

Housing Assessment

This chapter of the Assessment of Conditions summarizes pertinent facts about the housing stock and housing assistance programs in Big Lake. It should be considered in combination with the Demographic Assessment, which focused on the city’s population, and the Land Use and Growth Management Assessment, which studied physical development. Sources for this chapter include the US Census, information provided by public agencies, and the *Comprehensive Housing Needs Analysis, City of Big Lake*, Maxfield Research and Consulting, 2016.

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Major Housing Issues

The major issues related to the housing stock in Big Lake are:

- 1. Move-Up Housing:** What should be done, if anything, to encourage the construction in the city of more for-sale housing in the “move-up” range of quality and cost?
- 2. Multiple-Family Housing:** Should the City encourage the construction of additional multiple-family housing? If so, where?
- 3. Housing Compatibility:** Should the City adopt design regulations to improve the visual compatibility between detached houses and townhouses or apartment buildings?
- 4. Full Range of Housing Prices:** What should be done to encourage the private market to provide decent and affordable housing for all families, households and individuals?



An attractive house in a newer neighborhood of Big Lake

Major Housing Findings

The major findings of this chapter are summarized below. This information was summarized from the *Comprehensive Housing Needs Analysis, City of Big Lake*, Maxfield Research and Consulting, 2016, the US Census, and American Community Survey of the US Census. Please note that some of the data used in the Maxfield report was compiled in 2015 or 2016 and is already slightly out of date as of 2018.

Demographic Analysis

- As of the 2010 Census, the City of Big Lake had 10,060 people and 3,377 households. The City of Big Lake is forecast to grow by 2,000 people and 657 households between 2010 and 2025.
- The 25 to 44-year-old age cohorts are accounting for a significant percentage of the total population (35 percent as of 2010, and 32 percent by 2026) in the Market Area. Baby Boomers (comprising the age groups 45 to 54 and 55 to 64 in 2010), accounted for an estimated 16 percent of the Market Area's population. Between 2010 and 2025, the age 65 to 74 cohort will have the highest growth by percentage growing by 261 people, or 82 percent). The growth in this age cohort can be primarily attributed to the Baby Boom generation aging into their young senior years.
- The Big Lake Market Area had an estimated median household income of \$78,971 in 2016. Non-senior household median incomes peak in the 45 to 54 age group at \$91,610. The median income for seniors age 65 or older is \$38,806.
- In 2016, the Big Lake Market Area had an average net worth of \$712,255 and a median net worth of \$238,404.
- Between 2000 and 2010, homeownership rates decreased from 92 percent to 89 percent in the Big Lake Market Area and decreased from 84 percent to 82 percent in the City of Big Lake.
- Married with children households accounted for the highest household type percentage in 2010 at 35 percent.

- Compared to peer cities in 2014, the City of Big Lake had the highest percentage of owner-occupied households (82 percent), but the lowest median home value (\$152,500).
- Compared to peer cities from 2004 to 2015, the City of Big Lake was similar in that it had 703 single and multi-family building permits, while Becker had the lowest number (313 building permits) and Elk River had the most (1,608 building permits) single and multifamily building permits.

Employment Analysis

- Sherburne County had an unemployment rate of 3.4 percent in May 2016 which is similar to the State of Minnesota (3.3 percent).
- Of the roughly 4,025 workers who work in the Primary Market Area, 7 percent live in Big Lake. The remaining workers are commuting from mostly Elk River (8 percent) and Monticello (7 percent).

Housing Characteristics

- The City of Big Lake issued permits for the construction of 1,669 new residential units from 2000 to May 2016. Beginning in 2007, building permits declined rapidly, and averaged 25 units per year from 2007 to 2015.
- The majority of the homes in Big Lake were built in the 2000's (roughly 40 percent) while 47 percent of the Market Area's housing stock was built in the 1990's.
- Approximately 87 percent of Big Lake homeowners have a mortgage, compared to 70 percent of Minnesota homeowners. About 22 percent of homeowners with mortgages also have a second mortgage or home equity loan.
- The median owner-occupied home in the City of Big Lake is \$152,500 in 2014. Approximately 78 percent of the owner-occupied housing stock in the City of Big Lake was estimated to be valued between \$100,000 and \$199,999.

- The median contract rent in Big Lake was \$870 in 2014. Based on a 30 percent allocation of income to housing, a household would need an income of about \$34,800 to afford the median contract rent in Big Lake.

Rental Housing Market Analysis

- In total, Maxfield Research inventoried 311 general occupancy market rate rental units in the Market Area spread across 12 multiple family developments (8 units and larger). At the time of the survey, there were only two vacant units, resulting in an overall vacancy rate of 0.6 percent. Typically, a healthy rental market maintains a vacancy rate of roughly 5 percent, which promotes competitive rates, ensures adequate consumer choice, and allows for unit turnover.
- Market-rate projects comprise 210 units, and only two vacant units were found, resulting in a market rate rental project vacancy rate of 1.0 percent.
- Affordable or subsidized projects make-up 101 units and posted no vacant units.

Senior Housing Market Analysis

- There are five senior housing developments located in the Big Lake Market Area with a total of 162 units. There were only two vacancies identified in the housing developments, posting a vacancy rate of 1.2 percent. Generally, healthy senior housing vacancy rates range from 5 percent to 7 percent, depending on their level of services.

For-Sale Housing Market Analysis

- The average and median resale price of homes in the Big Lake Market Area was approximately \$200,670 and \$182,000, respectively, as of 2015.
- An average of 363 homes has been sold annually in the Market Area since 2011.

- The median list price of single-family homes for sale in Big Lake was roughly \$225,000 as of June 2016. Based on the median list price, a household would need an income of about \$56,000 assuming a 10 percent down payment, 3.75 percent 30-year fixed rate mortgage. About 75 percent of Big Lake’s non-senior households have annual incomes at or above \$56,000.
- In 2015, there were approximately 548 lots available for new construction. The lot supply benchmark for growing communities is a three- to five-year lot supply. The past year there were 70 housing starts among inventoried subdivisions.

Housing Demand Analysis

- In 2016, demand existed in the Big Lake Market Area for these general occupancy product types between 2016 and 2025:
 - Market rate rental 99 units
 - Affordable rental 61 units
 - Subsidized rental 30 units
 - For-sale single-family 140 units
 - For-sale multifamily 168 units
- In addition, there was demand in 2016 for these types of seniors housing. By 2021, demand in the Big Lake Market Area for seniors housing is forecast as:
 - Active adult ownership 30 units
 - Active adult affordable 41 units
 - Congregate 45 units
 - Assisted Living 18 units
 - Memory care 29 units

Housing Demand Summary

Table 9-1 provides a summary of the recommended development concepts by product type for the City of Big Lake through year 2025.

RECOMMENDED HOUSING DEVELOPMENT CITY OF BIG LAKE 2016 to 2025					
	Purchase Price/ Monthly Rent Range ¹	No. of Units	Pct. of Total	Development Timing	
Owner-Occupied Homes					
<i>Single Family</i> ²					
Entry-level	Under \$225,000	225 - 250	46%	2016+	
Move-up	\$250,000 - \$325,000	150 - 175	32%	2016+	
Executive	\$325,000+	100 - 125	22%	2016+	
Total		475 - 550	100%		
<i>Townhomes/Detached Townhomes/Twinhomes</i> ²					
Entry-level	>\$225,000	80 - 100	44%	2016+	
Move-up	\$225,000-\$300,000	80 - 100	44%	2017+	
Executive	\$300,000+	20 - 25	11%	2018+	
Total		180 - 225	100%		
Total Owner-Occupied		655 - 775			
General Occupancy Rental Housing					
<i>Market Rate Rental Housing</i>					
Apartment-style	\$900/1BR - \$1,300/3BR	50 - 60	67%	2016+	
Townhomes	\$1,150/2BR - \$1,400/3BR	25 - 30	33%	2016+	
Total		75 - 90	100%		
<i>Affordable Rental Housing</i>					
Apartment-style	Moderate Income ³	35 - 40	68%	2016+	
Townhomes	Moderate Income ³	15 - 20	32%	2016+	
Total		50 - 60	100%		
Total Renter-Occupied		125 - 150			
Senior Housing (i.e. Age Restricted)					
Active Adult Affordable Rental	Moderate Income ³	30 - 40	25%	2016+	
Active Adult Senior Coop	\$75,000+	28 - 30	21%	2017+	
Independent Living (Congregate)	\$1,750/1BR - \$1,950/2BR	30 - 40	25%	2017+	
Assisted Living	\$2,750/EFF - \$4,000/2BR	18 - 20	14%	2020+	
Memory Care	\$4,000/EFF - \$5,000/2BR	20 - 24	16%	2017+	
Total		126 - 154	100%		
Total - All Units		906 - 1,079			
¹ Pricing in 2016 dollars. Pricing can be adjusted to account for inflation.					
² Recommendations include the absorption of some existing previously platted lots.					
³ Affordability subject to income guidelines per MHFA. See Appendix for Sherburne County Income limits.					
⁴ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community					
Note - Recommended development does not coincide with total demand. Big Lake may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)					
Source: Maxfield Research & Consulting, LLC					

Publicly-Assisted Housing

There are presently two types of publicly-assisted housing in Big Lake.

Federal Rent Assistance

There are no specific housing units reserved for use in the federal Section 8 Rent Assistance Program in Big Lake.

However, some households have received Section 8 Program “vouchers” that they can use for assistance in any rental housing unit that qualifies under the program’s rent limitations. The number of these vouchers used in Big Lake varies over time as the voucher-holders move or lose their eligibility. This program is administered in Sherburne County by the City of St. Cloud Housing Authority.

Publicly-Owned Housing

There is no publicly-owned housing in Big Lake.

Private Reduced-Cost Housing for Families or Seniors

There are three apartment buildings in Big Lake that offer rental housing at monthly costs lower than the general market rate. The construction of these housing units was subsidized through either the federal Low Income Housing Tax Credit program or the federal Rural Rental Housing program. A total of 81 housing units out of the 152 units in those three buildings have below-market rate monthly costs. The buildings are:

- School View Square 680 Minnesota Avenue
- Woodland Square 750 Minnesota Avenue
- Leighton’s Landing 220 Maple Lane.
- The Crossing at Big Lake Station 115 Henry Road



The Crossing at Big Lake Station townhouses were built privately with assistance from the federal tax credit housing program and, consequently, offer below-market rate rents.

City-Wide Housing Characteristics

Selected housing characteristics are presented in Table 9-1 with corresponding data for the county and the Twin Cities metropolitan area. All data were from the 2010 US Census to enable comparison among locations. Here are a few highlights:

**Table 9-1
Selected Housing Characteristics**

	Big Lake		Big Lake Township		Sherburne County		MSP Metro Area	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
HOUSING OCCUPANCY								
Total housing units	3,616		2,651		32,743		1,408,224	
Occupied housing units	3,369	93	2,491	94	30,574	94	1,334,395	95
Vacant housing units	247	7	160	7	2,169	7	73,829	5
UNITS IN STRUCTURE								
Total housing units	3,616		2,651		32,743		1,408,224	
1 unit	3,194	86	2,620	99	28,653	88	1,013,075	72
2 units	0	0	0	0	177	1	35,468	3
3 to 9 units	93	3	0	0	468	1	62,226	4
10 or more units	229	6	0	0	3,053	9	274,068	19
Mobile home	100	3	31	0	371	1	22,918	2
STRUCTURES BUILT TO 2000	2,180	60	2,254	1	22,853	70	1,176,450	84
HOUSING TENURE								
Occupied housing units	3,369		2,491		30,574		1,334,395	
Owner-occupied	2,884	86	2,430	98	24,721	81	932,769	70
Renter-occupied	485	14	61	3	2,000	19	401,626	30
AVERAGE HOUSEHOLD SIZE								
Owner-occupied units	3.13		3.00		2.96		2.66	
Renter-occupied units	2.52		3.95		2.60		2.27	
YEAR MOVED INTO UNIT								
Prior to 2000	863	26	1,508	61	10,120	33	444,183	33
NO VEHICLES AVAILABLE	192	6	48	2	1,042	3	100,220	8
VALUE								
Owner-occupied units	2,884		2,430		24,721		932,769	
Less than \$100,000	270	9	175	7	1,948	8	86,482	9
\$100,000 to 199,999	2,186	76	865	36	11,617	47	336,245	36
\$200,000 to \$299,999	271	9	926	38	7,357	30	267,327	29
\$300,000 to \$499,999	109	4	393	16	3,228	13	175,403	19
\$500,000 or more	48	2	71	3	571	2	67,312	7
Median (dollars)	154,700		217,200		190,600		213,900	

**Table 9-1
Selected Housing Characteristics (Continued)**

MONTHLY COSTS								
Housing units with a mortgage	2,469		1,939		19,816		687,174	
Median (dollars)	\$1,388		\$1,616		\$1,573		\$1,640	
Housing units without a mortgage	415		491		4,905		245,595	
Median (dollars)	\$547		\$522		\$490		\$535	
SELECTED MONTHLY OWNER								
With a mortgage	2,457		1,925		19,707		685,265	
35 percent or more	594	24	230	12	3,680	19	129,987	19
Without a mortgage	415		491		4,873		243,660	
35 percent or more	115	28	16	3	351	7	23,394	10
GROSS RENT								
Occupied units paying rent	433		47		5,611		389,559	
Median (dollars)	\$837		-		\$925		\$931	
GROSS RENT AS % OF INCOME								
Occupied units paying rent	433		47		5,552		384,784	
35 percent or more	212	49	47	1	2,435	44	151,046	39



New housing near the Northstar commuter rail station has added needed diversity to the market and promises to create an interesting new neighborhood.

Recent Housing Development

During the easy-money days before 2008, an extraordinarily high number of subdivisions were platted and housing units built all across the nation, and Big Lake was no exception. In fact, locations such as Sherburne County saw some of the highest rates of new housing construction.

The number of new housing units permitted for construction in Big Lake from 1998 through 2016 – a period of ups and downs -- is shown by Table 4-4.

Housing development slowed greatly after 2006 and has not regained the pace shown from 1998 to 2006.

Consequently, perhaps, in 2017 there were still lots that had been platted but not improved with infrastructure and lots that had been improved with streets and utility lines but not built upon.

These available building sites are included when estimating the additional residential development acreage that may be needed during the horizon of this plan.



By 2017, the pace of new housing construction in Big Lake had moved closer to past norms, including new neighborhoods that were partially completed before the recession.

Table 4-4
Annual Number of Housing Units Permitted, 1998 through 2016

	Singles	Duplex	Towns	4 - 6 - 8	Apts	Total
1998	155					155
1999	298	2				300
2000	243					243
2001	251					251
2002	165		4			169
2003	165		4			169
2004	118			58	23	199
2005	118			58	1	177
2006	141			2		143
2007	50					50
2008	99					99
2009	78					78
2010	28					28
2011	6		36			42
2012	6				6	12
2013	20				36	56
2014	41					41
2015	48				29	77
2016	76		1		38	115
Totals	2,106	2	45	118	133	2,404



Housing Aspects of the Big Lake Zoning Ordinance

Local zoning regulations have a powerful effect on housing production, design and cost. The following tables describe the districts that allow housing and indicate the review process of the various types of housing by zoning district.

**Table 9-3
Zoning Districts that Allow Housing**

District	Characteristics
R-1E Single-Family Residential Estate	Detached houses Minimum lot size: 15,000 square feet
R-1 Single-Family Residential	Detached housing Minimum lot size of 12,000 square feet
R-2 Medium Density Residential	One- and two-unit buildings; townhouses Minimum lot size of 7,500 sf per unit for sf / 2f
R-3 High Density Residential	Two-family buildings; townhouses; apartment buildings Density is negotiated through the planned-unit development process.
R-4 Manufactured Home Park	Mobile homes Lot sizes are determined by setbacks.
R-5 Residential Redevelopment District	One- and two-family buildings and townhouses in the Shoreland Management Overlay districts of Big, Mitchell and Keller Lakes. The intention is to generally increase setbacks and lots sizes and to reduce the percentage of impervious coverage as redevelopment occurs.
TOD Transit-Oriented Development	High-density attached housing; retail businesses; office buildings; mixed-use buildings. Three rings of intensity. A walkable public realm. Guided by the TOD Design Manual and Master Plan.
B-2 Community Business	Vertically-mixed commercial and residential buildings.

Each of the following types of development applications must be reviewed by both the Planning Commission and the City Council. Many minor features (e.g., antennas) can be approved by City staff alone. This process is typical of most cities in Minnesota.

- Rezoning
- Land subdivisions – plats or certified surveys
- Site plans
- Conditional use permits
- Interim use permits
- Variances

Landscaping plans prepared by a professional are required for all multiple-family housing, commercial or industrial developments.

Some features of the Big Lake zoning ordinance could use improvement. These features seem worthy of examination:

- Lots sizes in the R-1E and R-1 districts
- Specifics about density for townhouses in the R-2 district
- Specifics about density in the R-3 district
- Setbacks and fenestration for garages on one- or two-family buildings and townhouses.