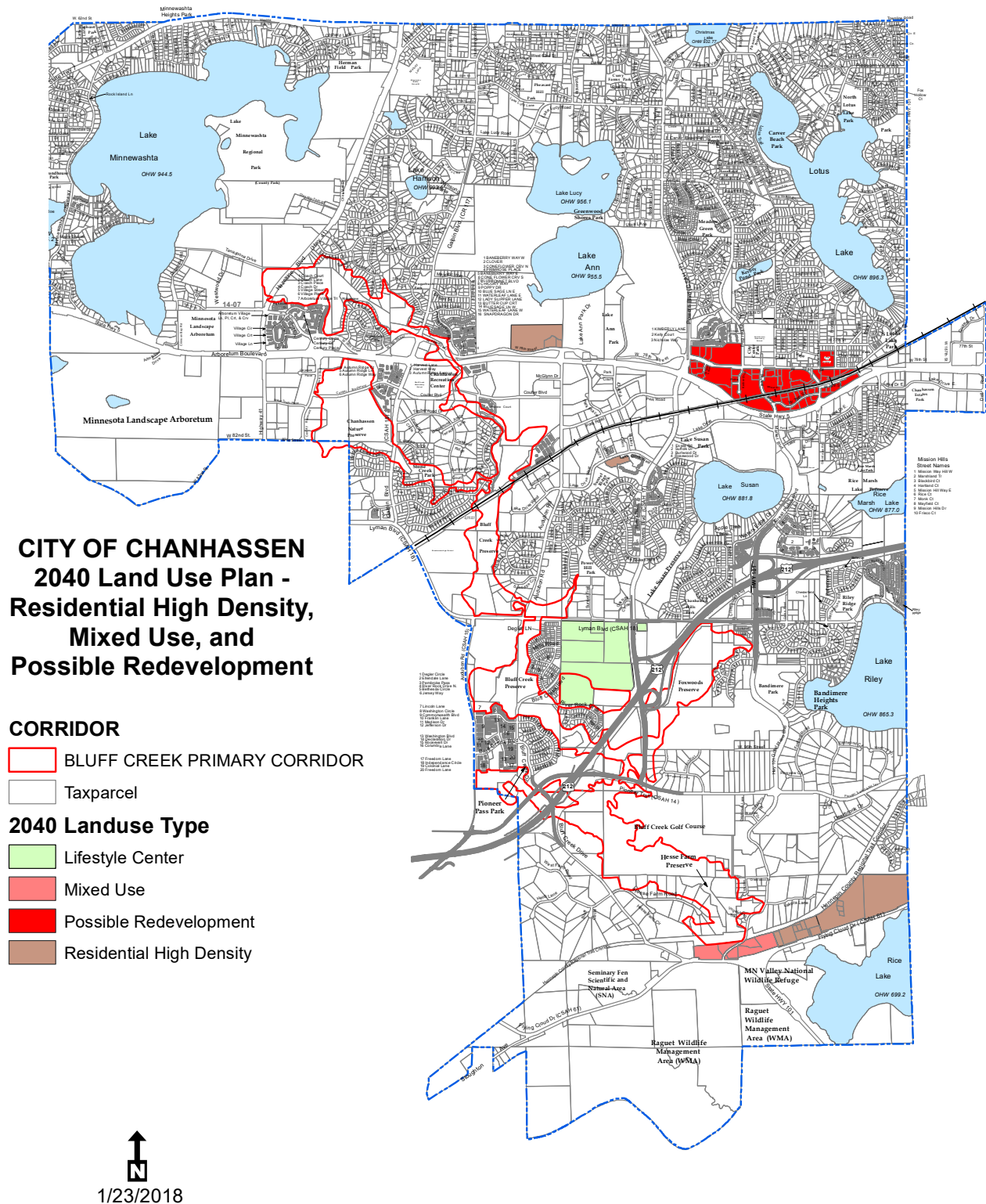
**FIGURE 3-25** | Demonstrated Capacity to meet Affordable Housing Allocation

Capacity to Meet Affordable Housing Need Allocation		
Vacant Acres	Density (units/acre)	Total Units
137	8	1096

The city anticipates that 118 vacant acres guided for high-density residential uses will be available for development in 2020, along with an additional 19 acres guided for mixed use primarily residential. Both of these land use categories have minimum densities of 8 units/acre. These categories also allow for development densities significantly higher than the 8 unit/acre minimum with maximum densities of 16 and 20 acres, respectively.

Although not included in the above totals, both the city’s Central Business District and recently approved Avienda lifestyle center allow for residential developments with densities over 8 units/acre. The Central Business District has no maximum density and the Avienda PUD will allow for a significant portion of 115-acre site to be developed for residential uses with a maximum density of 16 units per acre. These potential units are not included due to the high level of uncertainty regarding the nature of redevelopment in the CBD and the final composition of Avienda’s residential component; however, both of these areas have the potential to provide significant additional amounts of high-density residential housing.

**FIGURE 3-26** | Areas Accommodating New High Density Residential





### 3.4.3 | Affordable Housing Overview

The actual income thresholds that determine if households are classified as extremely low income, very low income, or low income depend on both the household's location and its size. The United States Department of Housing and Urban Development establishes guidelines that determine if families qualify for subsidized affordable housing.

**FIGURE 3-27 | Department of Housing and Urban Development Income Thresholds**

2015 HUD Twin Cities Affordability Levels			
Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% of AMI)	Low Income (80% of AMI)
One-person	\$18,200	\$30,350	\$46,100
Two-person	\$20,800	\$34,650	\$52,650
Three-person	\$23,400	\$39,000	\$59,250
Four-person	\$26,000	\$43,300	\$65,800
Five-person	\$28,410	\$46,800	\$71,100
Six-person	\$32,570	\$50,250	\$76,350
Seven-person	\$36,730	\$53,700	\$81,600
Eight-person	\$40,890	\$57,200	\$86,900

Source: Department of Housing and Urban Development

Another important term to understand when discussing affordable housing is “cost burdened”. Federal guidelines state that a household spending more than 30% of its income on housing, including utilities, is cost burdened. Households spending more than 35% of their income on housing are considered severely cost burdened and may have trouble affording other essential goods like food and clothing due to the high proportion of their income going towards housing. Many subsidized housing projects either cap rents at rates that will not represent a cost burden to individuals making 80% AMI or limit the maximum rent tenants pay to 30% of their monthly income.

**FIGURE 3-28 | 2015 Housing Cost Burdened Households**

2015 Housing Cost Burdened Households		
30% or less AMI	31% to 50% AMI	51% to 80% AMI
343	365	695

Source: Department of Housing and Urban Development, Metropolitan Council

The Metropolitan Council has found that in 2015 Chanhassen had 1,403 household who were cost burdened. Approximately half of these cost-burdened households are renters, and renters over the age of 65 are especially likely to be spending over 30% of their income on housing.

**FIGURE 3-29** | 2015 Affordability of Existing Housing

2015 Existing Housing Assessment		
Affordable Level	Units	% of Units
30% or less AMI	154	1.63%
31% to 50% of AMI	943	9.97%
51% to 80% of AMI	2,028	21.45%
Above 80% AMI	6,331	66.95%
Total	9,456	100%

Source: Metropolitan Council

The Metropolitan Council estimates that Chanhassen has 3,125 dwelling units which are affordable to families making less than 80% of area’s median income. The number of affordable units decreases significantly for households making less than 50% AMI.

The Metropolitan Council evaluates cities based the amount of affordable housing they create and preserve. Chanhassen has a housing performance score of 39 out of 100 (down from 45). This number is used to help prioritize the allocation of funding in the Livable Communities Demonstration Account and Tax Base Revitalization Account. The city’s score has gone down due to the fact that no new affordable units have been constructed in the last decade. A lower score hurts the city’s chance of being awarded money from these accounts and also impacts the city’s score on requests for transportation funding. Low scores also give the city preference for the Housing Incentives Account, an account which helps cities create affordable housing projects.

While the city has created a small lot residential zoning district and uses Planned Unit Developments to encourage the construction multifamily housing, the high cost of land and rising construction costs mean that the city cannot provide the amount of assistance required to build new affordable housing.

**3.4.4 | Affordable Ownership Housing**

2015 Affordable Ownership Housing		
30% AMI	50% of AMI	80% of AMI
\$84,500	\$151,500	\$238,500

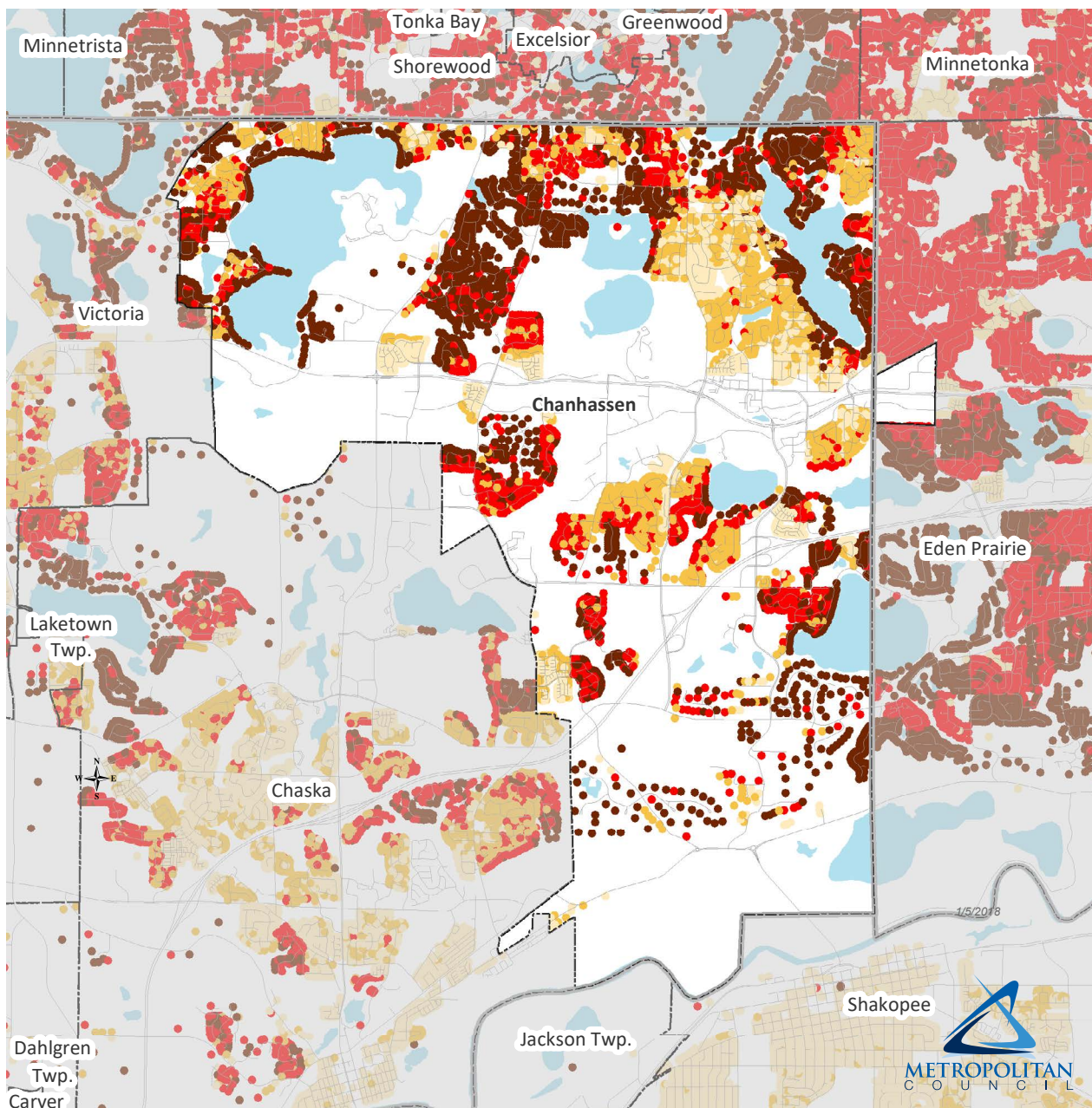
**FIGURE 3-30**  
2015 Affordable Ownership Housing

Source: Metropolitan Council

Affordable ownership housing is defined as housing that is affordable to buyers earning 80% of the area median income. The Metropolitan Council equates this to a house priced at \$238,500. The Community Partners Research, Inc. study looked at all Chanhassen home sales, new and resale, and found that the 2016 median sale price for detached single-family homes was \$420,000. They found that the median price for townhomes was \$228,250, and that condominiums had a median price of \$166,500. The city’s inventory of condominiums, attached single-family homes, and older detached single-family homes means that there are opportunities for affordable homeownership; however, those opportunities become scarcer for individuals earning less than 50% of the medium income.

The majority of the city’s existing affordable housing takes the form of ownership units. The map below shows the distribution of the city’s ownership housing. Affordable ownership units tend to be found in the city’s older subdivisions and attached housing developments.

**FIGURE 3-31** | Owner-Occupied Housing by Estimated Market Value



- County Boundaries
- City and Township Boundaries
- Streets
- Lakes and Rivers

**Owner-Occupied Housing  
Estimated Market Value, 2016**

- \$243,500 or Less
- \$243,501 to \$350,000
- \$350,001 to \$450,000
- Over \$450,000

1 in = 1.05 miles



Source: MetroGIS Regional Parcel Dataset,  
2016 estimated market values for taxes payable  
in 2017.

Note: Estimated Market Value includes only  
homesteaded units with a building on the parcel.

Source: Metropolitan Council

Access to ownership housing is supported by Carver County CDA's homebuyer and foreclosure prevention counselors which assisted 369 residents in purchasing or keeping their home between 2008 and 2016.



### 3.4.4 | Affordable Rental Housing

For rental housing to be considered affordable, units must have rents below the Metro Housing and Redevelopment Authority standard (\$945 for one-bedroom units and \$1,190 for a two-bedroom units) to qualify for the Housing Choice Voucher program. Community Partners Research, Inc. estimated the city's 2017 median rents for one and two-bedroom units to be \$1,387 and \$1,516, respectively; however, a significant portion of Chanhassen's older rental stock is priced at or below the Metro Housing and Redevelopment Authority's guidelines.

Despite the existence of lower cost rental units Community Partners Research, Inc. estimates that approximately 59% of Chanhassen's renters pay 30% or more of their income in rent, with the figure increasing to 92% for senior households. When all renter households were examined, they discovered that median percentage of monthly household income that went towards rent was 33%. By comparison, the County wide median was 27.8%.

**FIGURE 3-32 | 2015 Affordable Apartment Rents**

2015 Affordable Apartment Rent			
Number of Bedrooms	Affordable rent at 30% AMI	Affordable rent at 50% AMI	Affordable rent at 80% of AMI
Studio	\$450	\$751	\$1,201
1-BR	\$ 483	\$805	\$1,288
2-BR	\$579	\$966	\$1,545
3-BR	\$669	\$1,115	\$1,784
4-BR	\$747	\$1,245	\$1,992

Source: Metropolitan Council Note: Affordable rents include utilities.



The city has one publicly subsidized housing development, the Gateway Place, a 46-unit development which was funded by housing tax credits. Gateway Place's compliance period will end in 2021 and, unless relief is sought, its extended use period will last until 2036. The city's other subsidized housing development, Heritage Park, transitioned to market rate housing in 2004 when its housing tax credits' compliance period expired.

The Centennial Hill development provides 65 units of affordable senior housing. These units are priced below market rate, and are subject income limits of 100% of area median income. Community Partners Research, Inc. reported rental rates ranging from \$798 to \$919 for one-bedroom units and \$1,878 for two-bedroom units. Additionally, while the Summerwood project primarily provides market rate senior housing, the city created a TIF housing district to provide 32 affordable senior housing units.

**FIGURE 3-33 | 2015 Publicly Subsidized Units**

2015 Publically Subsidized Units			
All publicly subsidized units	Publicly subsidized senior units	Publicly subsidized units for people with disabilities	Publicly subsidized units: All others
134	0	0	134

Source: Housing Link Streams Data

Affordable rental housing is also supported by the Carver County CDA. They provide Chanhassen residents with 47 Metro HRA Housing Choice Vouchers, 65 CDA affordable rental units, 13 CDA subsidized rental units, and 3 project based voucher units.



**FIGURE 3-34 | Chanhassen Multifamily Rental Housing Inventory**

Project Name/ Location	Year Built	Total Units	Unit Mix		Unit Size (Square Feet)	Amenities/Comments
Market-Rate General Occupancy						
Powers Ridge 1371 Lake Dr W	2002	101	22 3 64 12	1BR 1BR/D 2BR 3BR	775-881 904 1,205-1,098 1,347	3-story buildings, Residents pay electric & gas. UG garage included.
Lake Susan Apts 8260 Market Blvd	2001	162	59 12 82 3	1BR 1BR/D 2BR 3BR	821 1,031 1,125-1,153 1,344	3-story buildings, residents pay electric & heat. UG garage included.
Heritage Park 425 Chan View	1990	60	18 6 36	1BR 1BR/D 2BR	763-766 868-872 954-1100	3-story building, residents pay electric, heat, and gas. UG garage parking is not included.
W Village Townhomes 700 W Village	1987	64	1 55 8	1BR 2BR 3BR	870 912 1,050	
Santa Vera 601-612	1979	18	8 10	1BR 2BR	800 1,000	Two 2-story walk-up building. Owner pays heat. 16 garages included in rent. Tenants pay electric.
Chanhassen Village 7721 MN Hwy 101	1973	120	69 51	1BR 2BR	720 970	Six 3-story buildings. Owner pays heat, water, sewer, and trash. Off-street parking, additional parking available.
Chan View Estates 420, 440, 489 Chan View	1969	35	2 11 22	Eff 1BR 2BR	545 690 900	Three 3-story walk up buildings. Heat is included in the rent.
Chan View Apts. 410 Chan View	1968	24	12 12	1BR 2BR	650 750	3-story walk up building. Heat is included in rent.
Deep-Subsidy/Shallow-Subsidy General Occupancy						
Gateway Place 721 Lake Susan Drive	2007	48	4 27 17	1BR 2BR 3BR	900 1,041-1,216 1,380-1,450	LIHT Affordable at 60% of AMI. 3-story building. UG parking and heat included.
Market Rate Senior Housing						
Powers Ridge 1371 Lake Dr W	2017	76	24 45 6	1BR 2BR 3BR	812-1,065 1,066-1,175 1,426-1,453	Independent living, 55+, UG Garage included.
Summerwood of Chan. 525 Lake Drive	2005	53	2 41 10	Studio 1BR 2BR	265 555-690 950	Assisted living, 55+
Summerwood of Chan. 525 Lake Drive	2004	90	44 13 33	1BR 1BR/D 2BR	705-758 1,000-1,100 1,240-2,009	Congregate, 55+
Summerwood of Chan 525 Lake Drive	2005	18	4 13 1	Studio 1BR 2BR	265 525-580 950	Memory Care, 55+
Shallow-Subsidy Senior Housing						
Centennial Hills 820 Santa Vera Drive	1996	65	39 23 3	1BR 1BR/D 2BR	700-750 965-984 1,060	Carver County CDA, 3- story affordable building that opened in 2006.

Source: Community  
Partners Research, Inc.,  
Maxfield Research Inc.

### 3.4.5 | Upcoming Projects Creating Lifecycle Housing

Several projects which will further increase the diversity of Chanhassen's housing stock have recently been approved, and others are working their way through the city's approval process. While none of these projects includes publicly subsidized affordable housing, they will all provide alternatives to traditional single-family detached housing.

#### Arbor Glen

A 18 unit detached single-family development. The homes will be handicap adaptable, and the HOA will be responsible for all exterior maintenance. While not age restricted, this development is designed to provide housing options for older individuals looking to downsize and age in place.



#### Avienda

A 115-acre regional commercial/lifestyle center. This development will include up to 800 units of housing. The exact mix of this housing will be determined by the market; however, medium density single-family ownership housing and senior apartments with some level of service are the envisioned uses. This development was approved by the City Council on July 10, 2017.

#### Mission Hill

A senior oriented planned unit development with 8 independent living twin homes, 16 units, and a 136-assisted living unit senior housing apartment building. A daycare has also been incorporated into this building. The City Council approved this development on May 8, 2017.





## Venue

A 134-unit market rate apartment in the heart of Chanhassen's downtown. These units will provide a walkable downtown rental option. This development also includes a 19,000 square foot retail space which will be occupied by Aldi. This development was approved by the City Council on July 10, 2017.



## West Park

A 82-unit townhouse development featuring a mix of four-, five-, and six-plexs. These units are expected to be priced between \$300,000 and \$400,000. Units on the lowest end of the price range will provide entry-level housing. This development was approved by the City Council on July 10, 2017.

## 3.5 | Action Plan

The city will continue to uphold the housing goals and policies of the comprehensive plan.

**FIGURE 3-36 | Affordable Housing Needs Action Plan**

Identified Need	Available Tools	Circumstances and Sequence of Use
Allocation of Affordable Housing Need at or below 30% AMI: 464 Units	TIF	The city has and will continue to consider using TIF to support proposals for this type of housing in areas guided for high density residential use.
	Tax Abatement	The city would be unlikely to use tax abatement to support new construction.
	Housing Bonds	The city would support the issuance of housing bonds; through the Carver County HRA.
	Site Assembly	The city would support the issuance of housing bonds; through the Carver County HRA.
	Tax Levies to support Affordable Housing	The city would not adopt dedicated tax levies.
	Density Increase	The city code does permit up to a 25% increase in the net density for a project featuring affordable housing.
	Local Housing Incentive Account	The city has and will continue to consider applying for a LHIA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
	Livable Communities Demonstration Account	The city would strongly consider applying for a LCDA grant to support proposals for this type of housing in areas guided for high density residential use.
	Tax Base Revitalization Account	The city would strongly consider applying for a TBRA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
	Community Growth Partnership Initiative	The city would strongly consider applying for a CGPI grant to support proposals for this type of housing in areas guided for high density residential use.
Allocation of Affordable Housing Need btwn. 31% to 50% AMI: 197 Units	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist developers in creating viable affordable housing projects.
	TIF	The city has and will continue consider using TIF to support proposals for this type of housing in areas guided for high density residential use.
	Tax Abatement	The city would be unlikely to use tax abatement to support new construction.
	Housing Bonds	The city would support the issuance of housing bonds; through the Carver County HRA.
	Site Assembly	The city would not engage in site assembly.
	Tax Levies to support Affordable Housing	The city would not adopt dedicated tax levies.
	Density Increase	The city code does permit up to a 25% increase in the net density for a project featuring affordable housing.
	Local Housing Incentive Account	The city has and will continue to consider applying for a LHIA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
	Livable Communities Demonstration Account	The city would strongly consider applying for a LCDA grant to support proposals for this type of housing in areas guided for high density residential use.
	Tax Base Revitalization Account	The city would strongly consider applying for a TBRA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
Allocation of Affordable Housing Need between 51% to 80% AMI: 145 Units	Community Growth Partnership Initiative	The city would strongly consider applying for a CGPI grant to support proposals for this type of housing in areas guided for high density residential use.
	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist developers in creating viable affordable housing projects.
	TIF	The city has and will continue consider using TIF to support proposals for this type of housing in areas guided for high density residential use.
	Tax Abatement	The city would be unlikely to use tax abatement to support new construction.
	Housing Bonds	The city would support the issuance of housing bonds; through the Carver County HRA.
	Site Assembly	The city would not engage in site assembly.
	Density Increase	The city code does permit up to a 25% increase in the net density for a project featuring affordable housing.
	Tax Levies to support Affordable Housing	The city would not adopt dedicated tax levies.
	Local Housing Incentive Account	The city has and will continue to consider applying for a LHIA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
	Livable Communities Demonstration Account	The city would strongly consider applying for a LCDA grant to support proposals for this type of housing in areas guided for high density residential use.
	Tax Base Revitalization Account	The city would strongly consider applying for a TBRA grant to support proposals for this type of housing in areas guided for high density residential use located near transit hubs.
	Community Growth Partnership Initiative	The city would strongly consider applying for a CGPI grant to support proposals for this type of housing in areas guided for high density residential use.
	Referrals	The city will ensure staff is familiar with resources provided by the Carver County CDA and Minnesota Housing Finance Agency which can assist developers in creating viable affordable housing projects.



