



SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

Saint Paul Anti-Displacement Strategy

Existing Conditions Analysis and Engagement Findings

May 2023

HR&A



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Project Purpose & Objectives

The City of Saint Paul seeks to identify strategies to **minimize displacement** of low- and moderate-income communities, communities of color, and small businesses in Saint Paul while encouraging **investments in housing, affordable housing, and small businesses.**

Despite consistent efforts from the City to support affordable housing, public resources are not yet sufficient to address the gap between affordable housing creation and affordable housing needs. In some cases, this gap has led to involuntary displacement of low- and moderate-income residents and businesses. **The goal of this study is to bridge this gap by encouraging investments in housing and business that protect existing residents and business owners from displacement.**



Existing Conditions Analysis | **Guiding Principles**

This study is grounded by a set of principles and intentions that guide the mission of anti-displacement work in Saint Paul.

HOUSING AFFORDABILITY & PRODUCTION

Ensure that all residents have access to housing and promote new housing development.

GENERATIONAL WEALTH

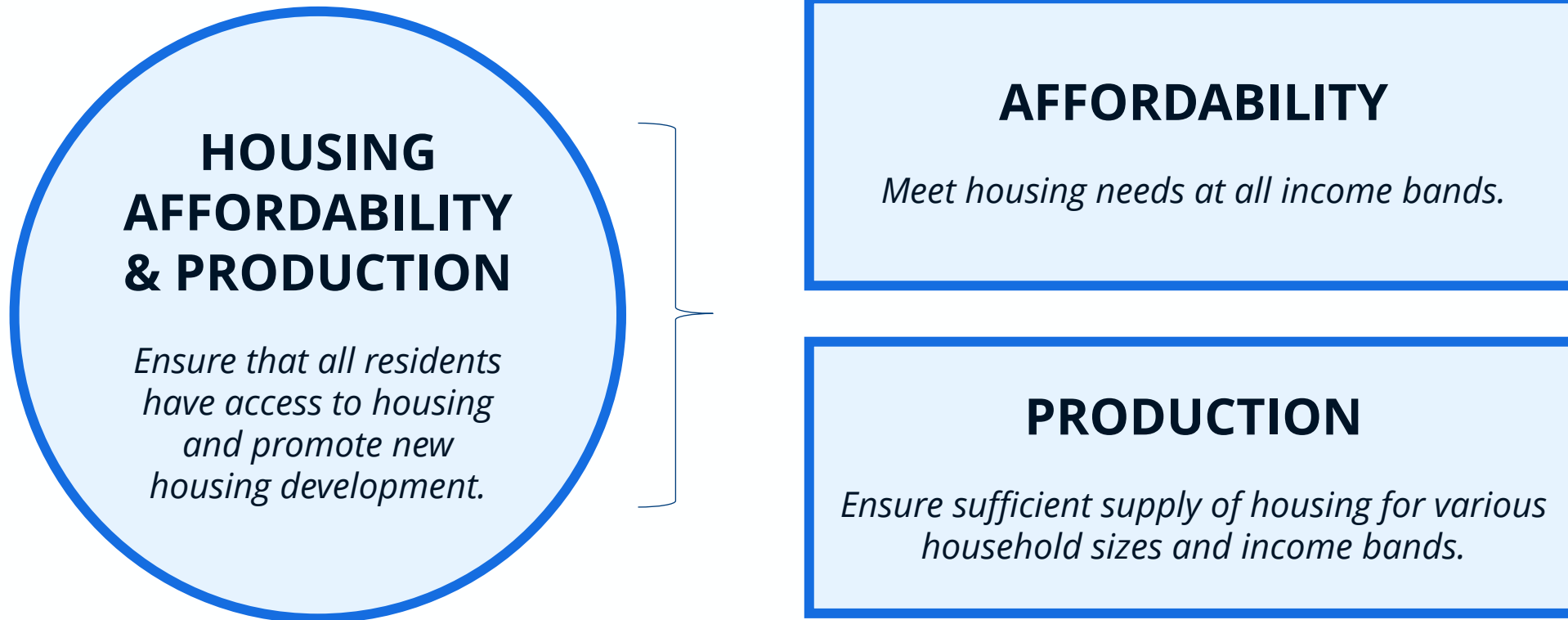
Promote long-term economic vitality for families and communities through quality jobs, small business, and access to homeownership.

ECONOMIC STABILITY

Provide residents with access to stable, quality jobs that insulate them from potential rising costs due to new investment.

Existing Conditions Analysis | Guiding Principles

This study is grounded by a set of principles and intentions that guide the mission of anti-displacement work in Saint Paul.



Existing Conditions Analysis | Neighborhood Overview

For the purposes of this study, any neighborhood references use the following approximate neighborhood designations.



Housing Programs Analysis | Definitions

Gentrification and displacement are interconnected but distinct phenomena, and the terms themselves have different meanings to different people. HR&A defines these as...

GENTRIFICATION: A process of neighborhood change where higher-income residents and businesses move into an underinvested community, often resulting in increased taxes and housing costs which place financial strains on existing residents and puts the community at risk of cultural displacement. This process often occurs in communities of color that have been historically marginalized by redlining and other racially-discriminatory housing practices and is accelerated by contemporary government policies, as well as private interests and market demands.

There are several types of displacement that can occur in neighborhoods:


DIRECT DISPLACEMENT occurs when residents and business owners can no longer afford to remain in their buildings due to increased housing and leasing costs or are forced out by lease non-renewals, evictions, eminent domain, or poor physical conditions that render buildings uninhabitable, often as investors await redevelopment opportunities. Research has shown that victims of displacement often come from racial and ethnic backgrounds that have been historically disenfranchised.

INDIRECT DISPLACEMENT (or **exclusionary displacement**) occurs when low-income residents or small businesses vacate buildings, but new low-income residents or small businesses cannot afford to move in. This shift can stem from price increases, policy changes, or occupation by middle-income tenants.

CULTURAL DISPLACEMENT occurs as the scale of residential change advances. Shops and services shift to focus on new residents, who may be of a different race or income level than existing residents and can take patrons away from small businesses. The character of the neighborhood is transformed, and the remaining residents may experience a loss of belonging or ownership, despite remaining in the neighborhood.

A wide-angle photograph of a city skyline, likely Pittsburgh, viewed from across a river. The sky is a deep blue with scattered white clouds. The city buildings are silhouetted against the sky. In the foreground, a bridge with multiple arches spans the river. The water is calm, reflecting the sky and the buildings. The overall mood is serene and urban.

Section I. Residential Analysis



| 01

Key Data Findings

KEY FINDINGS | OVERVIEW

Saint Paul is **growing** and becoming **more diverse**

The city **lacks sufficient housing** for both renters and homeowners

Significant **racial disparities** exist for both renters and homeowners

Some neighborhoods show **signs of gentrification** and **displacement risk**

KEY FINDINGS | Saint Paul is **growing** and becoming **more diverse**

DIVERSE POPULATION GROWTH

- The city has grown by 10% over the last decade, adding nearly **27,000 new residents**.
- As Black, Asian, and other populations of color have increased in the last decade, the city has become **increasingly diverse**. As of 2020, there are now more non-white residents than white residents in Saint Paul.

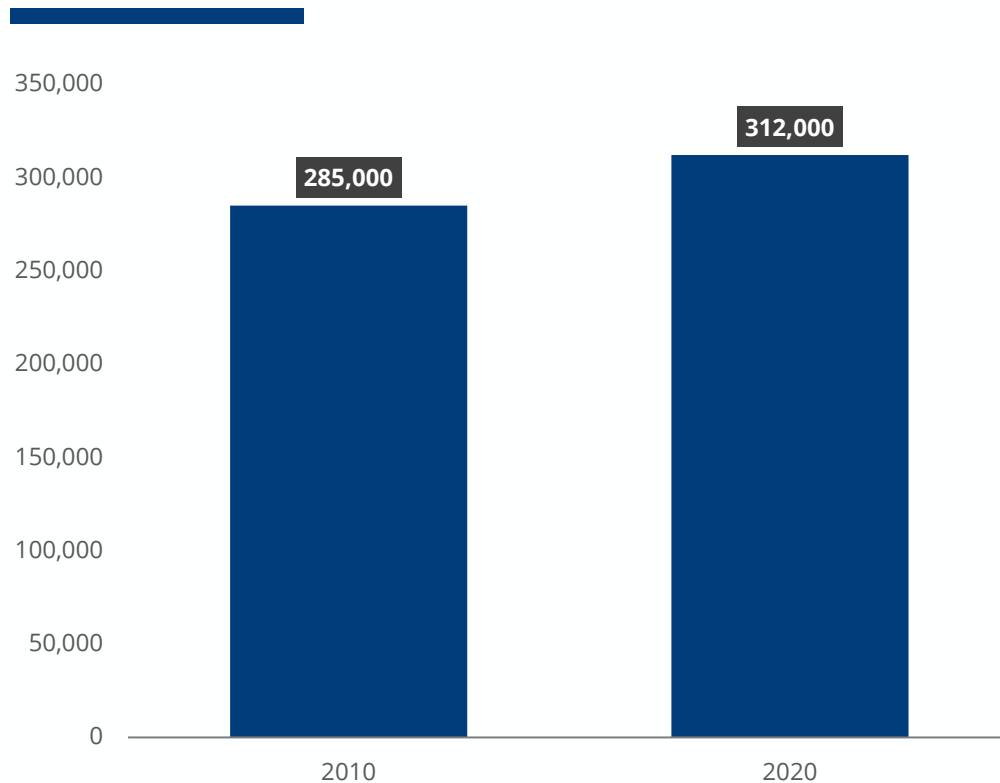
PERSISTENT INCOME DISPARITY

- Though incomes have grown across racial groups, **households of color have significantly lower incomes** than white households.
- The city's **Black households have the lowest median household income** and have for the past decade.

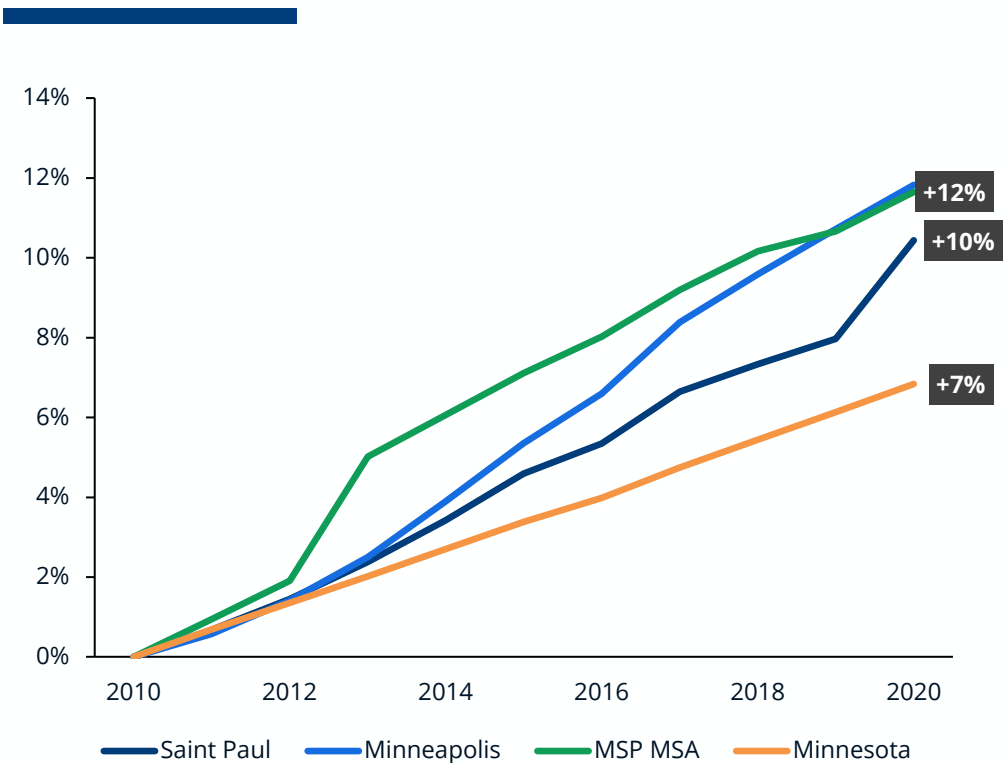
Growth & Diversity | Total Population

Saint Paul's population has grown by 10% since 2010, outpacing the state's growth and modestly lagging those of the MSA and Minneapolis.

Population, Saint Paul, MN (2010-2020)



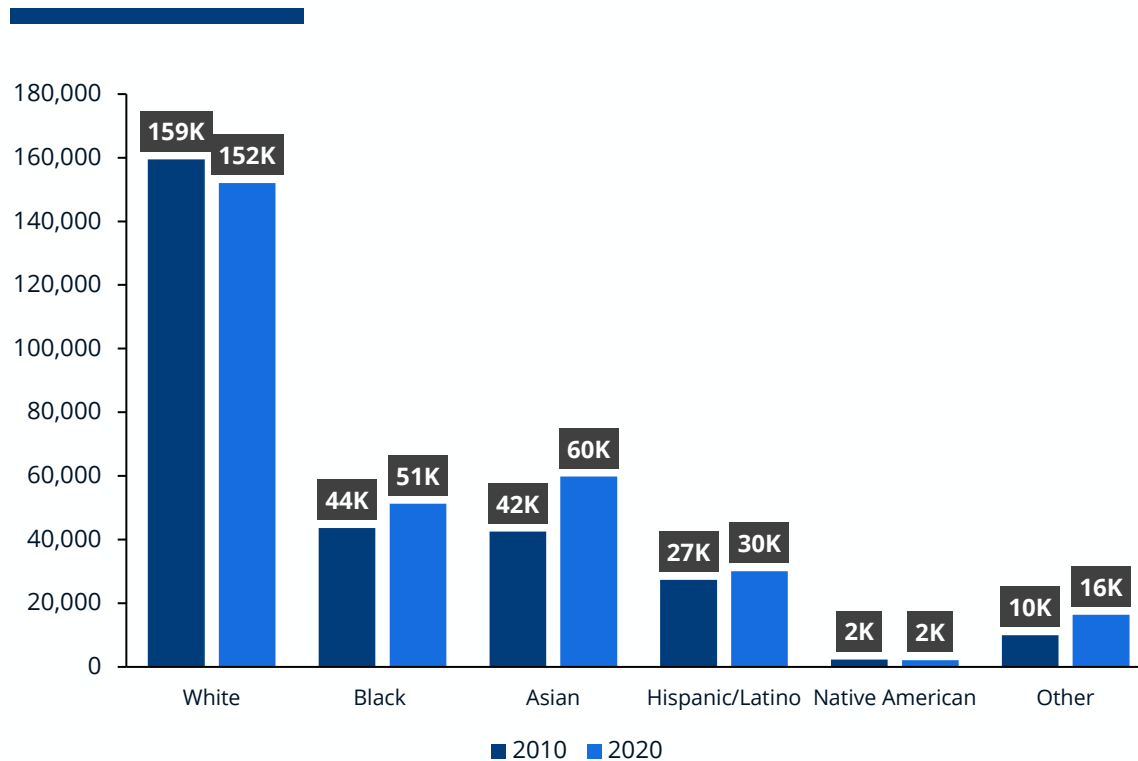
Comparative Population Growth (2010-2020)



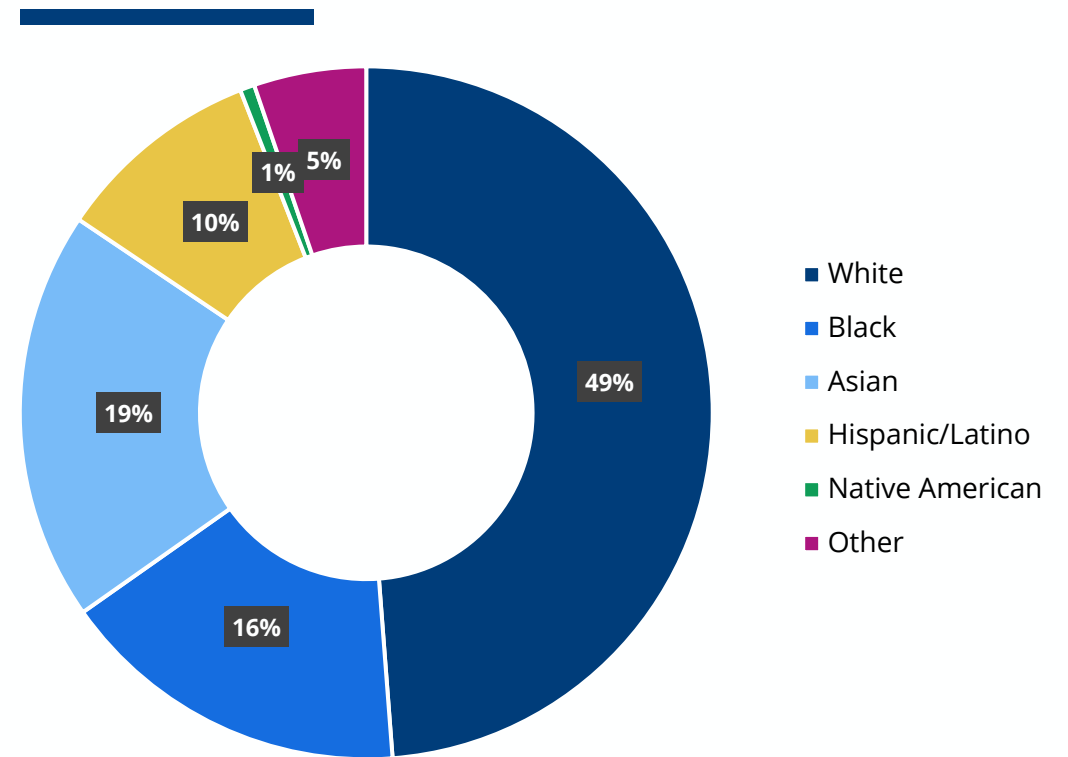
Growth & Diversity | Population by Race

Saint Paul has become one of the most diverse cities in Minnesota, as its populations of color have grown over the last decade and its white population has fallen just under 50%.

Population by Race, Saint Paul, MN
(2010 - 2020)



Population Distribution by Race, Saint Paul, MN
(2020)



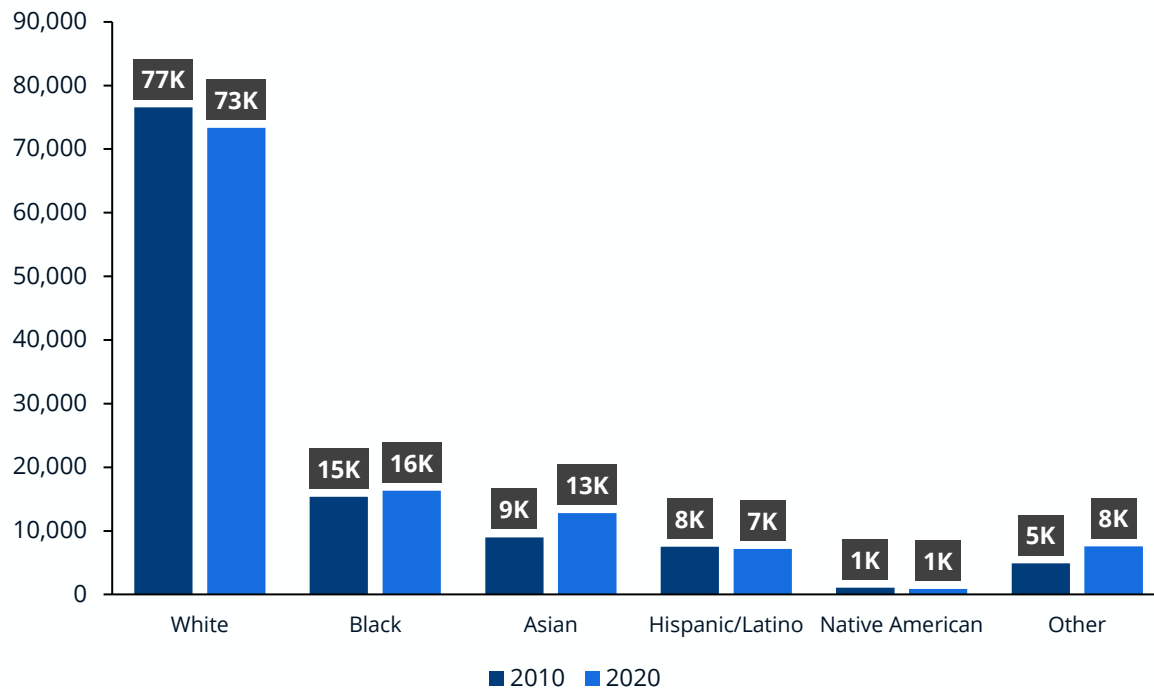
Note: For all racial demographic analysis, the "Other" category includes multiracial, unknown, or Native Hawaiian and other Pacific Islander residents or households.

Source(s): ACS 5-Year Estimates

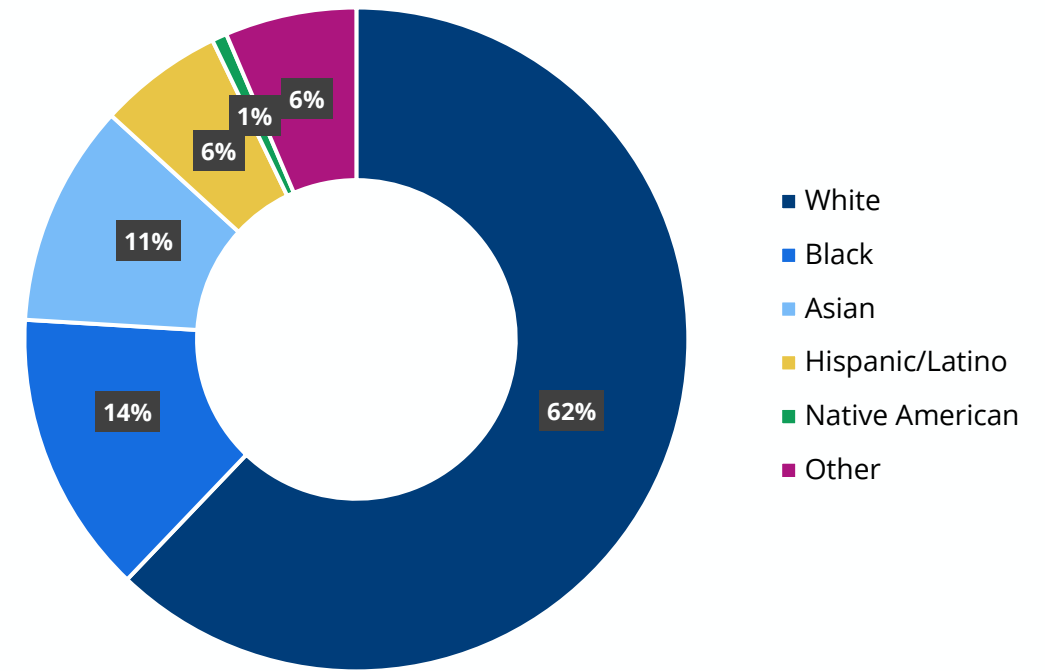
Growth & Diversity | Households by Race

Although 50% of the overall population is white, over 60% of households in Saint Paul are white. This indicates that Saint Paul's white households tend to be smaller than households of color.

Households by Race, Saint Paul, MN (2010 - 2020)



Household Distribution by Race, Saint Paul, MN (2020)



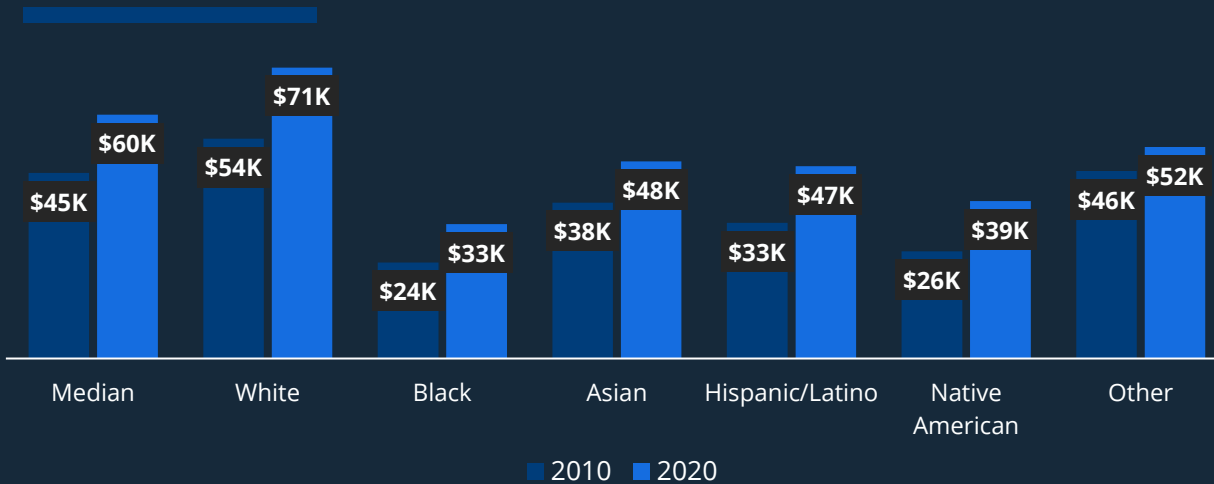
Growth & Diversity | Income by Race

Over the last decade, median household incomes have increased across all racial groups. Despite this growth, Black households continue to have the lowest median incomes.

When compared to the MSA and the State, median household incomes are lower in Saint Paul across all racial groups.

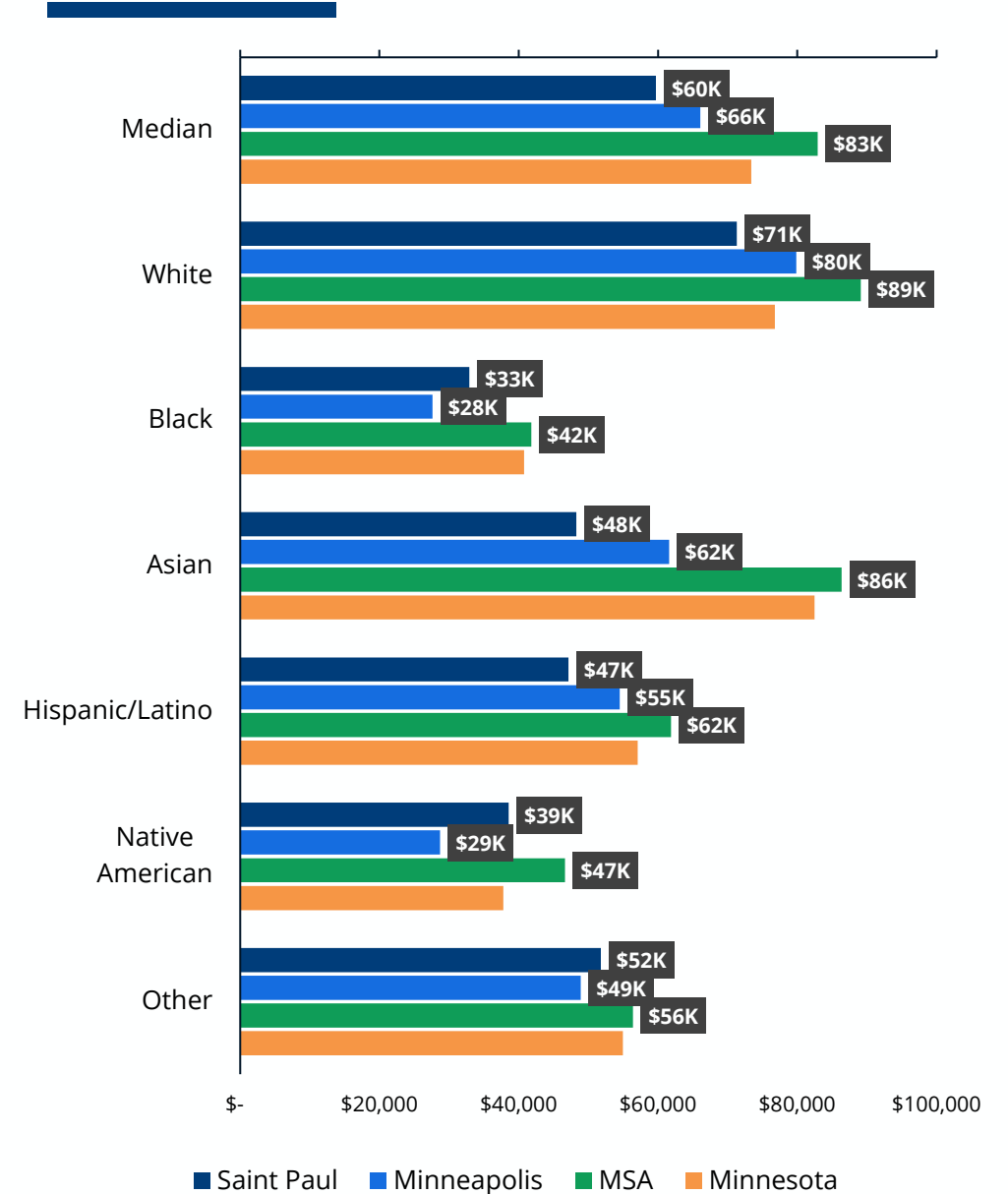
However, Black and Indigenous households in Minneapolis have the lowest median incomes.

Median Household Income by Race, Saint Paul, MN (2010-2020)



Note: Since 2020, household incomes in the MSA have increased to \$118,200, according to HUD Income definitions.
Source(s): ACS 5-Year Estimates

Comparative Median Income by Race (2020)



KEY FINDINGS | The city **lacks sufficient housing** for both renters and homeowners

LACK OF AFFORDABLE RENTAL HOUSING

- There is a **lack of affordable rental housing** for households that make less than \$35,000 annually.
- Renters have a **median income of \$38,000**, leaving many low-income renters **cost burdened**.

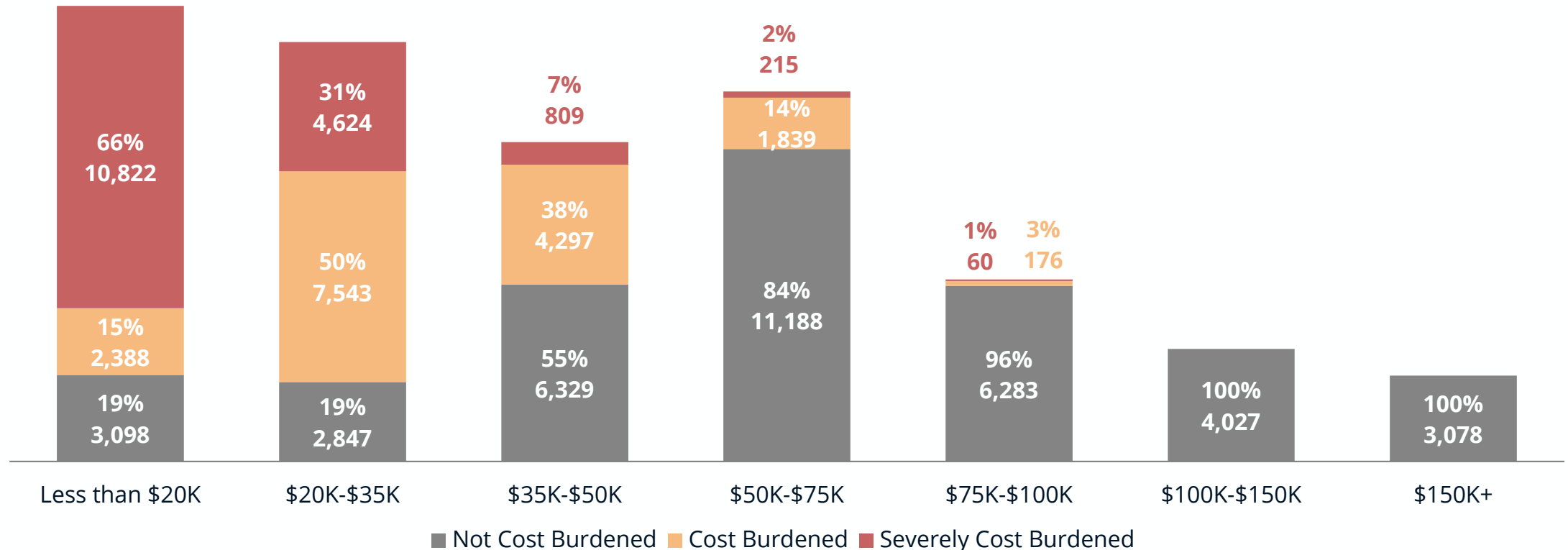
DECLINING HOMEOWNERSHIP

- **Homeownership is declining** across all income levels.
- At the same time, **home values are increasing**. In 2022, the average home's value required an annual income of \$86,000 to purchase, far surpassing the city's median income.

Insufficient Housing | Lack of Affordable Rental Housing

Most renters earning less than the median income (\$60,000) are cost burdened. Indeed, 71% of renters earning less than the median income are cost burdened and 38% are severely cost burned.

Cost Burdened Renter Households by Income, Saint Paul, MN (2020)



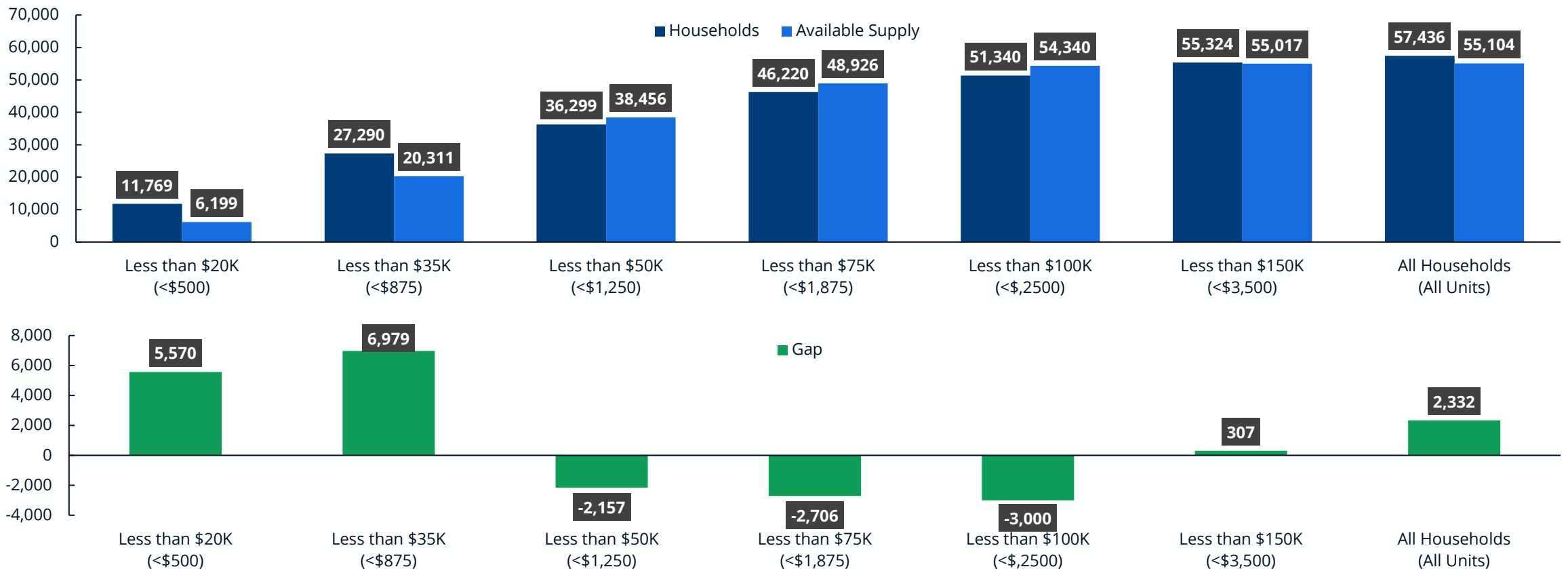
Note: A household is considered to be "cost burdened" when it spends more than 30% of its gross income on housing costs. "Severely cost burdened" households spend more than 50%.

Source(s): ACS 5-Year Estimates

Insufficient Housing | Lack of Affordable Rental Housing

There is an insufficient supply of rental housing affordable to households making less than \$35,000.

Housing Supply Gap, Saint Paul, MN (2020)



Insufficient Housing | Homeownership

Homeownership provides many financial and non-financial benefits.

WEALTH



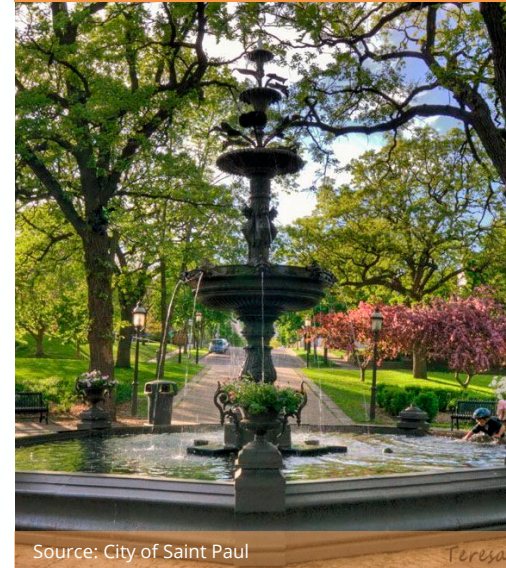
- Housing prices tend to appreciate, building an important source of generational wealth for many American families.
- Home equity creates financial security and economic mobility.

EDUCATION



- Children who grow up in a home-owning household perform better academically and are more likely to graduate high school.

UTILITY



- Studies show homeowners tend to be happier, with higher levels of satisfaction than similarly-situated renters.

COMMUNITY



- Neighborhoods with high homeownership rates tend to have higher property values, and thus higher levels of tax revenues.

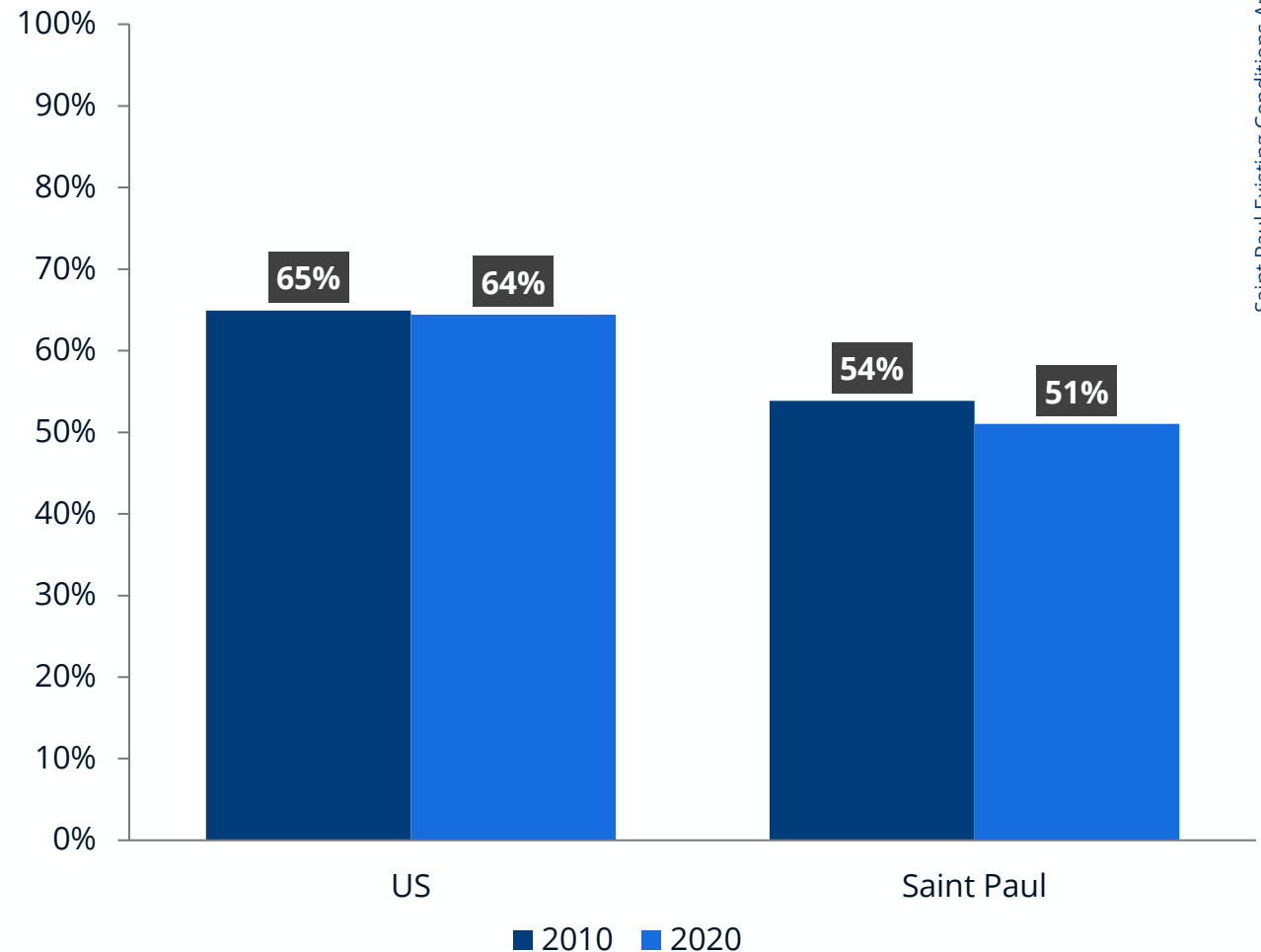
Insufficient Housing | Declining Homeownership

Saint Paul's homeownership rate is lower than the national average and has decreased over the past decade.

Homeownership in Saint Paul has become increasingly out of reach. In 2022, an average home sale **required a household income of \$86,000** to avoid being overburdened by its cost.

Source(s): ACS 5-Year Estimates

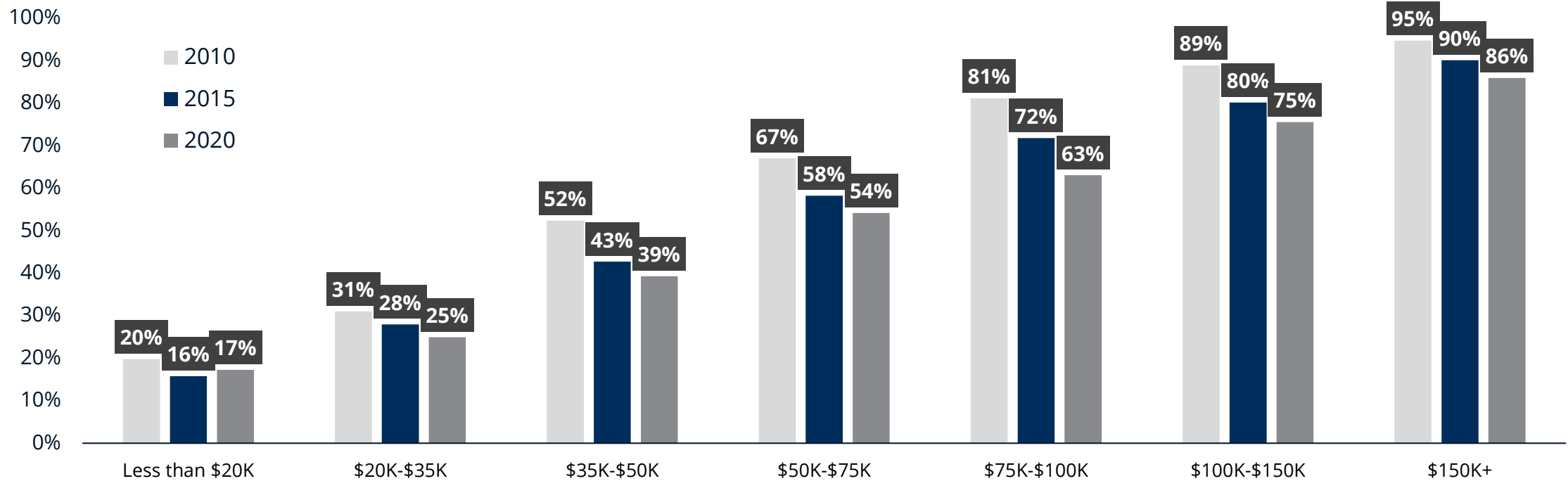
Comparative Homeownership Rates (2010-2020)



Insufficient Housing | Declining Homeownership

Over the last decade, homeownership rates have steadily decreased for all income bands in the city.

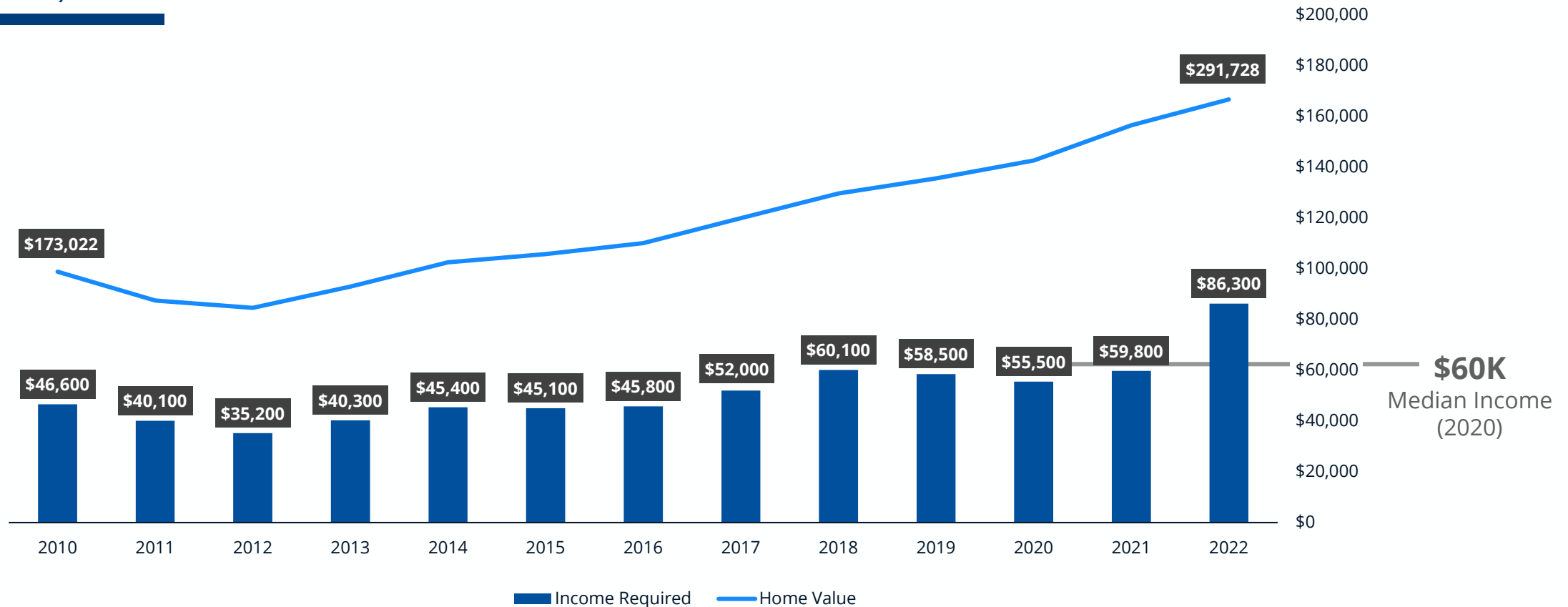
Homeownership Rate by Income, Saint Paul, MN (2010-2020)



Insufficient Housing | Declining Homeownership

Meanwhile, average home values in Saint Paul have increased by 68%. Within the last year, the income required for households to remain unburdened by cost has increased by 44%.

Home Values, Saint Paul, MN (2010-2020)



Note: The "income required" calculation incorporates mortgage rates. The jump significant jump from 2021 to 2022 is in part due to increases in mortgage rates.

Source(s): Zillow; ACS 5-Year Estimates

KEY FINDINGS | Significant **racial disparities** exist for both renters and homeowners

BLACK AND LATINO RENTERS ARE MORE LIKELY TO BE COST BURDENED

- While the city's median income is \$60,000, **Asian, Black, and Latino households all have median household incomes below \$50,000.**
- Most of the populations of color rent their homes. **Renters have a median income of \$38,000.**
- These income disparities and the lack of housing for households making less than \$35,000 contribute to an acute housing burden for renters of color. **Black and Latino residents are most overburdened** by housing costs.
- **Income growth – particularly for Black households – has been insufficient** to keep pace with rising housing costs.

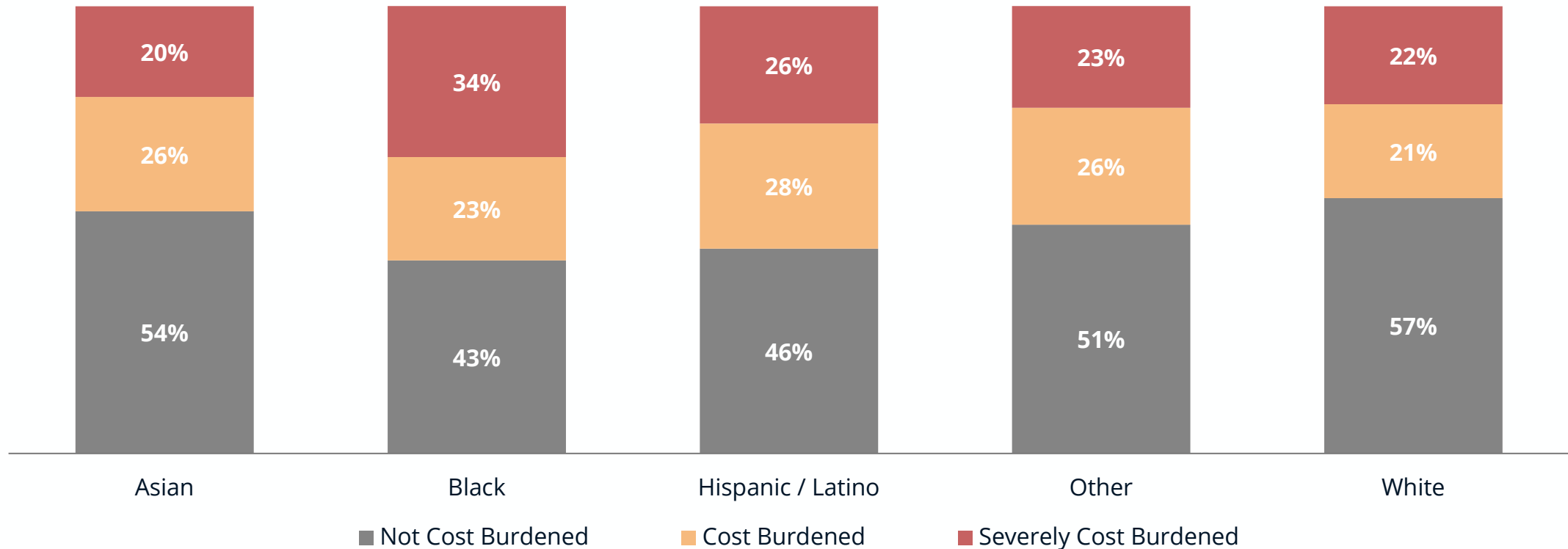
WHITE HOUSEHOLDS ARE MORE LIKELY TO OWN THEIR HOMES

- White households are the only demographic group **more likely to own** than to rent their homes. 61% of white households own their home compared to just 18% of Black households.
- Prospective Black and Latino homebuyers are **more likely to be denied mortgages** than white and Asian homebuyers.
- **Home value corresponds with population demographics.** In areas with a large white population, home values are generally higher. In areas with a large population of color, home values are generally lower.

Racial Disparity | Cost Burden

Black and Latino renters are the most cost burdened.

Share of Cost Burdened Renter Households by Race, Saint Paul, MN (2020)



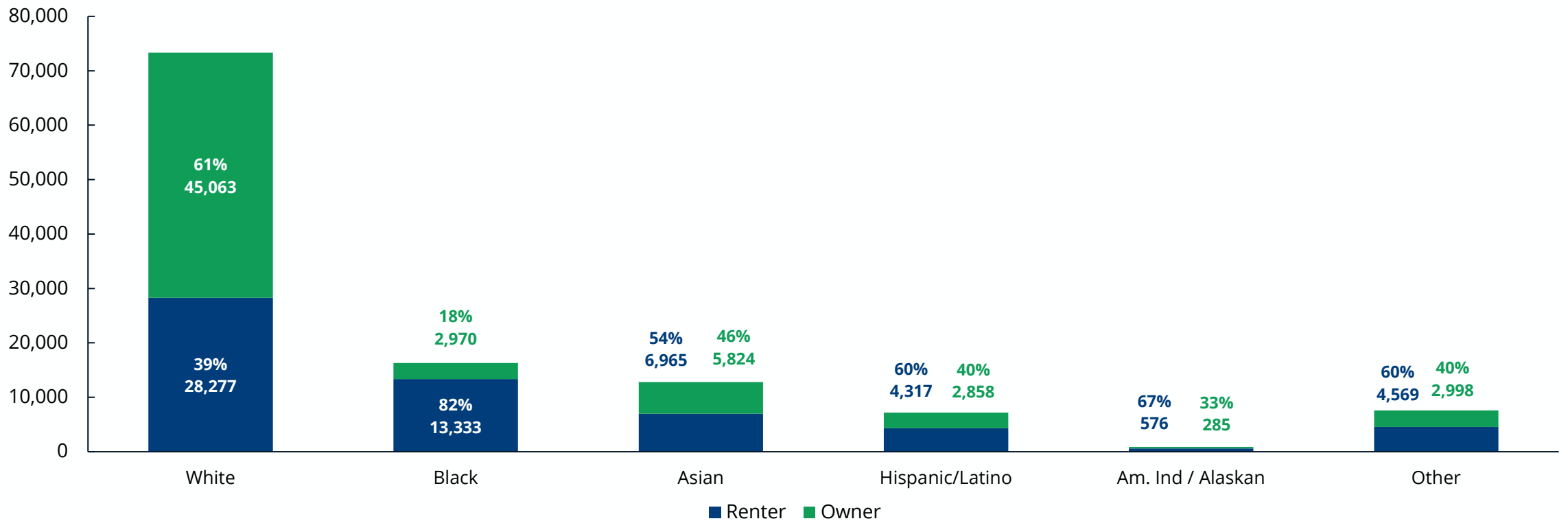
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Racial Disparity | Homeownership

61% of white households own their home while only 18% of Black households own their home.

Housing Tenure by Race, Saint Paul, MN (2020)

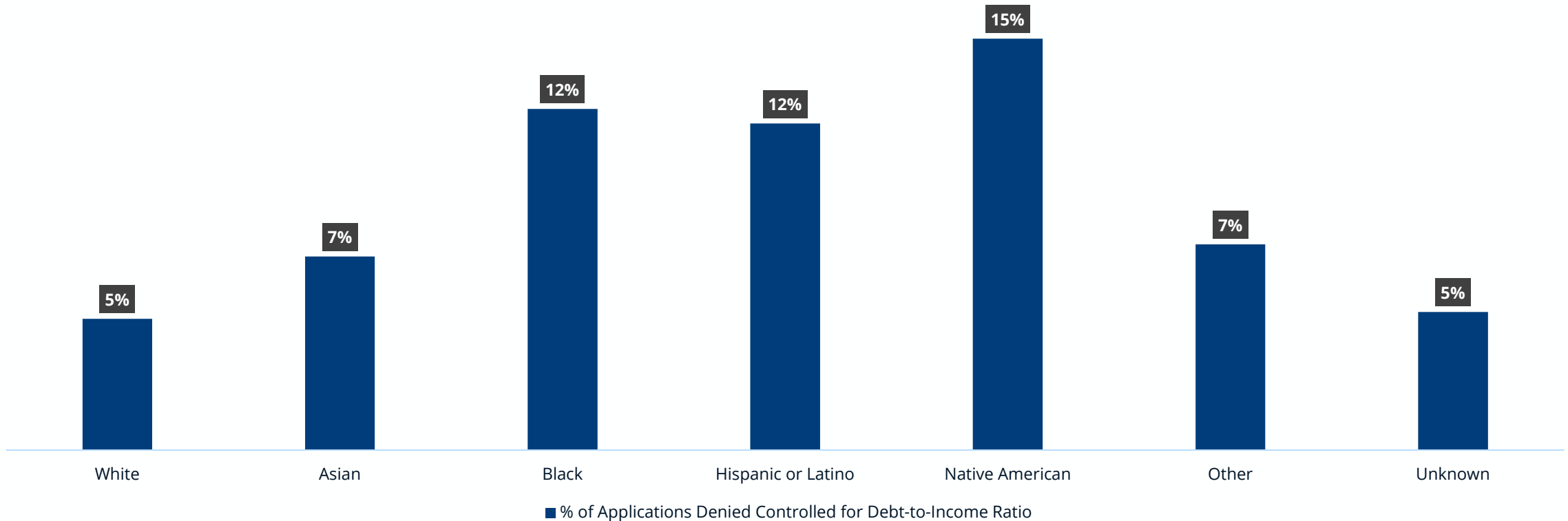


Source(s): ACS 5-Year Estimates

Racial Disparity | Homeownership

Controlling for Debt-to-Income Ratio, Black and Latino applicants are over two times as likely to have their mortgage application denied when compared to white applicants. Native American applicants are three times as likely to be denied.

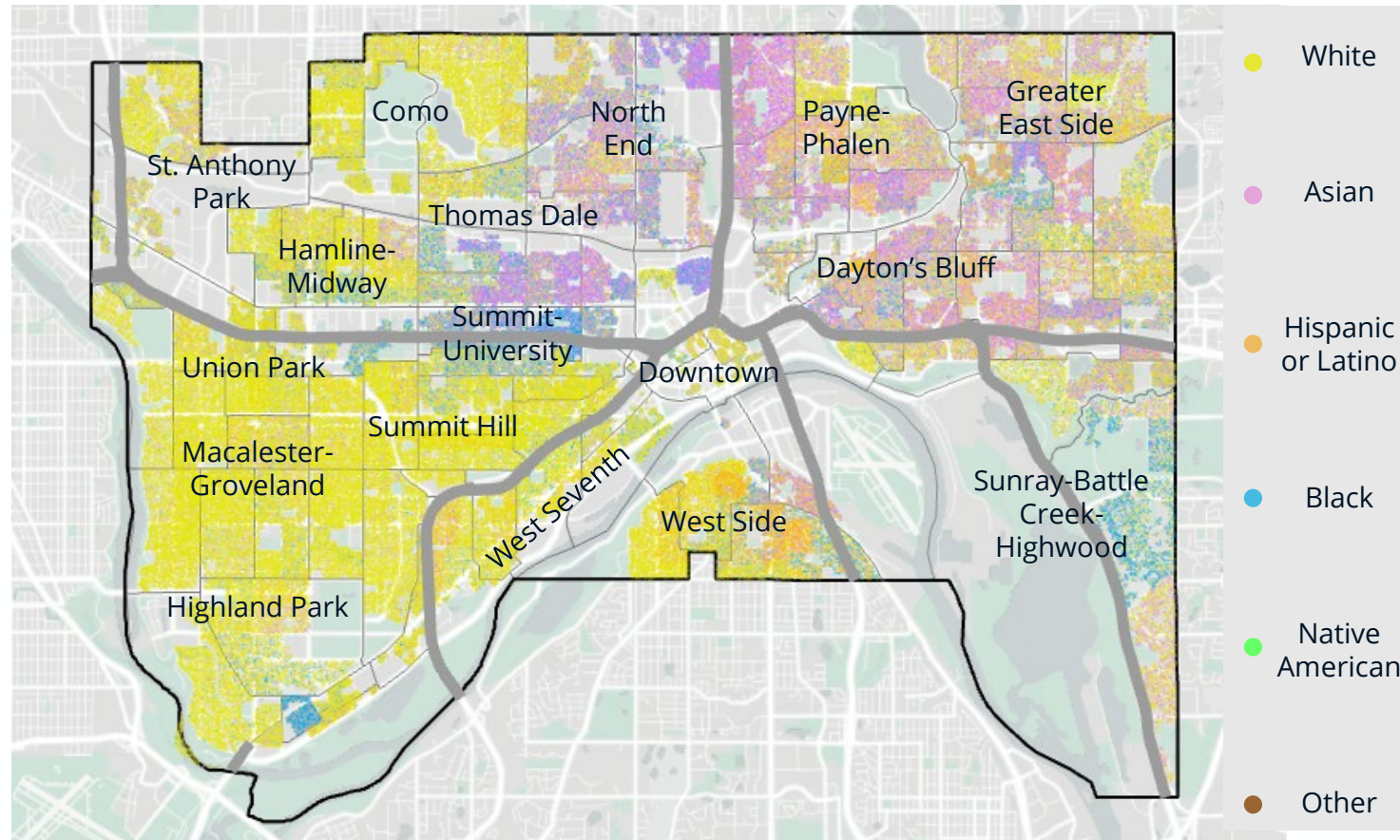
Mortgage Denials by Race, Saint Paul, MN (2021)



Racial Disparity | Homeownership

Home values correlate with population demographics. Saint Paul's white population lives mostly on the west side of the city, while the city's populations of color are mostly concentrated to the east.

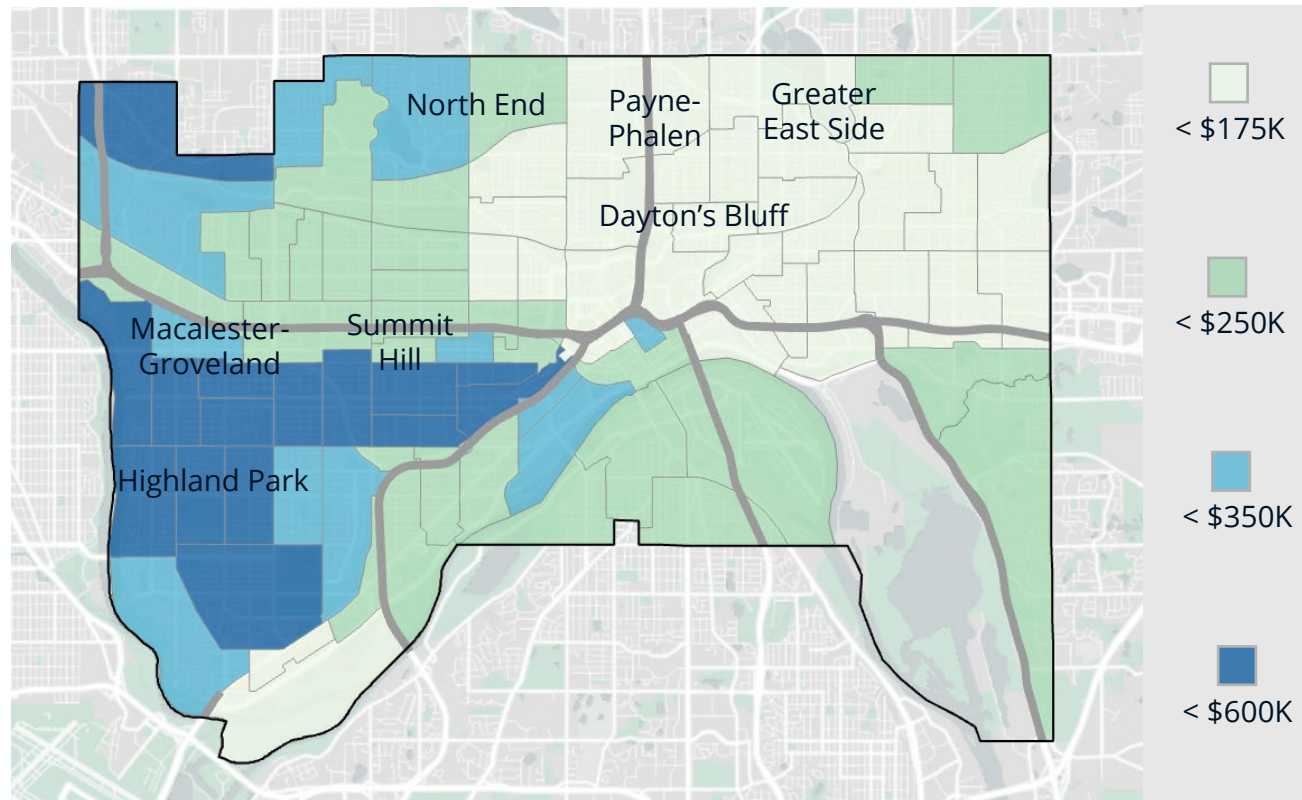
Total Population by Race, Saint Paul, MN
(2020)



Racial Disparity | Homeownership







Home values on the west side of the city are highest, and home values on the east side of the city are lowest.

Median Home Value by Tract
(2020)

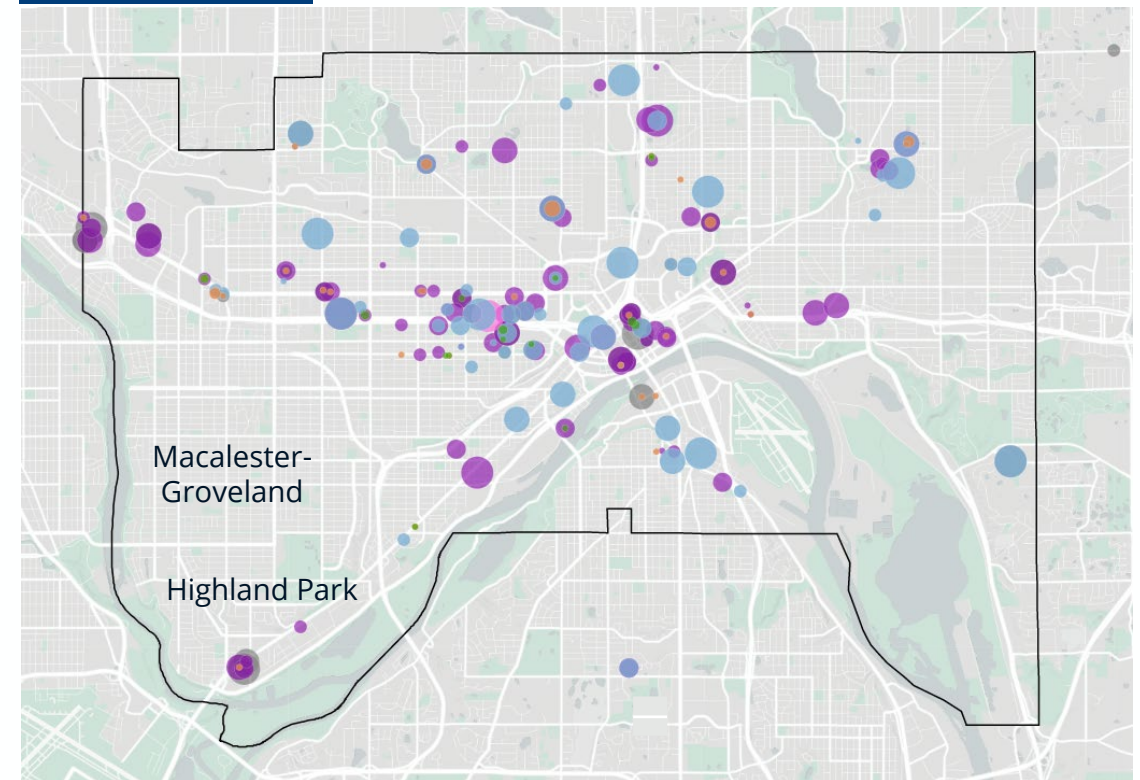


Racial Disparity | Homeownership

No subsidized affordable developments have been built in the wealthiest, mostly white neighborhoods, though the Highland Bridge development will bring new affordable units to the Highland Park area.

Program Type	Units	Buildings	Legend
Total	19,903	224	(Size Corresponds to Number of Units)
LIHTC	6,910	83	
Section VIII	7,363	57	
HUD Insured	4,519	36	
Public Housing	418	1	
HOME	400	32	
Project Based Vouchers	293	15	

Affordable Housing Properties, Saint Paul, MN
(2020)



■ 19,903 Total Units

Note: Buildings can have multiple subsidies; Three buildings with active subsidies did not have location data available.

Source(s): National Housing Preservation Database

KEY FINDINGS | Some neighborhoods show signs of gentrification and displacement risk

ONGOING NEIGHBORHOOD DISPLACEMENT

- The **West Side's Latino population decreased by ~20%** in the last decade, with Asian and Black households moving in. This same trend exists in some tracts in the Greater East Side and Payne-Phalen neighborhoods.
- **The University Ave-adjacent Black population decreased by as much as 20% in some census tracts.** Many tracts have also experienced an increase in the population of white residents and an increase in median income of over \$25,000 since 2010.
- **The Black and Asian populations in Dayton's Bluff have decreased** while the Latino population has increased.
- **The share of Latino and Asian populations in West Seventh have decreased,** corresponding with new development and an influx of Black residents and White residents.

DISPLACEMENT RISK

- **Sibley Manor** is at risk of displacement.
- The east side neighborhoods are home to most of the city's residents of color. **Population growth, lack of new development, low home values, rising rents, and planned transit investments** all contribute to displacement vulnerability.
- Transit and other investments and rezonings must be carefully managed to avoid displacement, particularly around the **Purple and Gold Lines.**

Gentrification & Displacement | Quantification

Measuring gentrification and displacement of households and businesses can be challenging given available data.

GENTRIFICATION

- Share of population change. E.g., the total number of households of a marginalized population have **remained the same**, but the share of a new population has increased. However, it is possible individual households have been priced out/displaced.

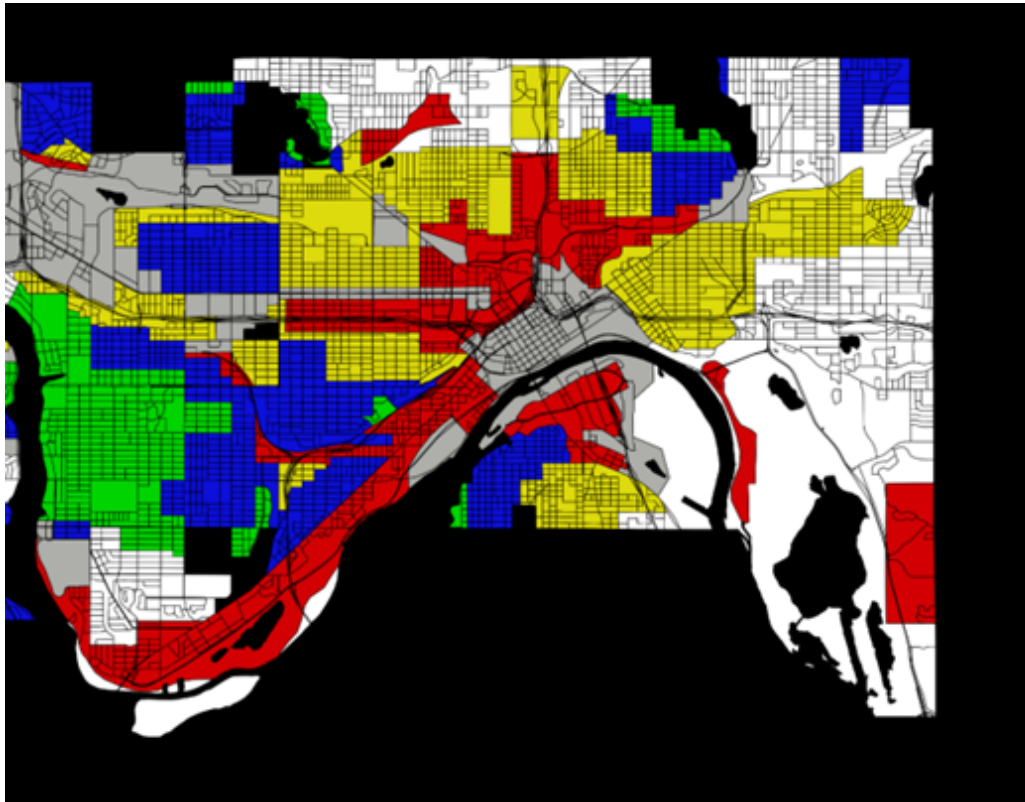
DISPLACEMENT

- The total population of a marginalized group has decreased while another population has increased. E.g., the total number of households of a marginalized **decreased** while a new population grew.

Gentrification & Displacement | **Historic Redlining**

Historic redlining – the practice of designating certain neighborhoods as “desirable” or “undesirable” in order to allocate resources – set the stage for gentrification and displacement by segregating the city.

Homeowners’ Loan Corporation (HOLC) Redlining Map, Saint Paul, MN (1934)



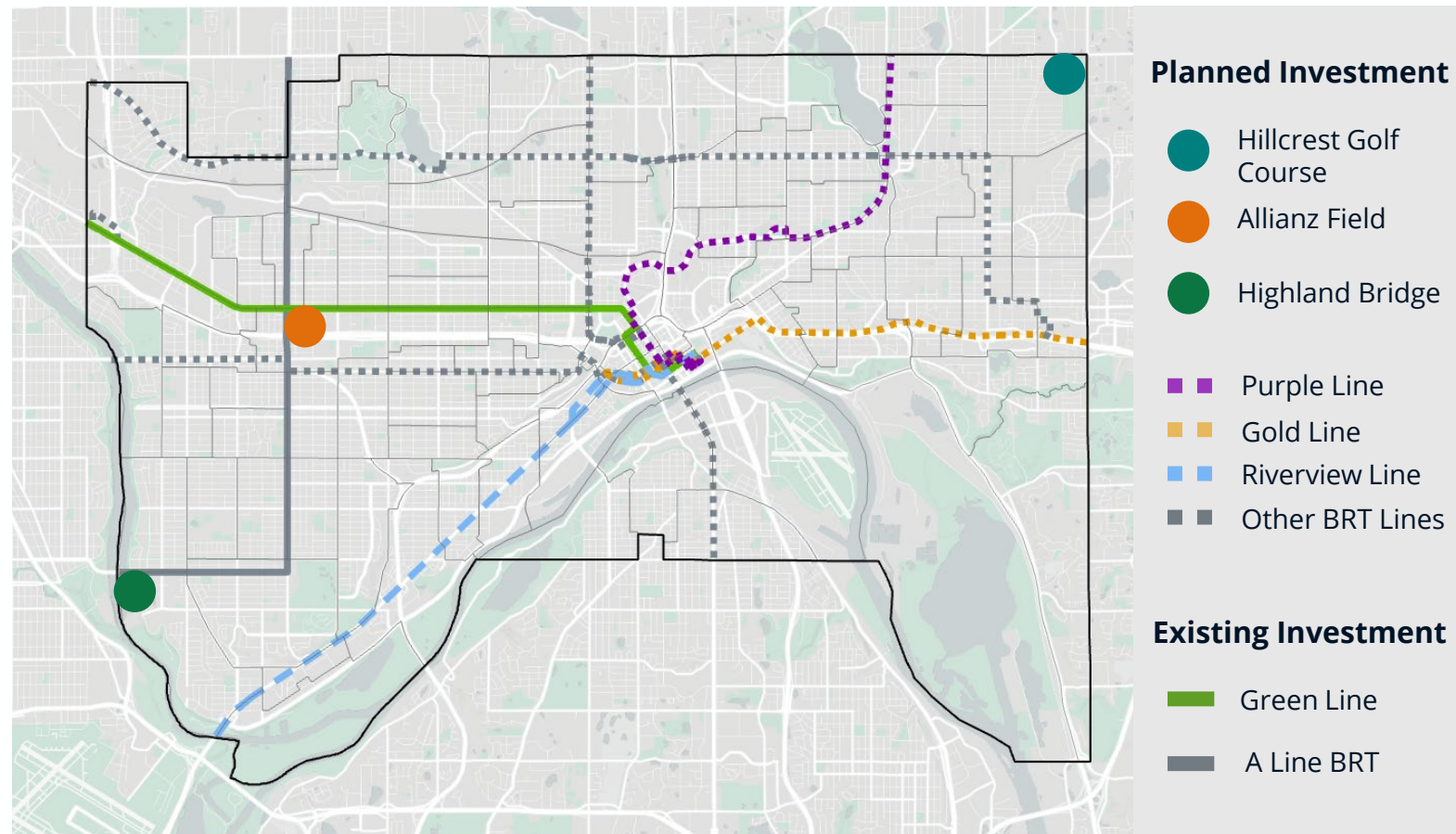
The neighborhoods were categorized into four types:
Green/Type A : Best - newer or areas still in demand
Blue/Type B : Still Desirable - areas expected to remain stable for many years
Yellow/Type C : Definitely Declining - areas in transition
Red/Type D : Hazardous - older areas considered risky

Grey = business/industrial areas; White = undeveloped in 1934

Gentrification & Displacement | Major Investments

In the last 10 years, the City of Saint Paul has made significant infrastructure investments and private partners have moved forward with major developments that are supporting and driving growth in the city.

Planned Transit and Development Investments, Saint Paul, MN

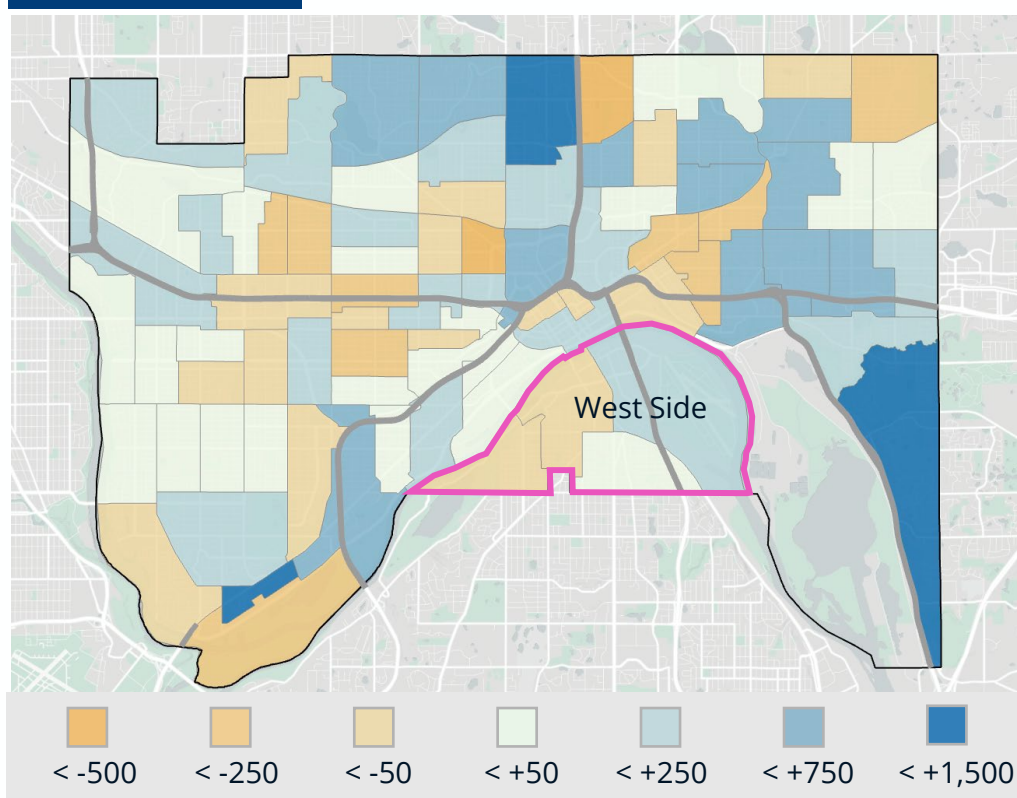


Note: Routes shown are not exact

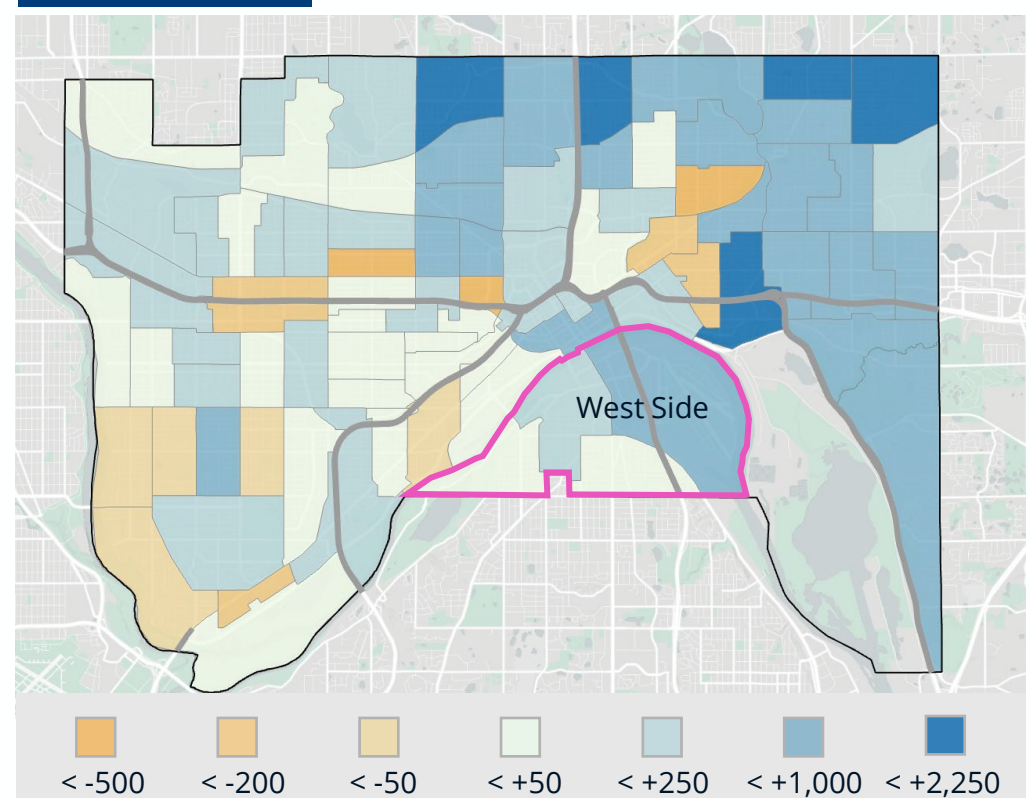
Gentrification & Displacement | Ongoing Displacement: West Side

Black and Asian residents have moved into the West Side neighborhood in the past decade.

Change in Black Population, Saint Paul, MN (2010 - 2020)



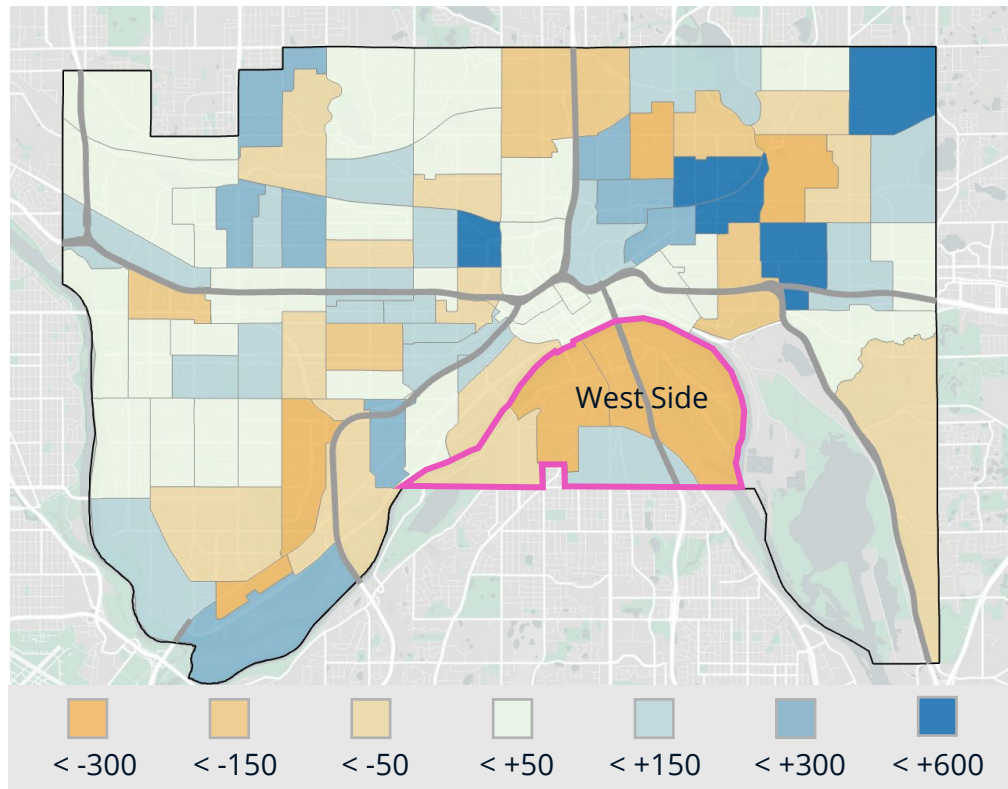
Change in Asian Population, Saint Paul, MN (2010 - 2020)



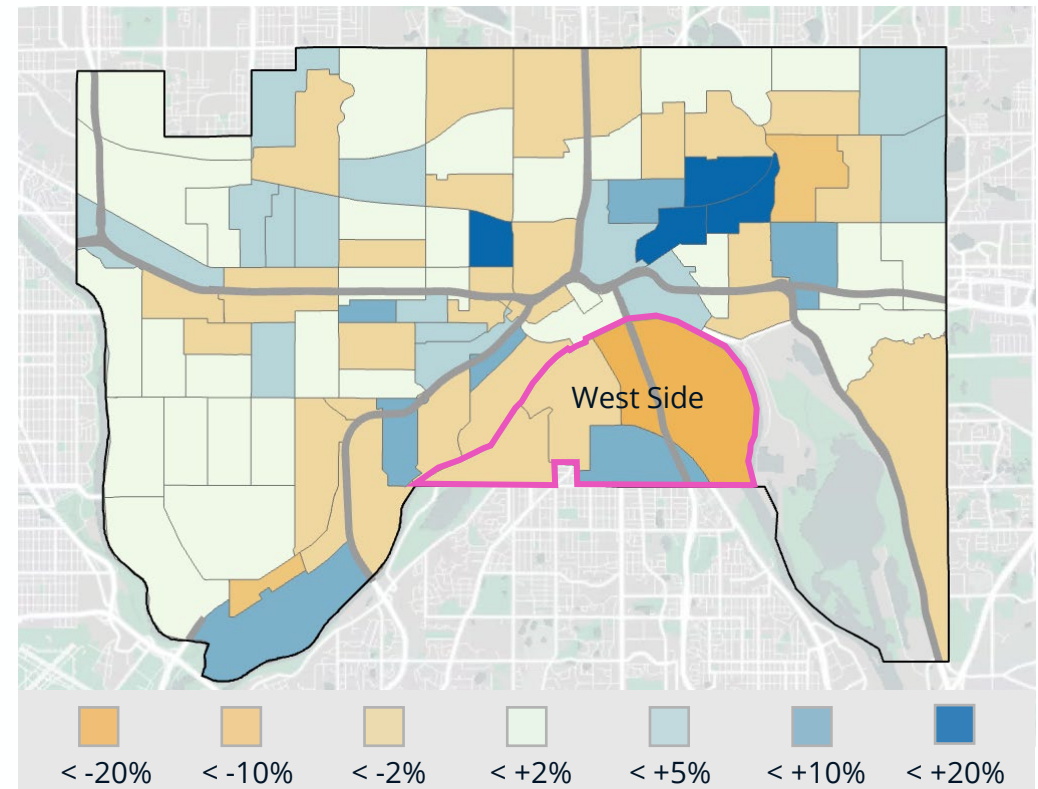
Gentrification & Displacement | Ongoing Displacement: West Side

However, the city's Latino population has declined by over 20% in the West Side neighborhood during this same time period.

Change in Latino Population, Saint Paul, MN (2010 - 2020)



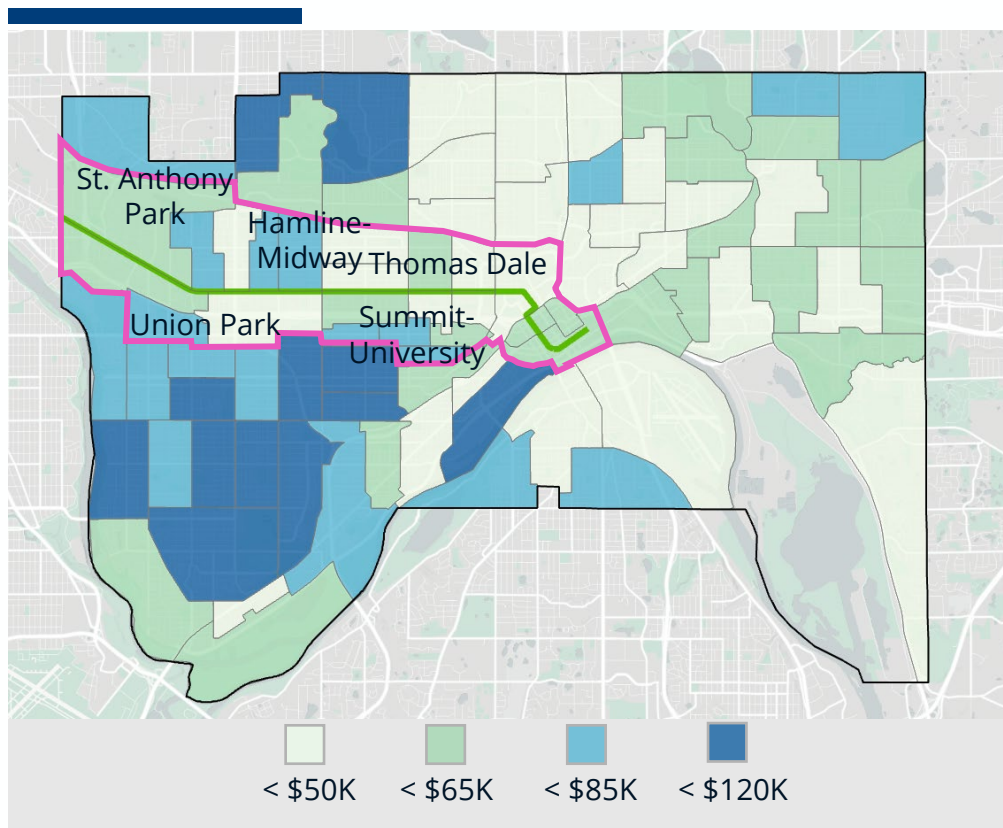
Change in Share of Latino Population, Saint Paul, MN (2010-2020)



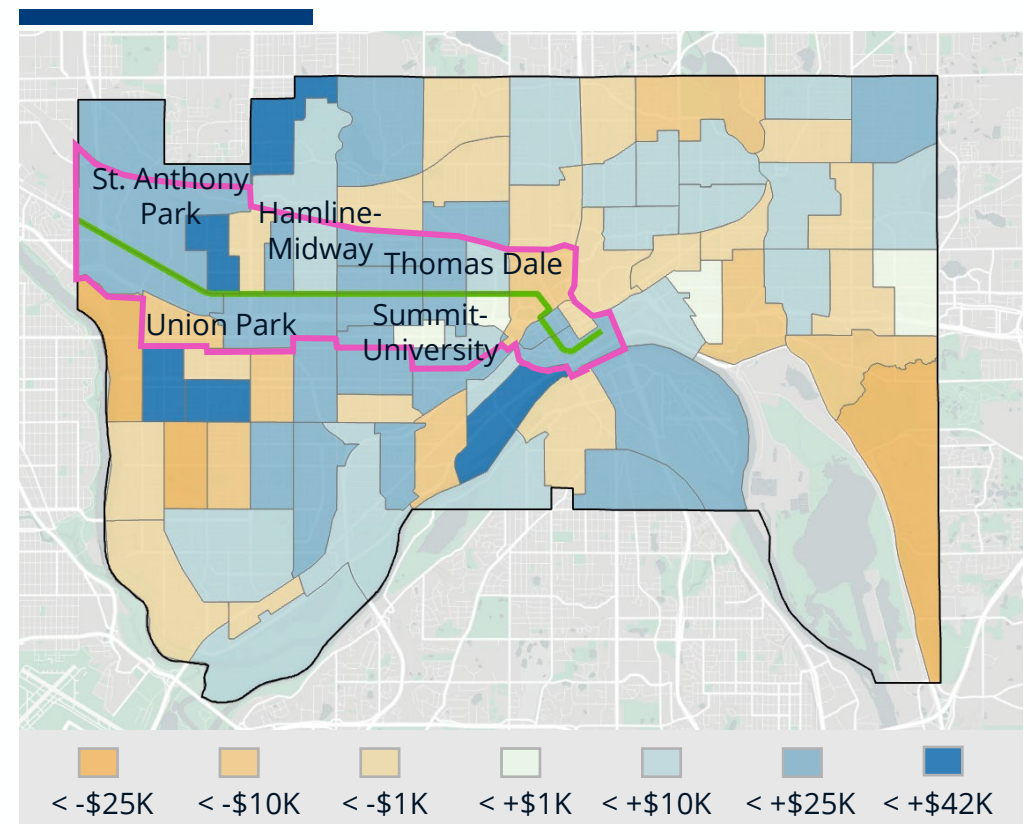
Gentrification & Displacement | Ongoing Displacement: University Ave/Green Line Corridor

Median household incomes have increased along University Avenue/Green Line Corridor. In some census tracts this increase has been as much as \$25,000.

Median Income, Saint Paul, MN (2020)



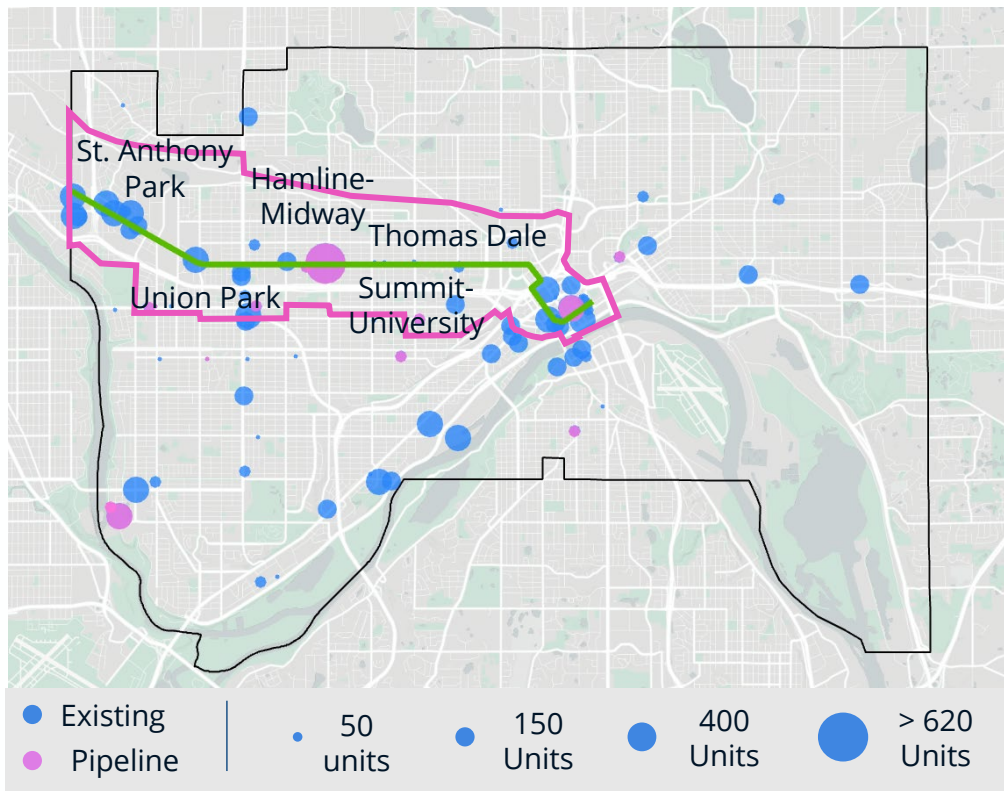
Change in Median Income, Saint Paul, MN (2010-2020)



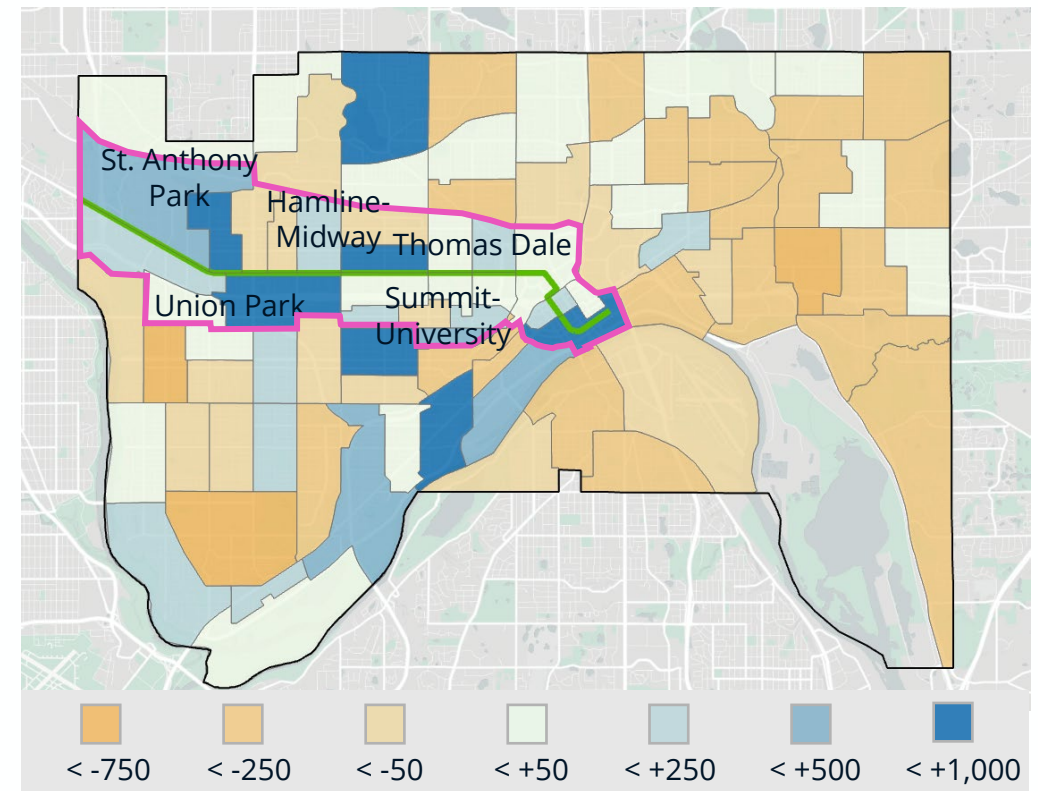
Gentrification & Displacement | Ongoing Displacement: University Ave/Green Line Corridor

There have been substantial investments in multifamily housing along University Ave, Green Line Corridor, and around Allianz stadium. The population of white residents has increased by as many as 1,000 residents in certain tracts within this area.

Multifamily Deliveries by Number of Units (2012-2022)



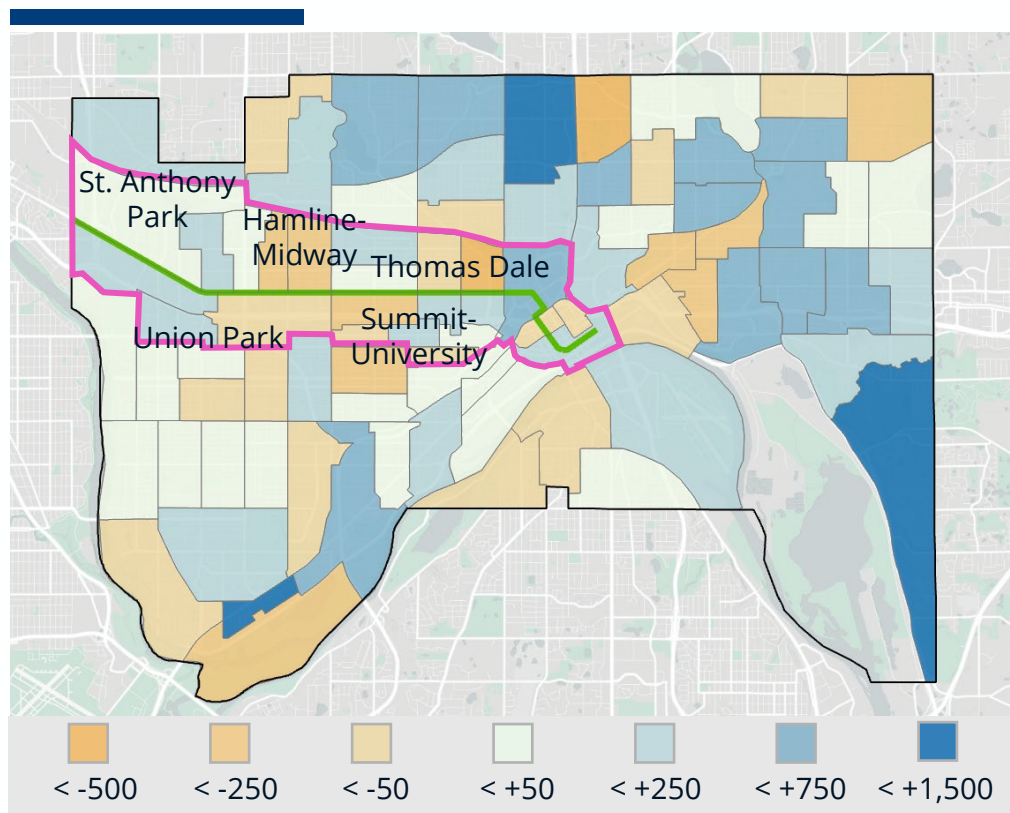
Change in White Population, Saint Paul, MN (2010 - 2020)



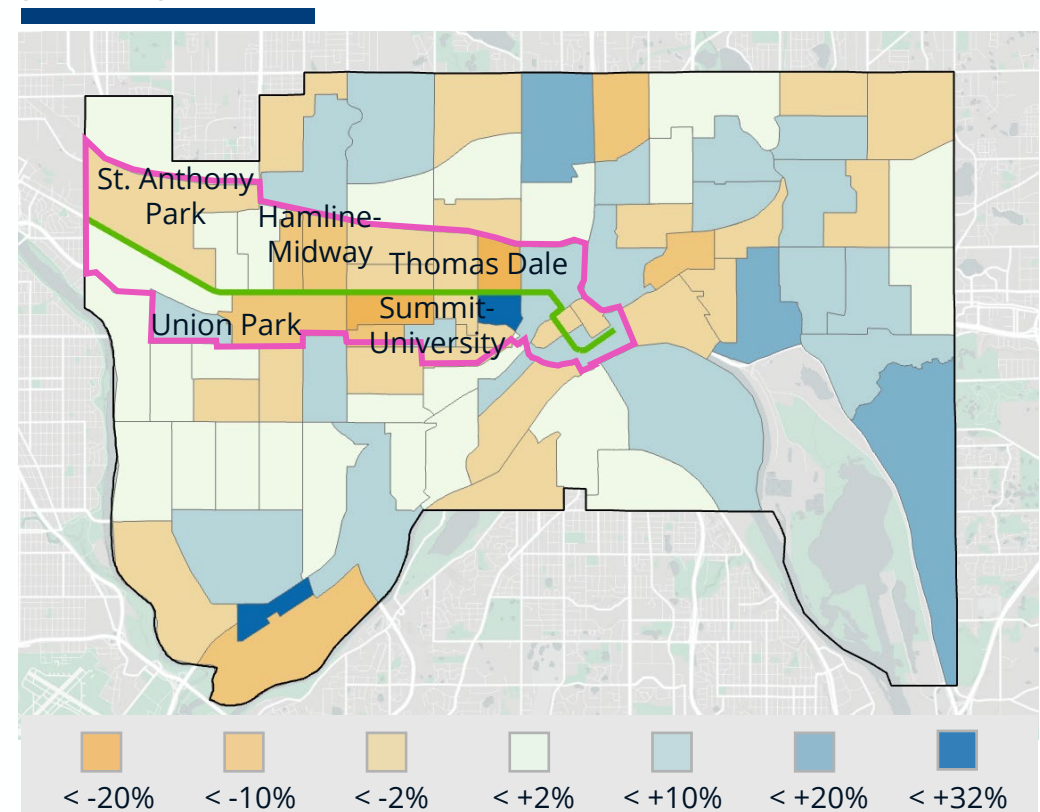
Gentrification & Displacement | Ongoing Displacement: University Ave/Green Line Corridor

However, the population of Black residents has decreased by as much as 20% along the corridor, likely demonstrating displacement occurring in the past decade.

Change in Black Population, Saint Paul, MN (2010 - 2020)



Change in Share of Black Population, Saint Paul, MN (2010-2020)

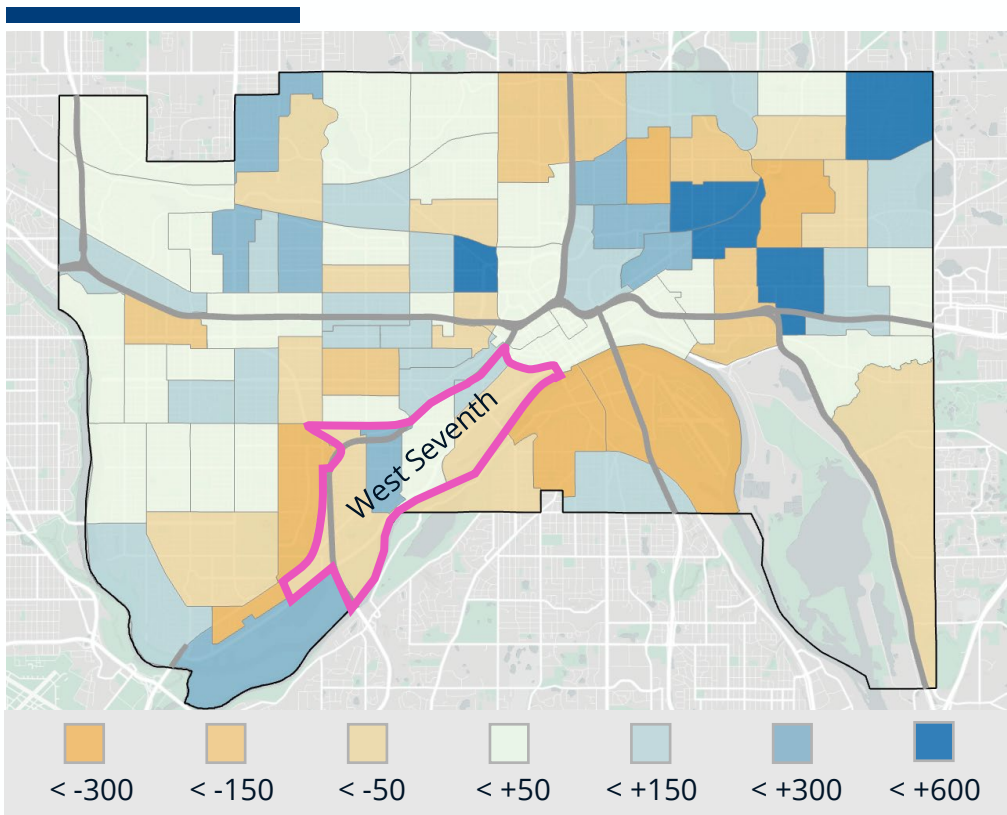


Source(s): ACS 5-Year Estimates

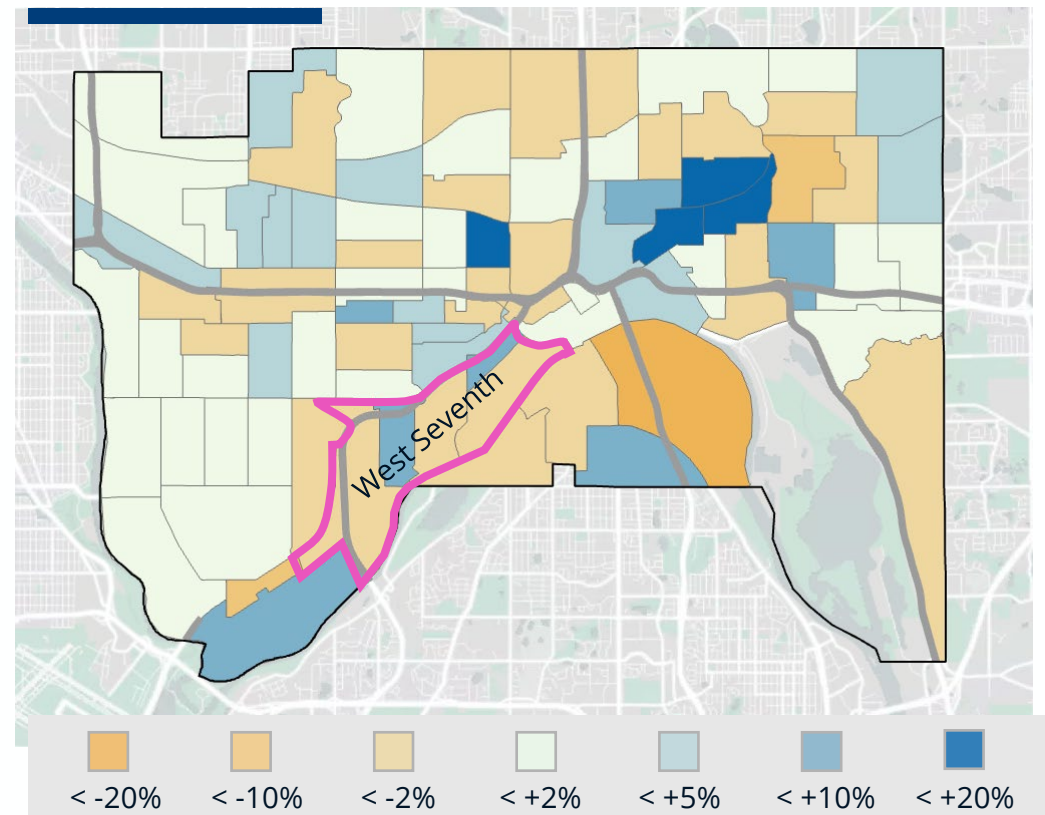
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

The Latino population in the West Seventh neighborhood has consolidated, decreasing in some areas and increasing in others. The share of the Latino population has declined by 10% in several tracts in the neighborhood since 2010, signaling gentrification and cultural displacement.

Change in Latino Population, Saint Paul, MN (2010 - 2020)



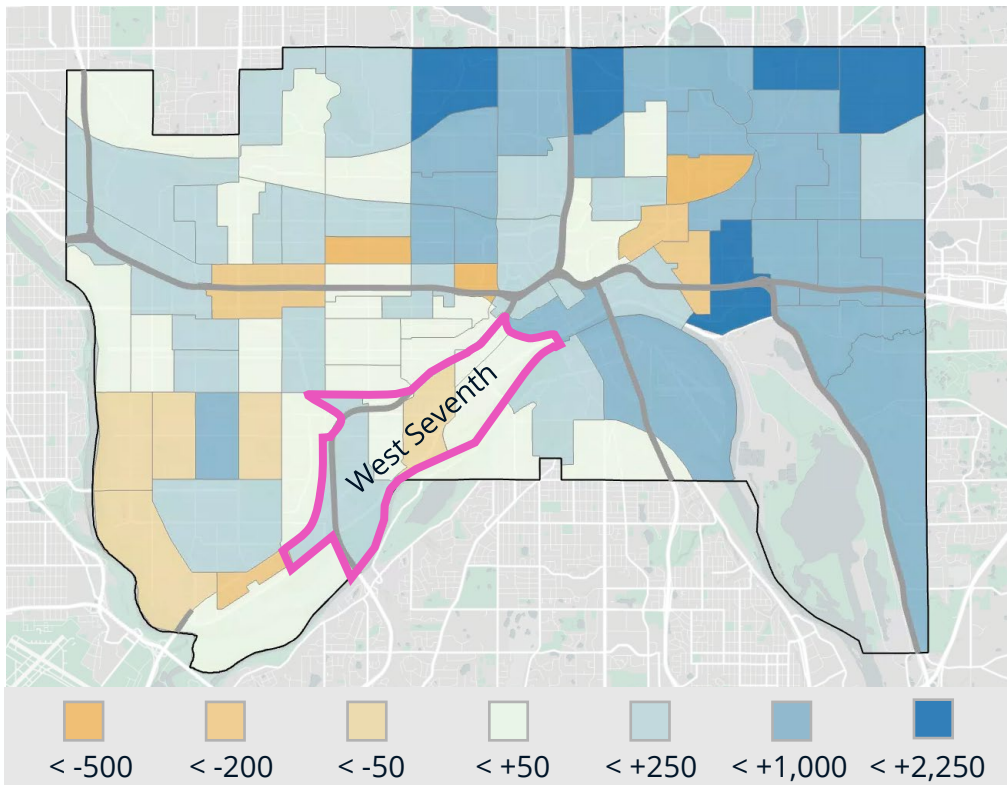
Change in Share of Latino Population, Saint Paul, MN (2010-2020)



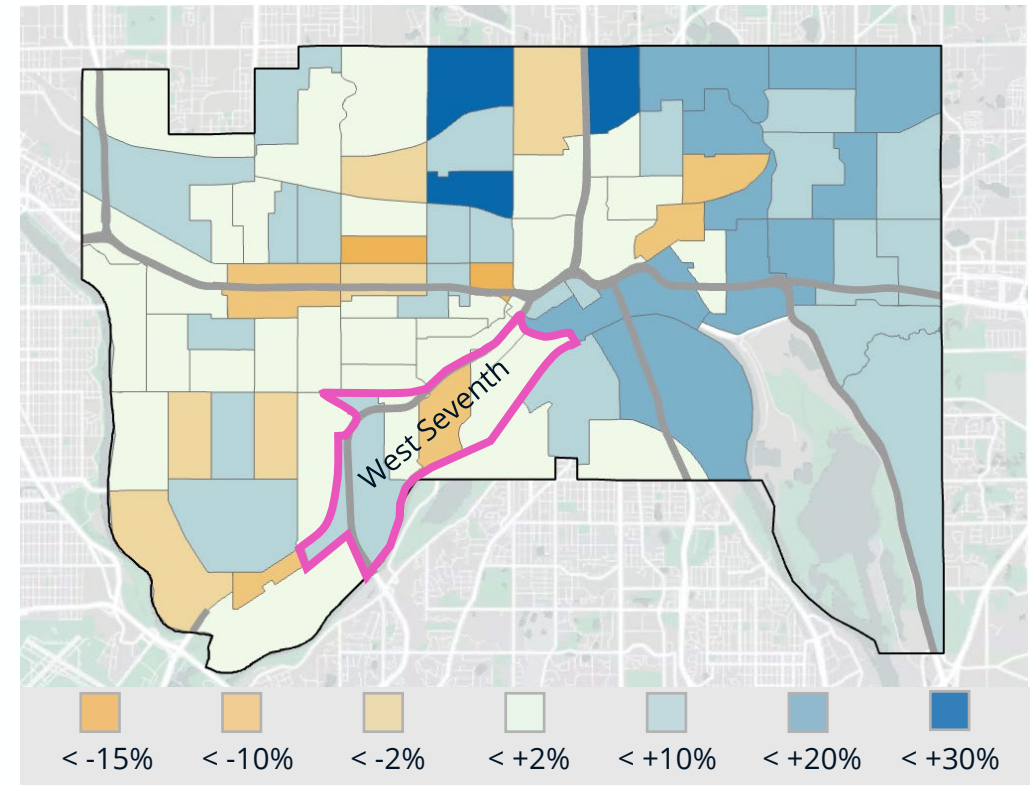
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

Similarly, the share of Asian residents in the West Seventh neighborhood has decreased by 15% in one tract even though the total population loss has been minimal.

Change in Asian Population, Saint Paul, MN (2010 - 2020)



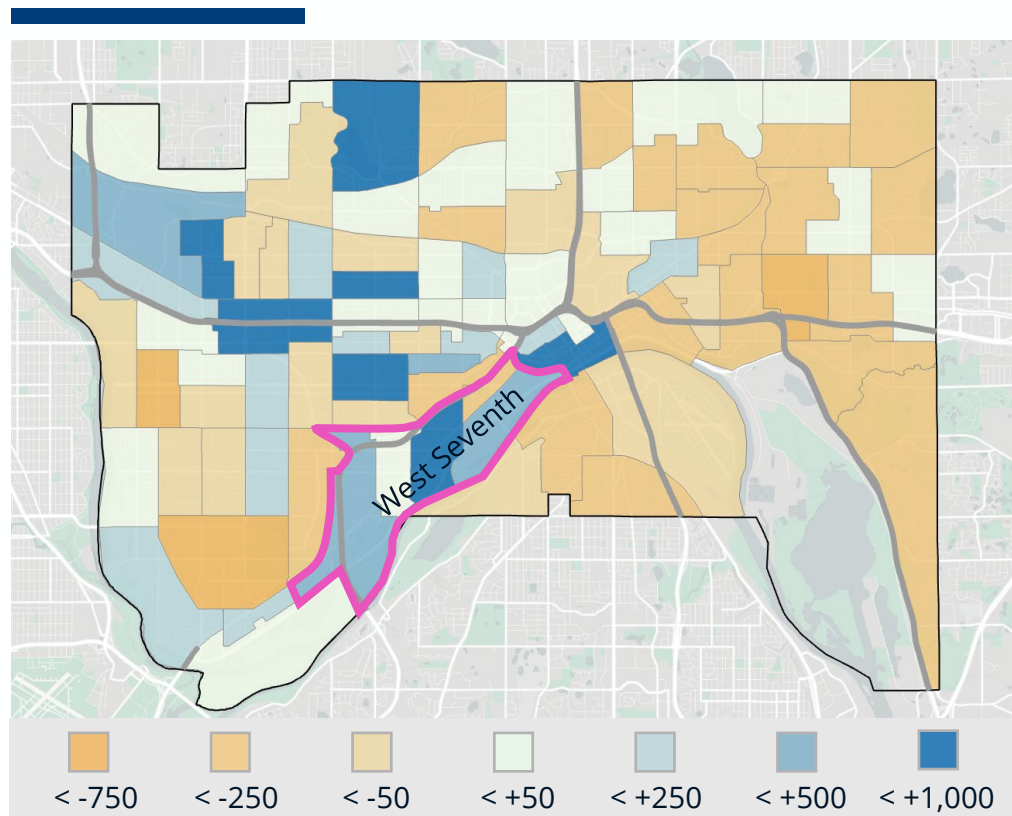
Change in Share of Asian Population, Saint Paul, MN (2010-2020)



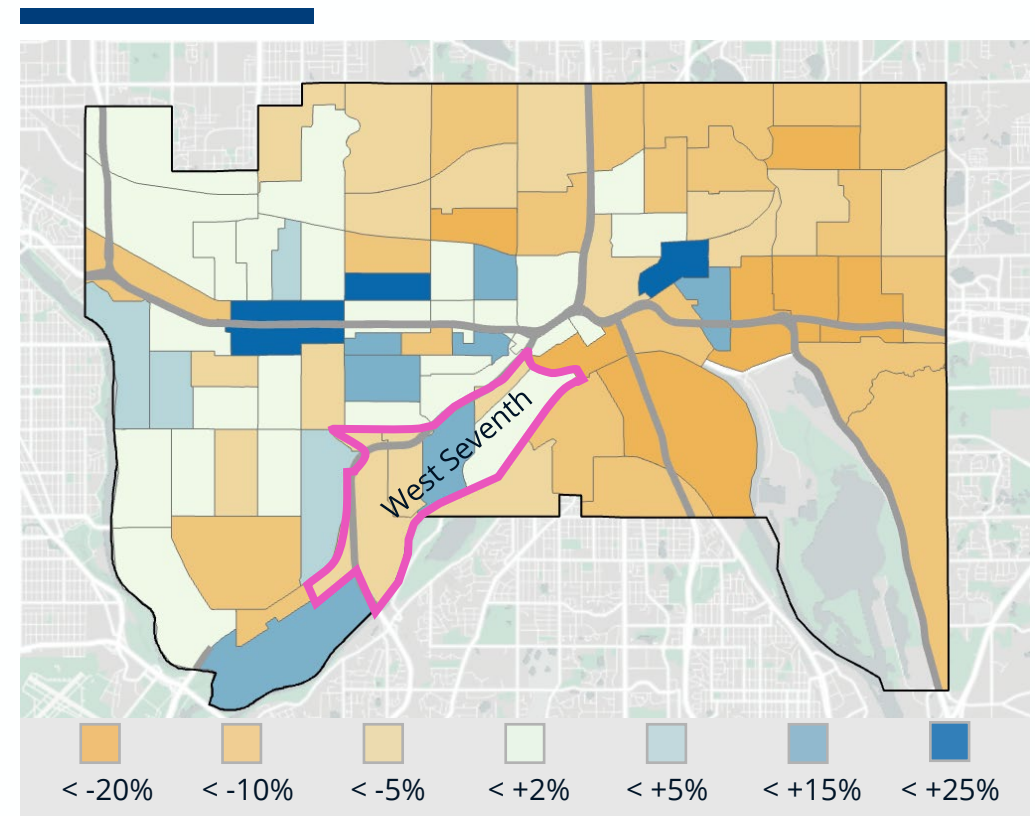
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

The population of white residents has increased significantly in the tracts where the Latino and Asian populations have declined.

Change in White Population, Saint Paul, MN (2010 - 2020)



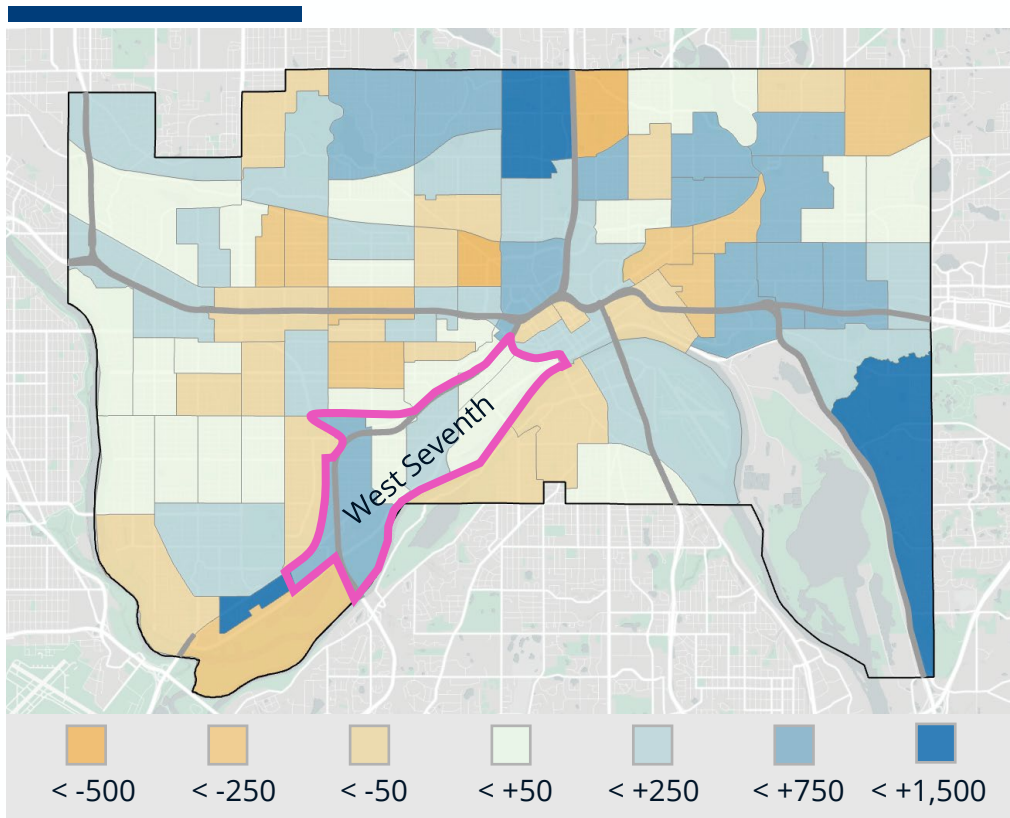
Change in Share of White Population, Saint Paul, MN (2010 - 2020)



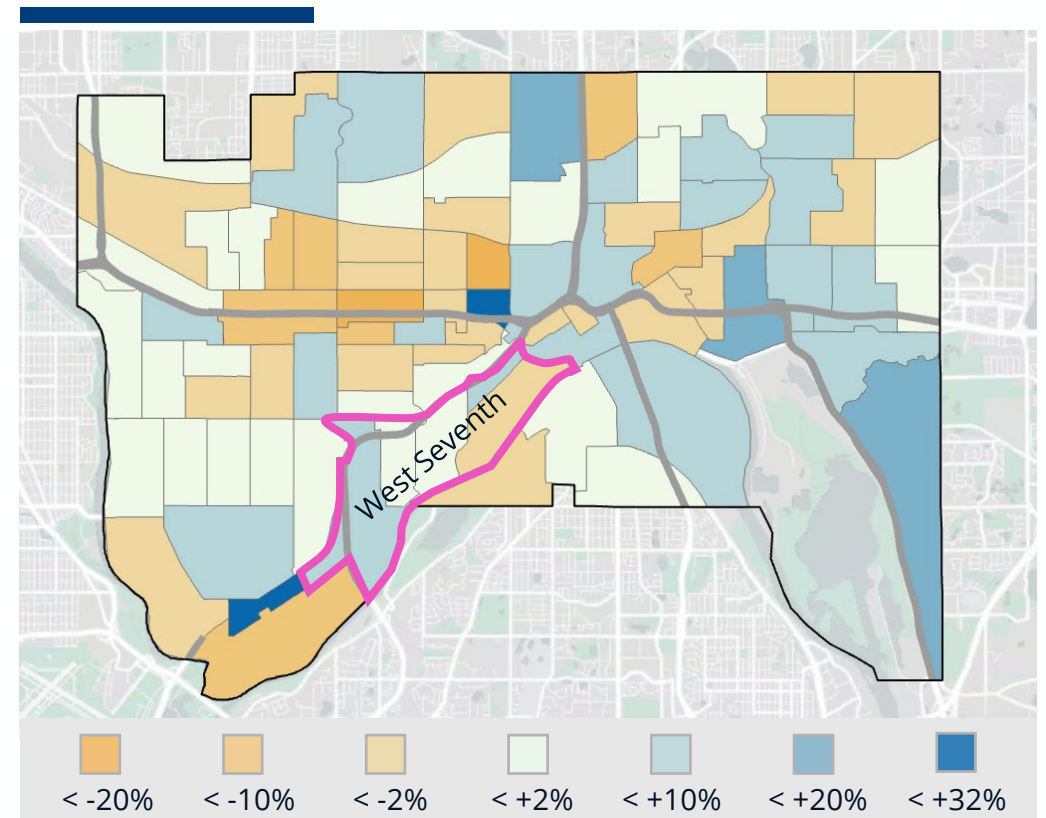
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

Although the share of Black residents has increased very little, the number of Black residents has increased significantly in tracts where the share of Asian and Latino residents has decreased.

Change in Black Population, Saint Paul, MN (2010 - 2020)



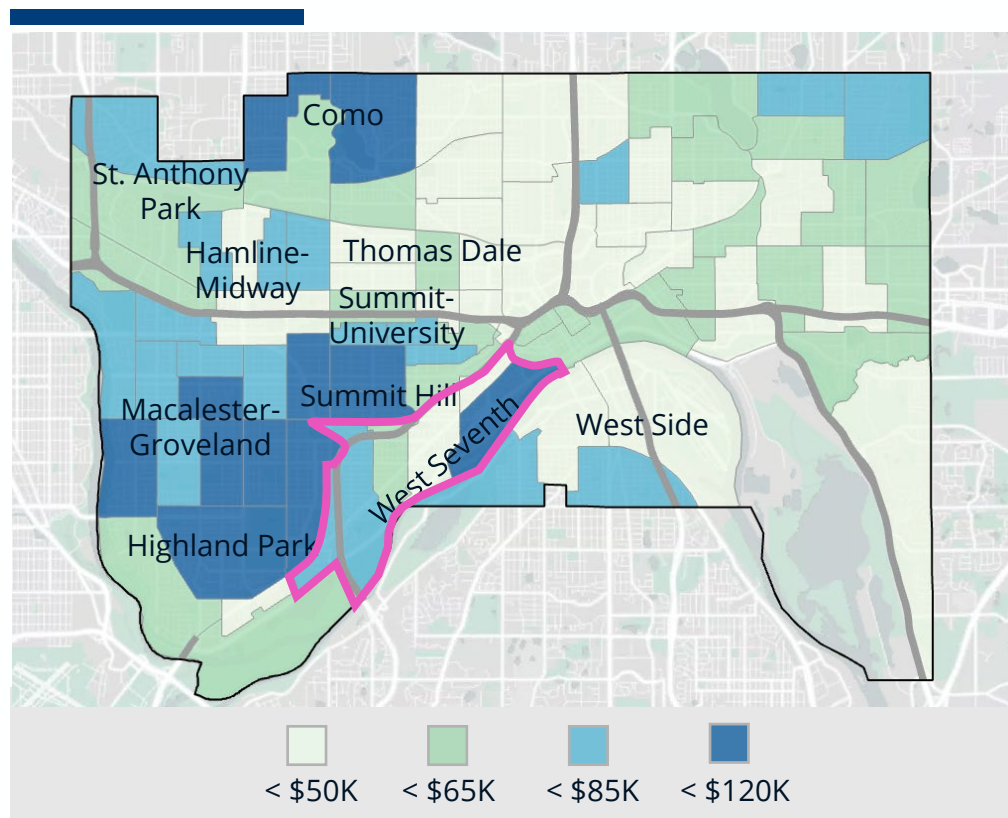
Change in Share of Black Population, Saint Paul, MN (2010-2020)



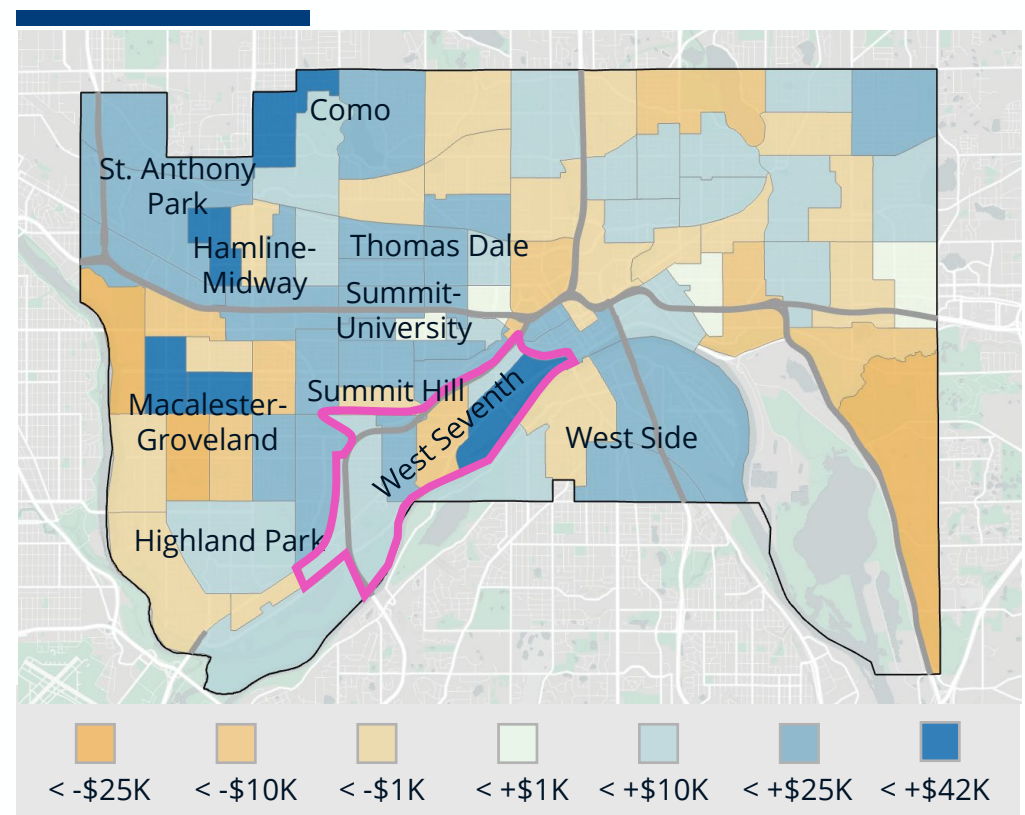
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

Accompanying these demographic changes, West Seventh is a historically economically diverse neighborhood that is mostly getting wealthier.

Median Income, Saint Paul, MN (2020)



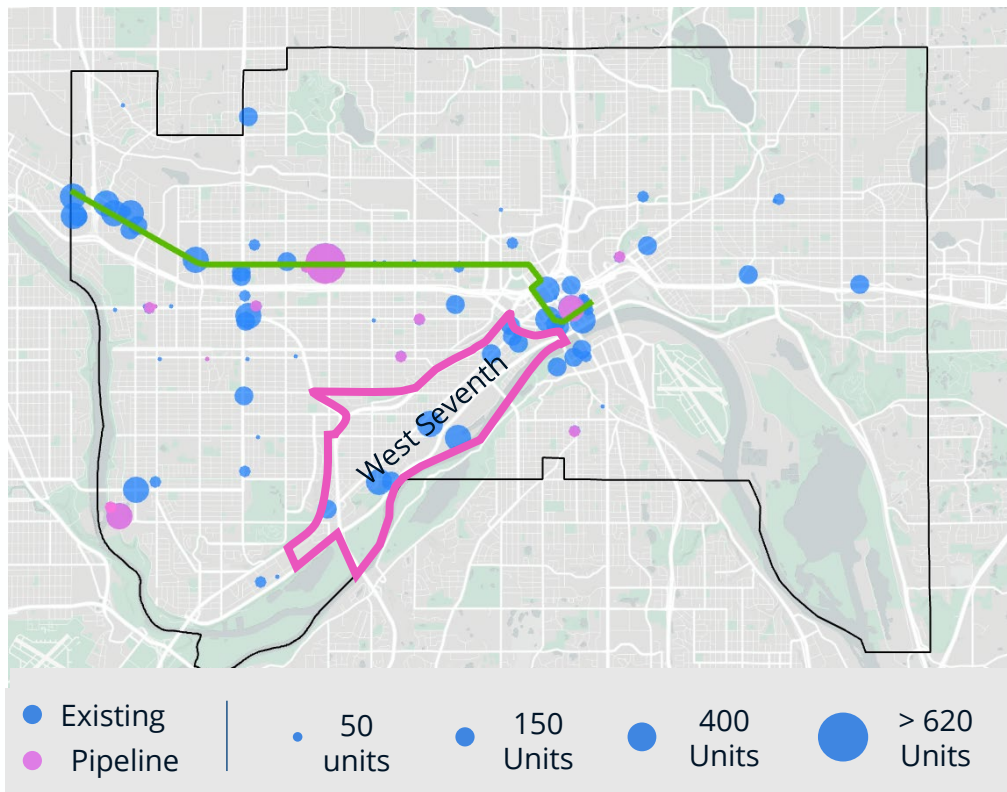
Change in Median Income, Saint Paul, MN (2010-2020)



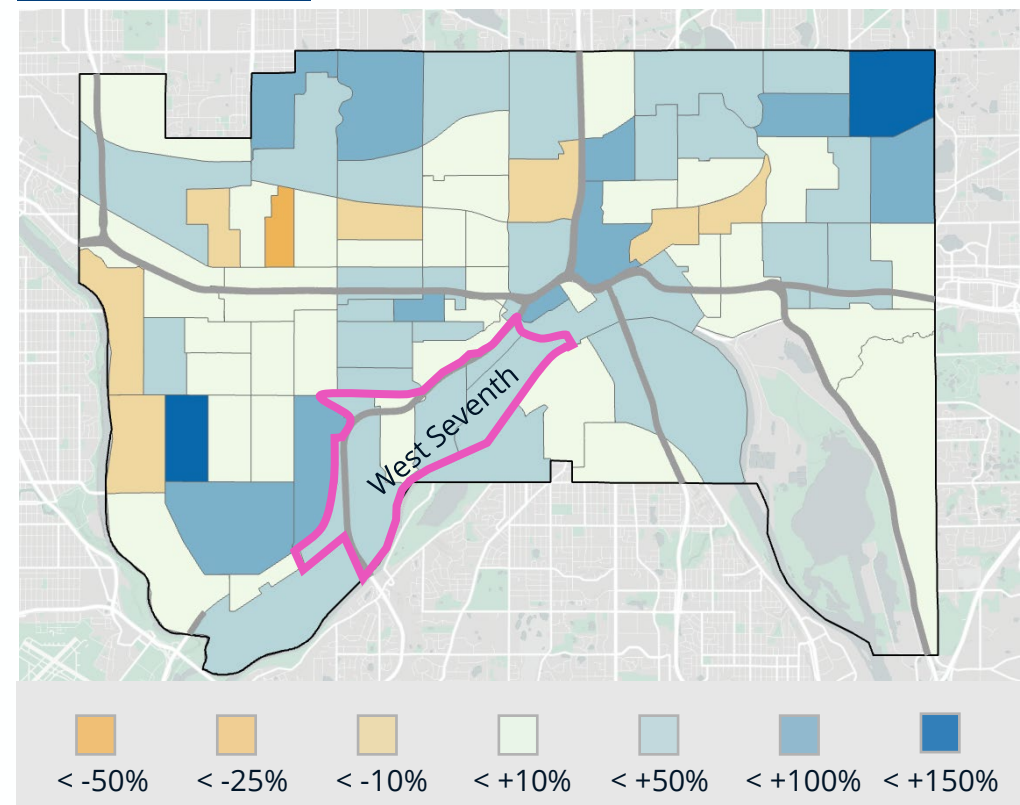
Gentrification & Displacement | Ongoing Displacement: Riverview Corridor

With large new developments, average rents have increased over the past decade by as much as 50%. This new development has helped avoid significant physical displacement but rising average rents could exacerbate rent pressures for existing residents.

Multifamily Deliveries by Number of Units (2012-2022)



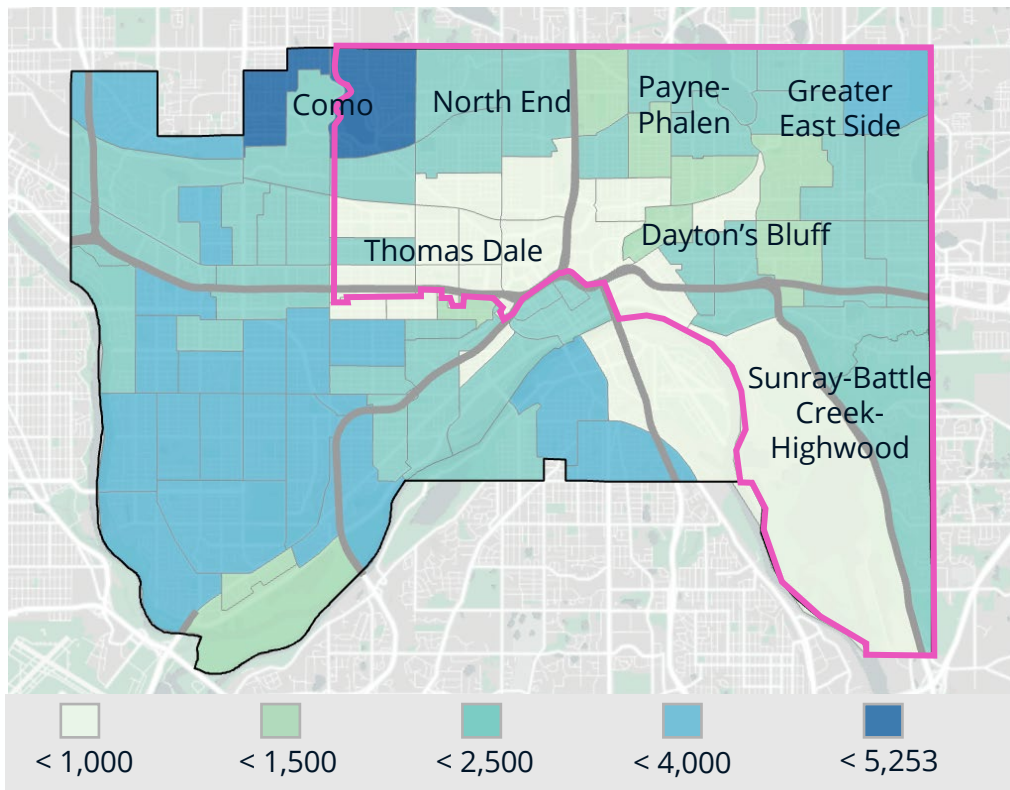
Percentage Change in Median Rent (2010-2020)



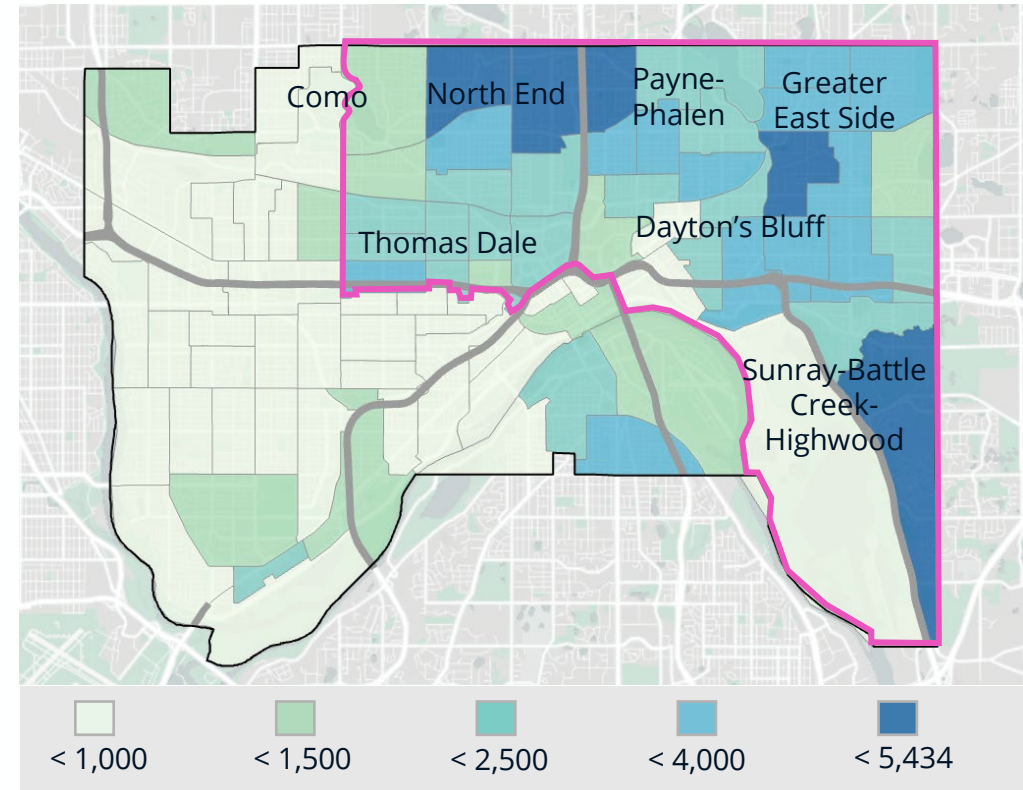
Gentrification & Displacement | East Side/North End Displacement Risk

The eastern part of the city has many hallmarks of displacement risk. First, it is where much of the populations of color live.

Total White Population, Saint Paul, MN (2020)



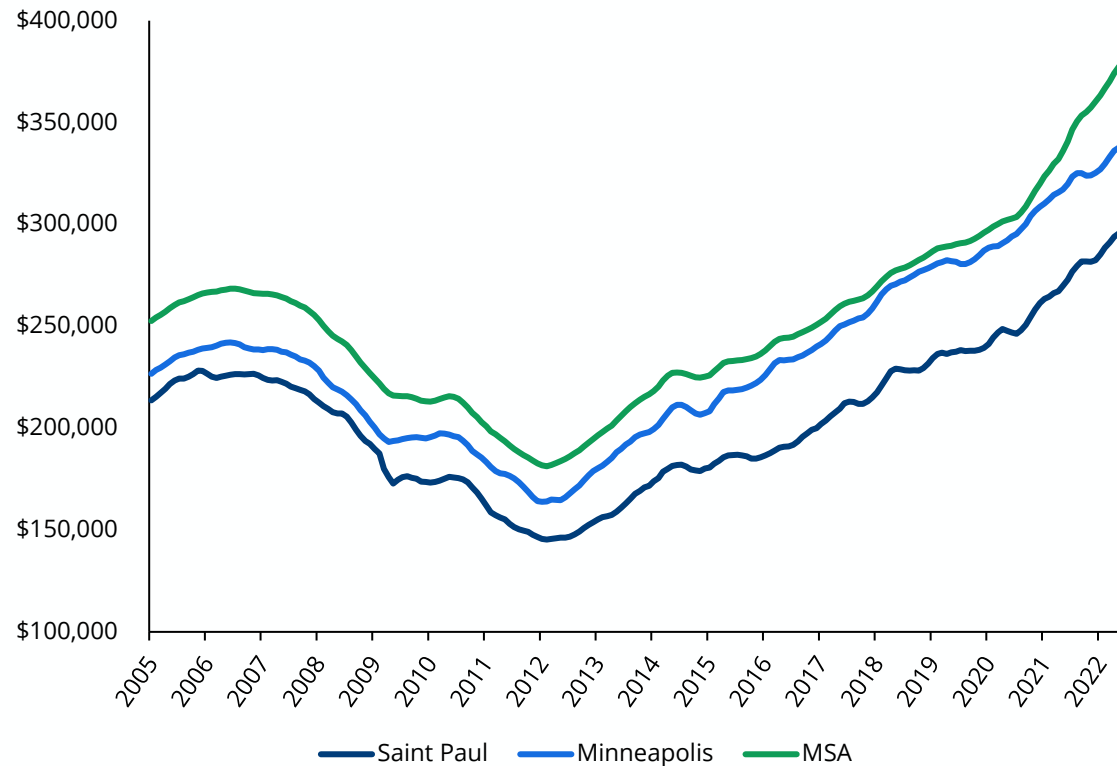
Total Population of Color, Saint Paul, MN (2020)



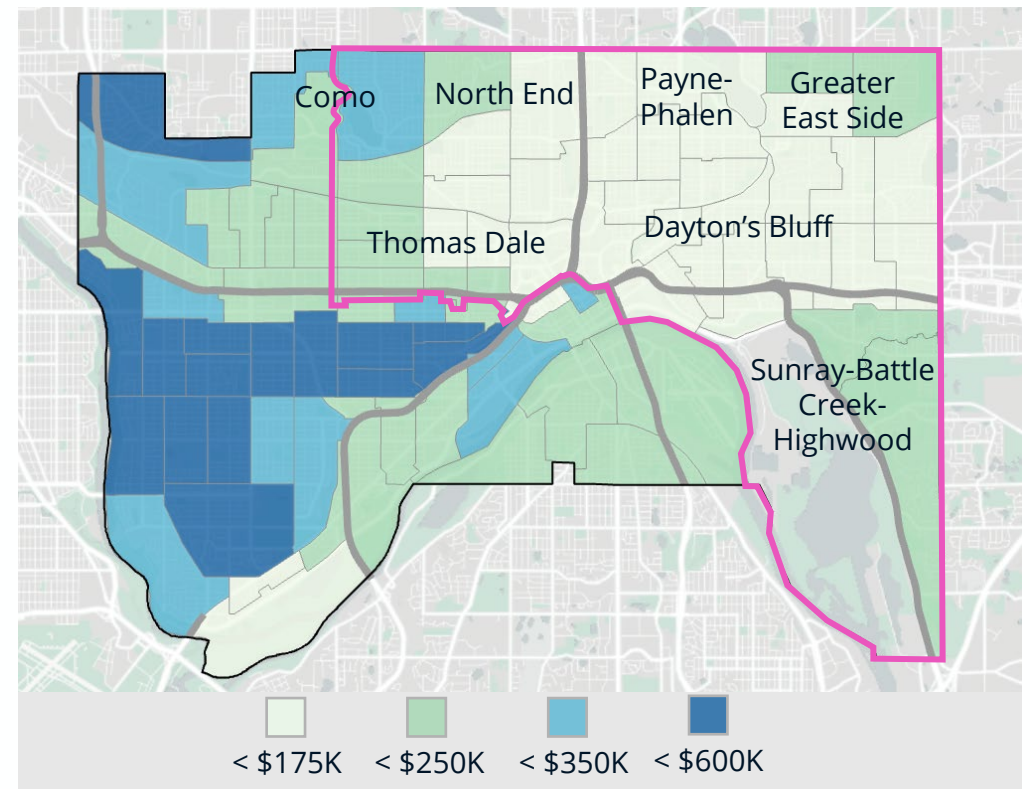
Gentrification & Displacement | East Side/North End Displacement Risk

The eastern part of the city also has lower home values, making them more affordable to prospective homebuyers.

Comparative Median Home Value (2007 - 2021)



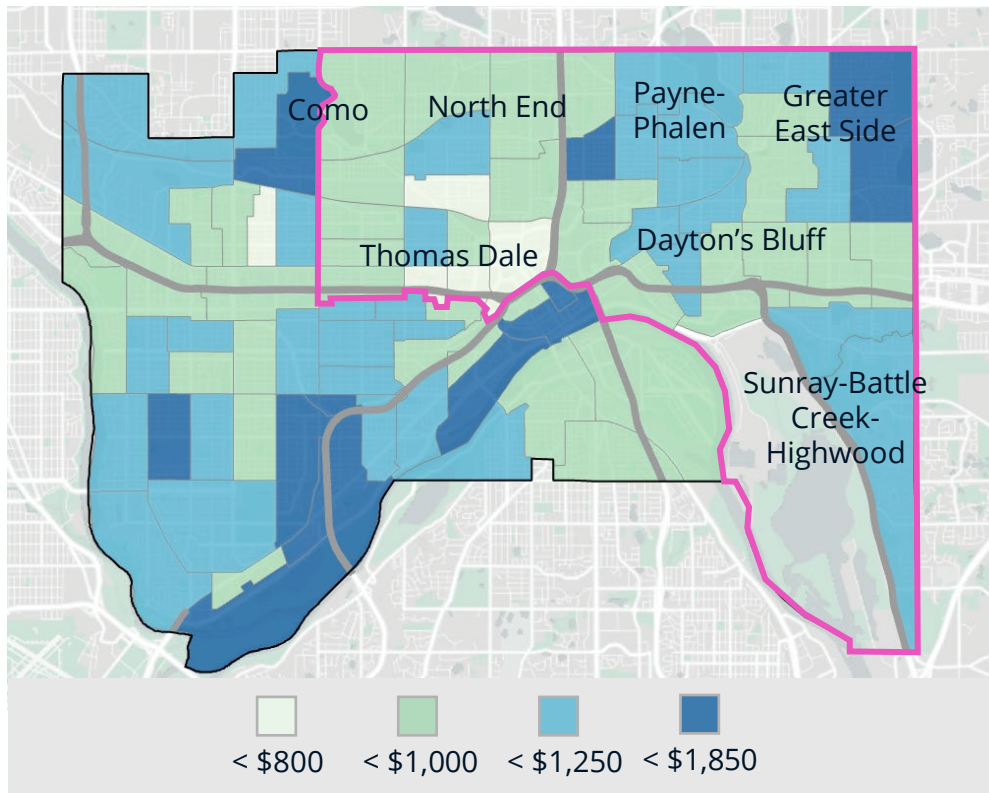
Median Home Value, Saint Paul, MN (2020)



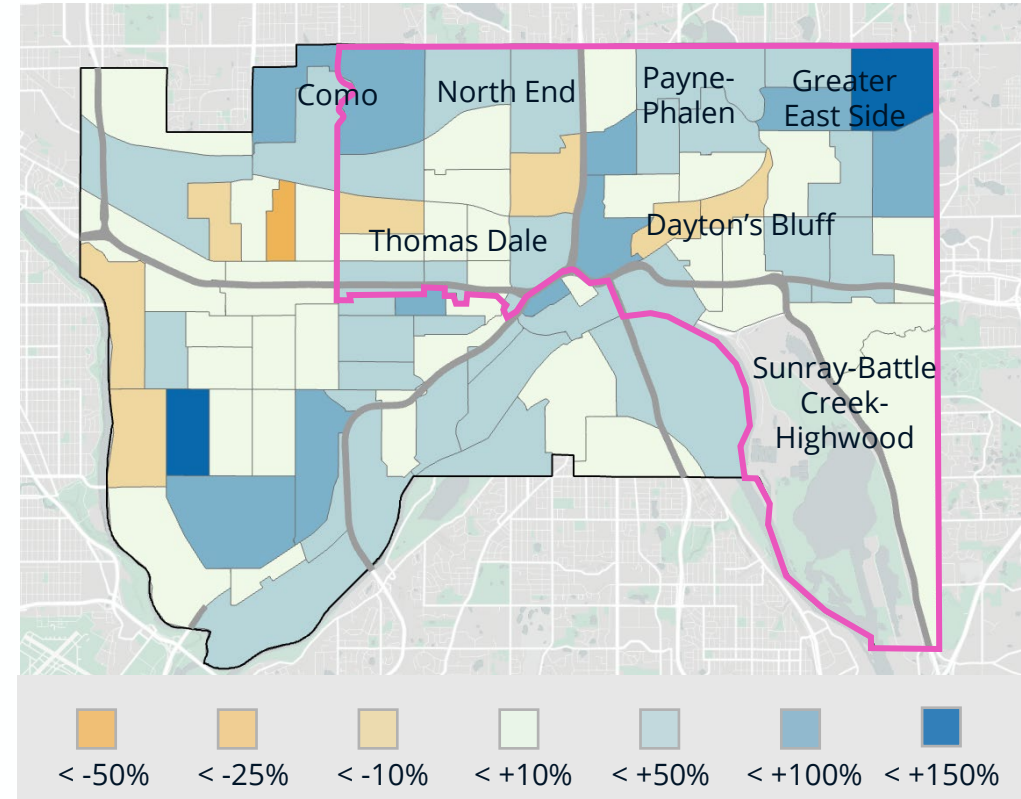
Gentrification & Displacement | East Side/North End Displacement Risk

Rents in the eastern part of the city are also increasing, most by 10% - 50% since 2010 when adjusted for inflation.

Median Rent by Tract (2020)



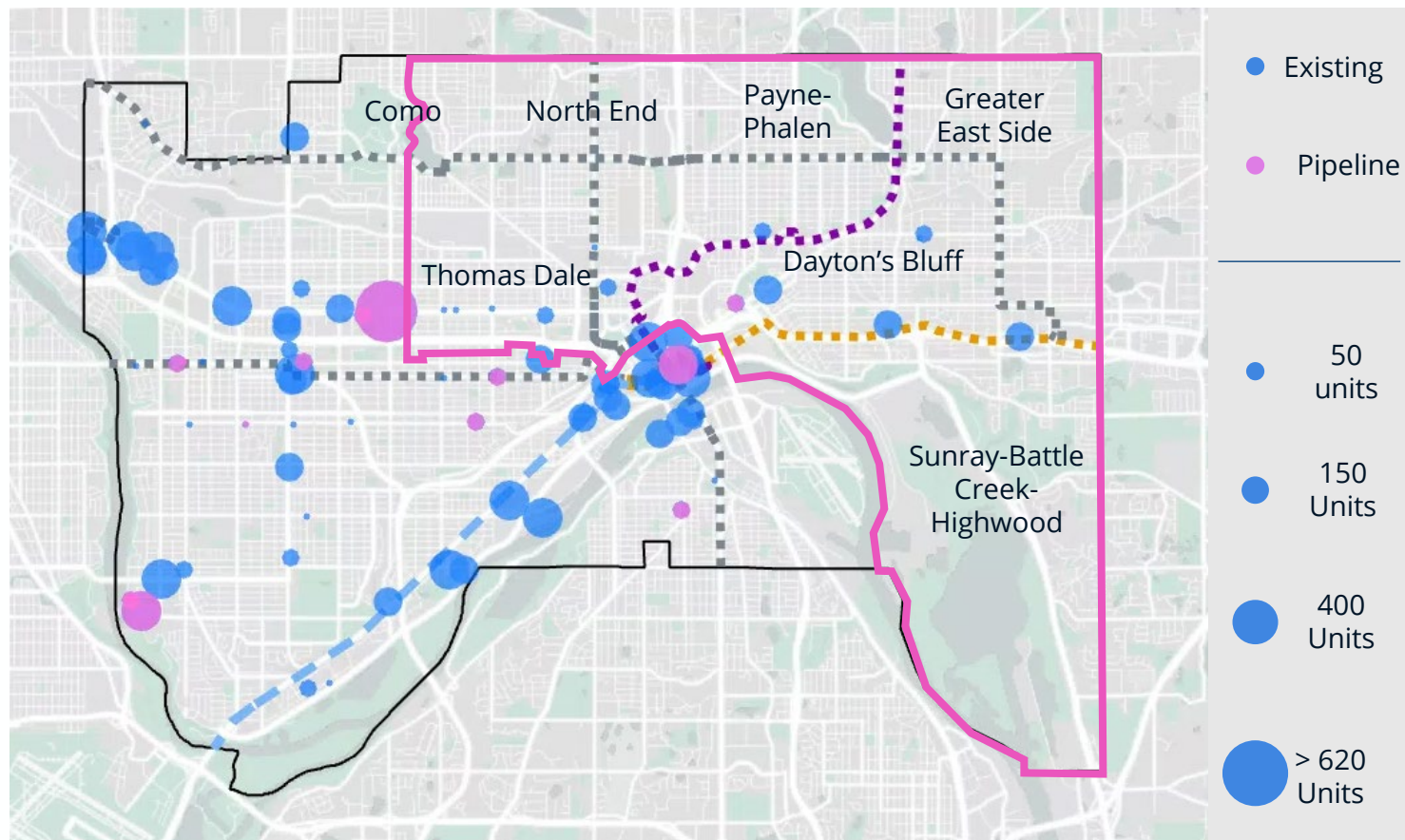
Percentage Change in Median Rent (2010-2020)



Gentrification & Displacement | East Side/North End Displacement Risk

With limited development to date, planned infrastructure investments could accelerate displacement pressures without careful planning.

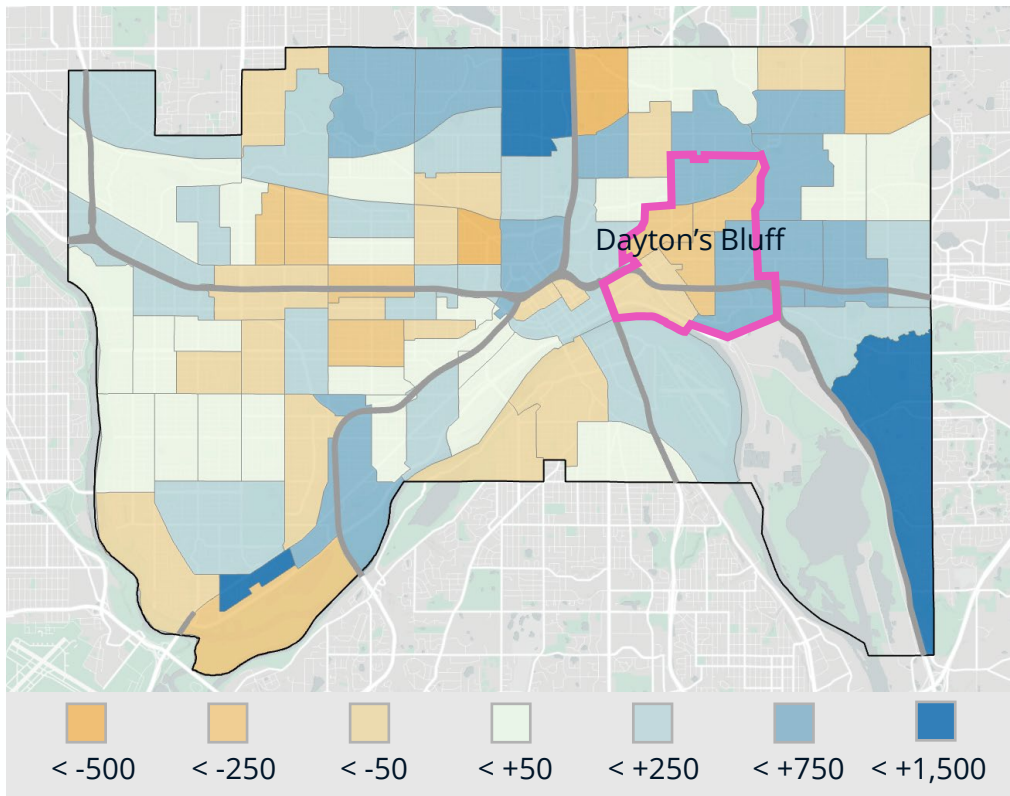
Multifamily Deliveries by Number of Units and Planned Infrastructure Investments (2012-2022)



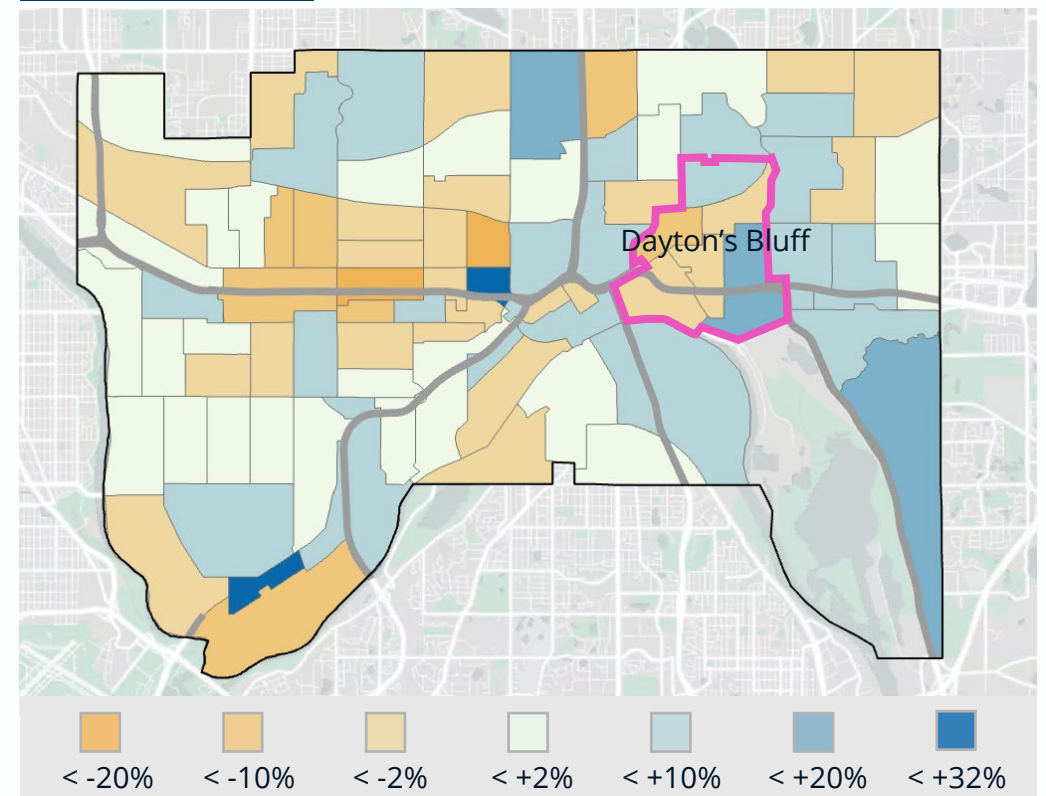
Gentrification & Displacement | Ongoing Displacement: Dayton's Bluff

The population of Black residents has decreased significantly in Dayton's Bluff, both in total number of residents and share of residents.

Change in Black Population, Saint Paul, MN (2010 - 2020)



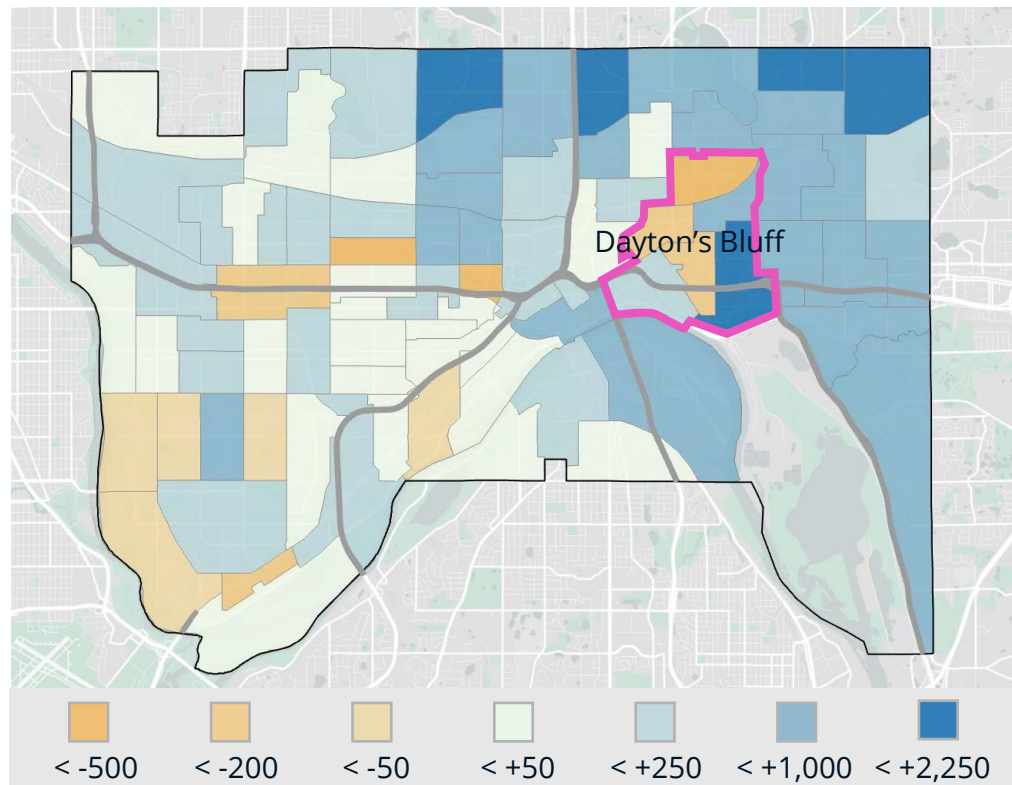
Change in Share of Black Population, Saint Paul, MN (2010-2020)



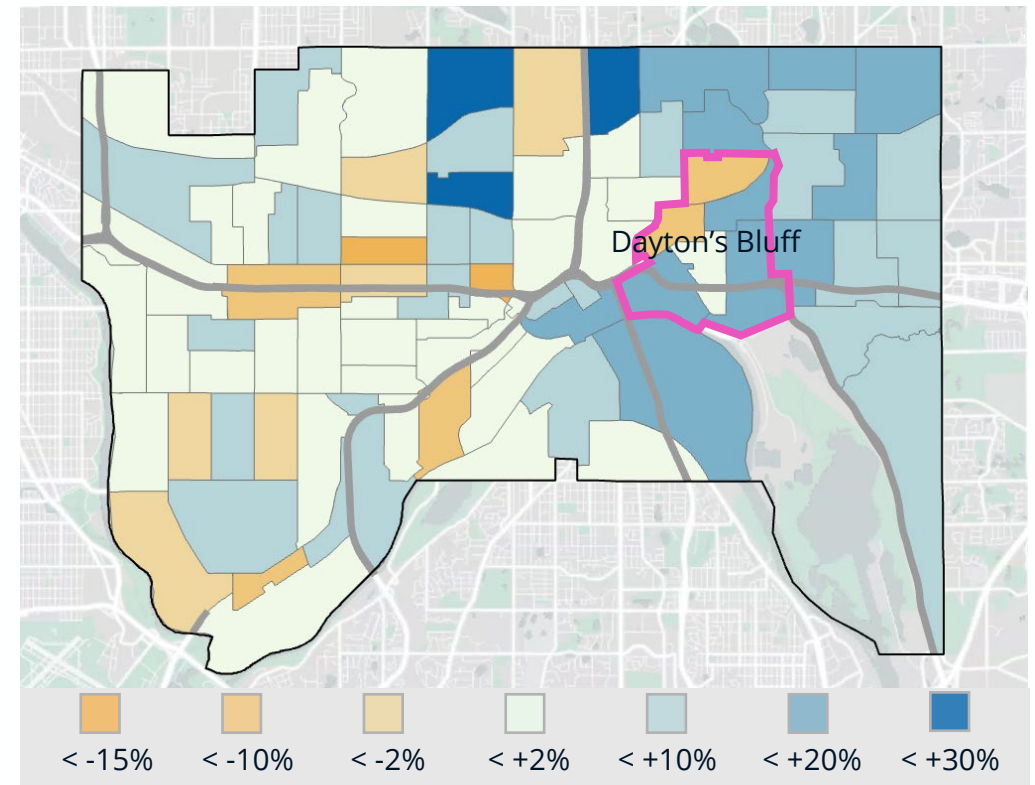
Gentrification & Displacement | Ongoing Displacement: Dayton's Bluff

Along with Black residents, the population of Asian residents has also decreased in certain census tracts in Dayton's Bluff. However, over 1,000 Asian residents have moved into one of the neighborhood's tracts.

Change in Asian Population, Saint Paul, MN (2010 - 2020)



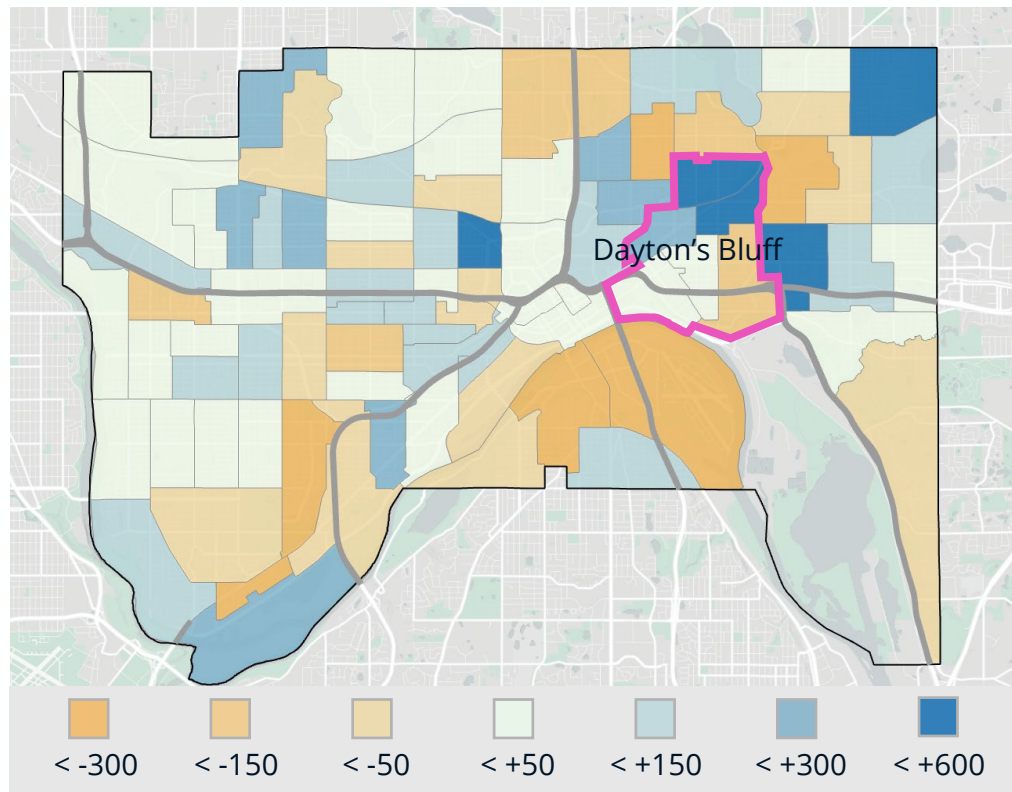
Change in Share of Asian Population, Saint Paul, MN (2010-2020)



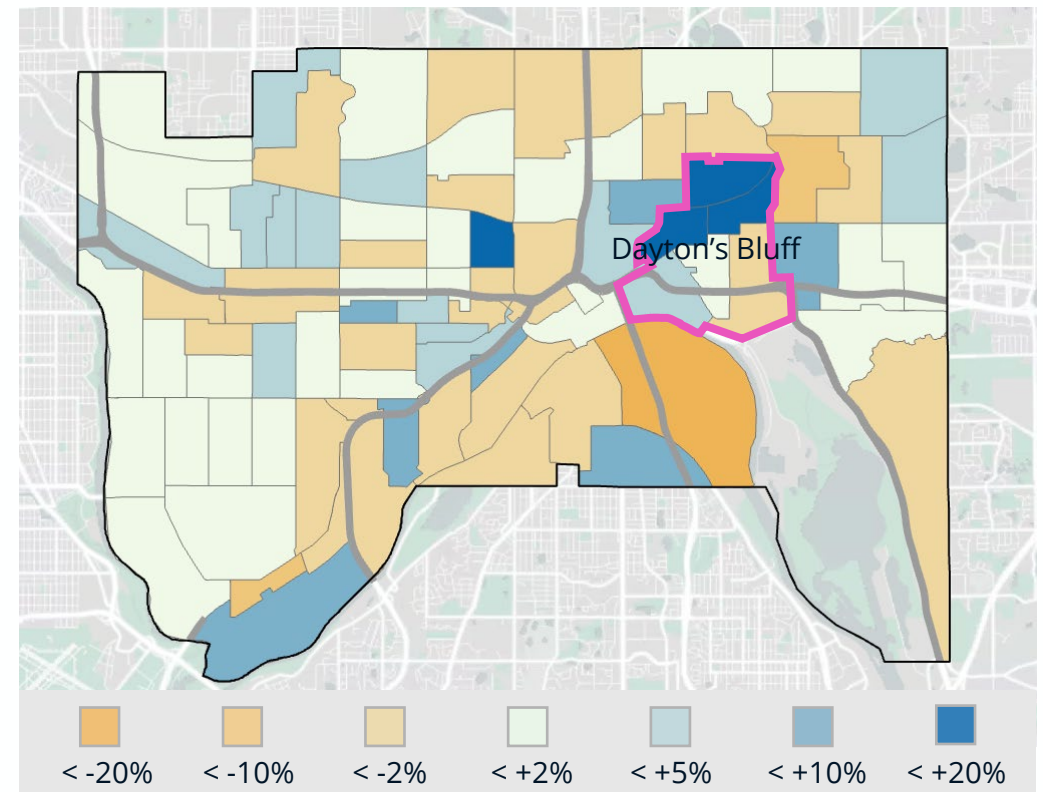
Gentrification & Displacement | Ongoing Displacement: Dayton's Bluff

In the tracts where the population of Black and Asian residents have declined, the Latino population has increased. The Latino population has grown by as much as 600 residents in some tracts with its share growing by as much as 20%.

Change in Latino Population, Saint Paul, MN (2010 - 2020)



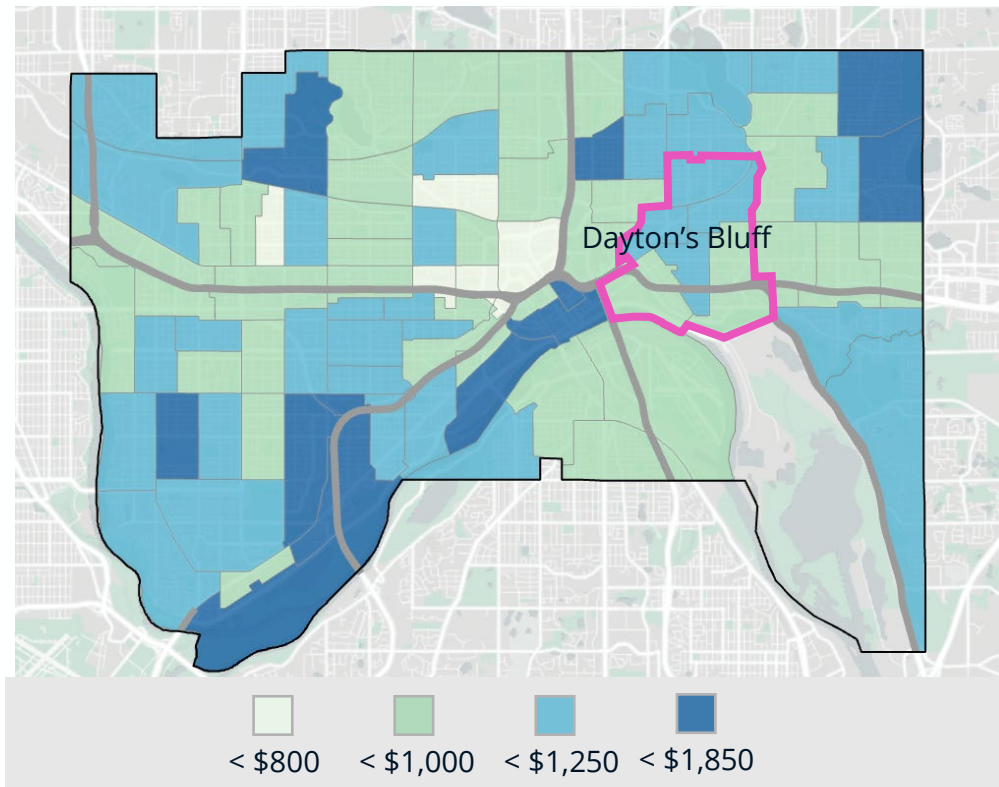
Change in Share of Latino Population, Saint Paul, MN (2010-2020)



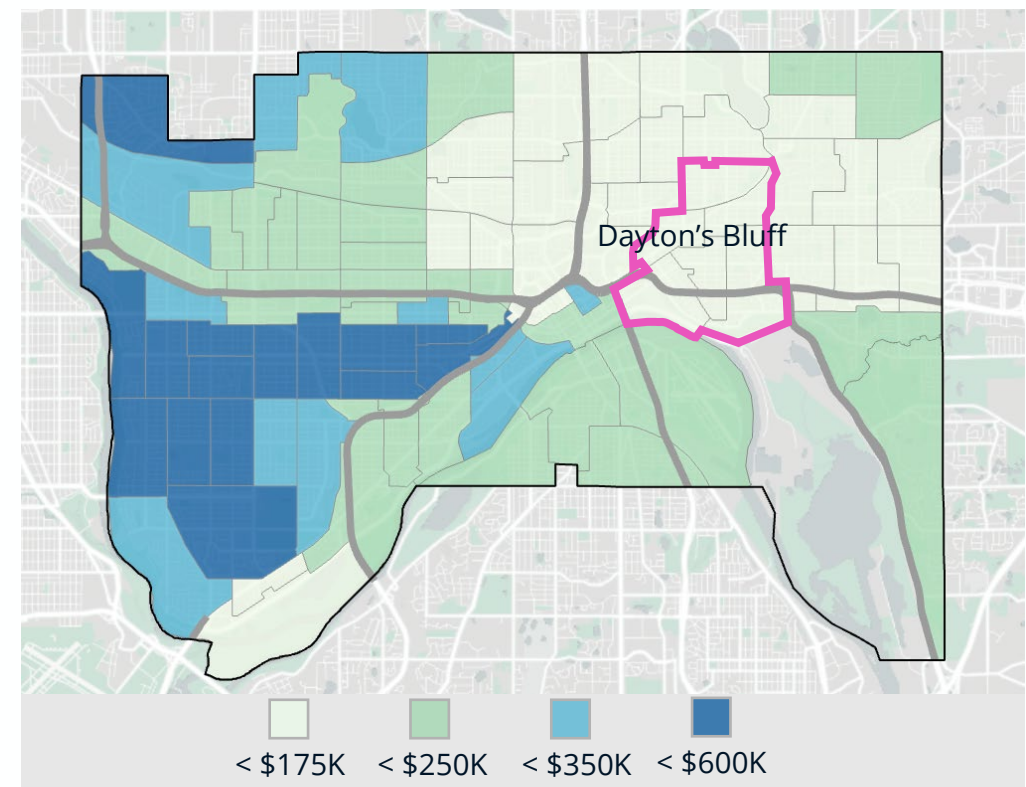
Gentrification & Displacement | Ongoing Displacement: Dayton's Bluff

Though rents are relatively high in Dayton's Bluff, home values are among the city's lowest. This could make the area more attractive for prospective homebuyers and investors, driving prices higher.

Median Rent by Tract, Saint Paul, MN (2020)



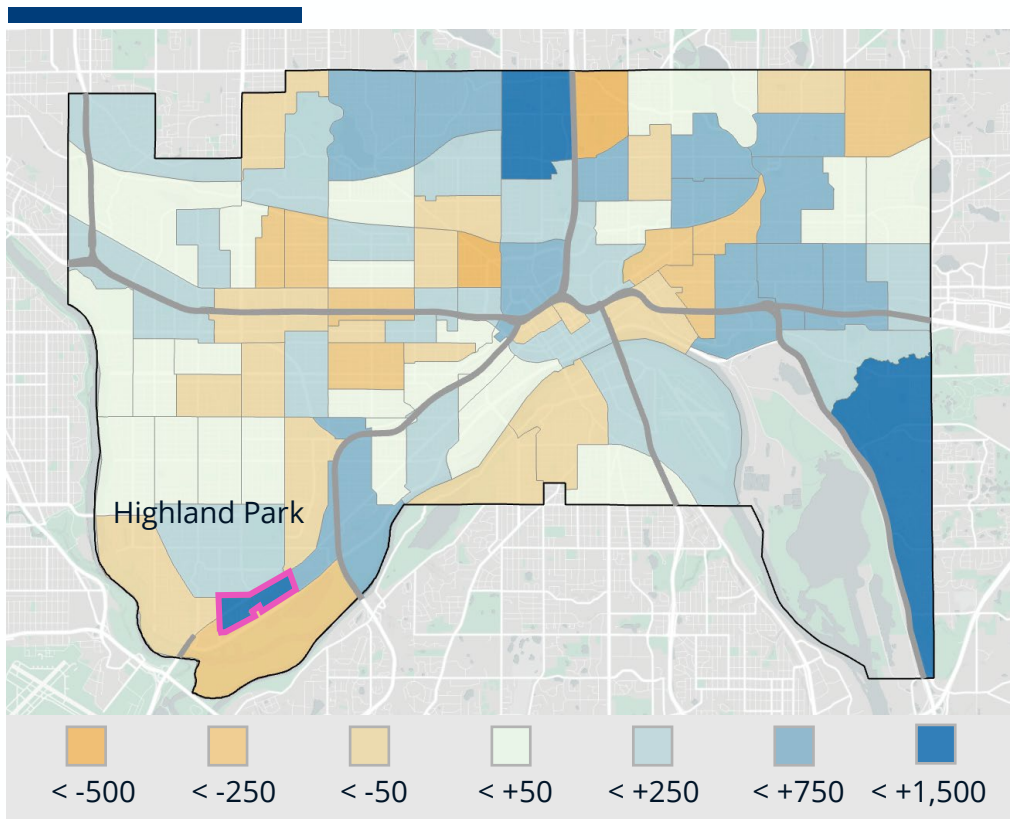
Median Home Value, Saint Paul, MN (2020)



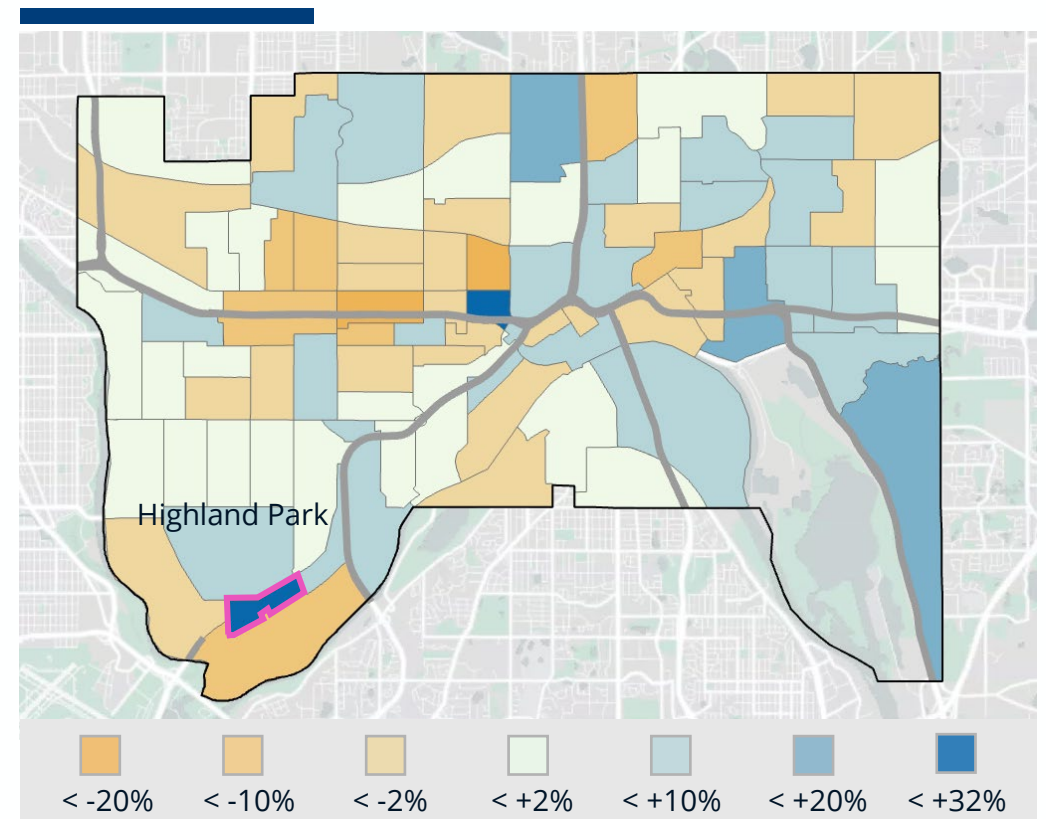
Gentrification & Displacement | Sibley Manor Displacement Risk

Sibley Manor has a growing population of Black residents within a historically wealthy and white part of Saint Paul.

Change in Black Population, Saint Paul, MN (2010 - 2020)



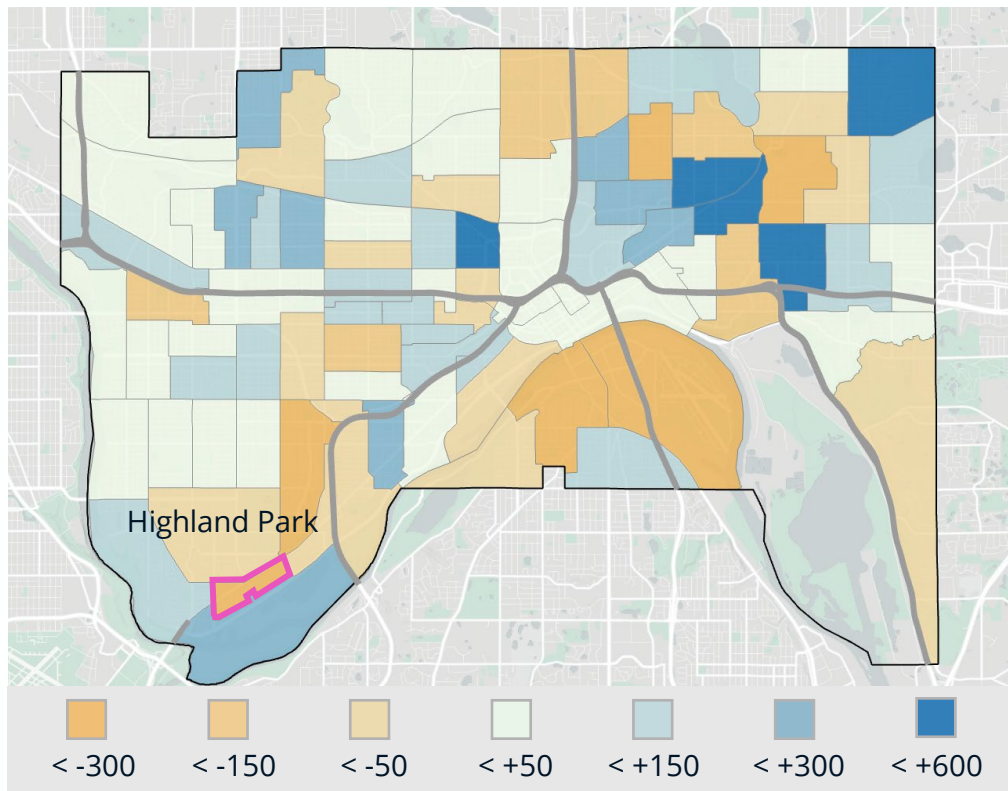
Change in Share of Black Population, Saint Paul, MN (2010-2020)



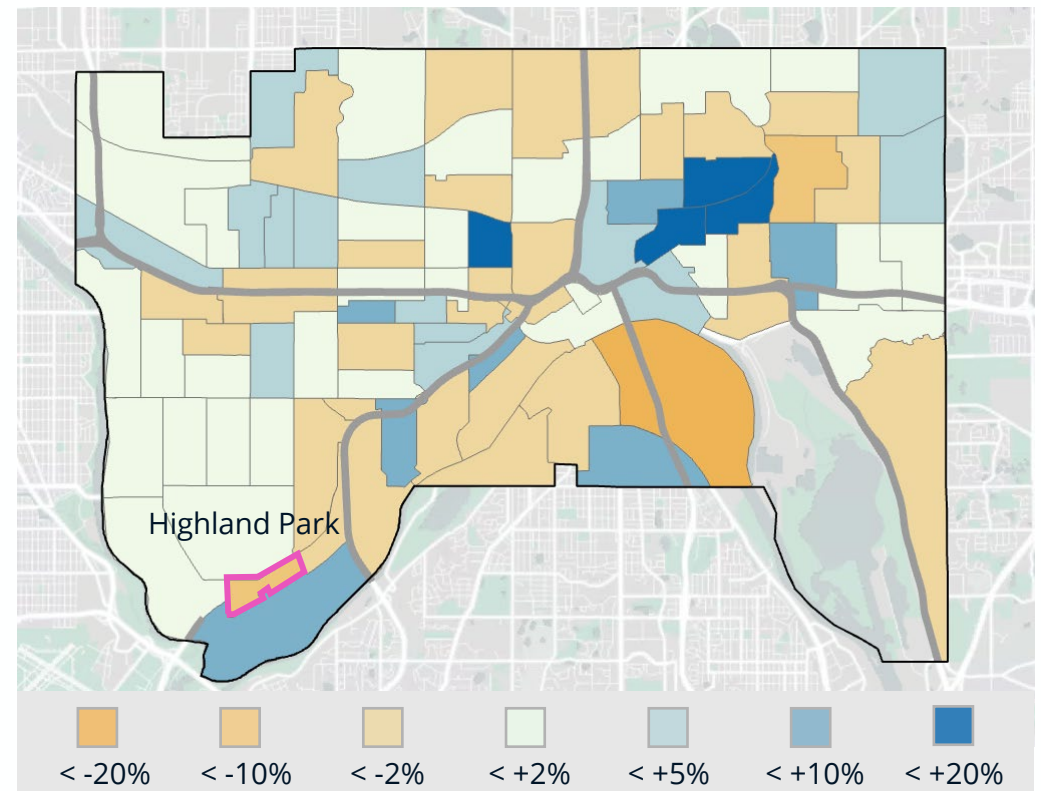
Gentrification & Displacement | Sibley Manor Displacement Risk

Over the past decade, there has been a decrease in the population of Latino residents.

Change in Latino Population, Saint Paul, MN (2010 - 2020)



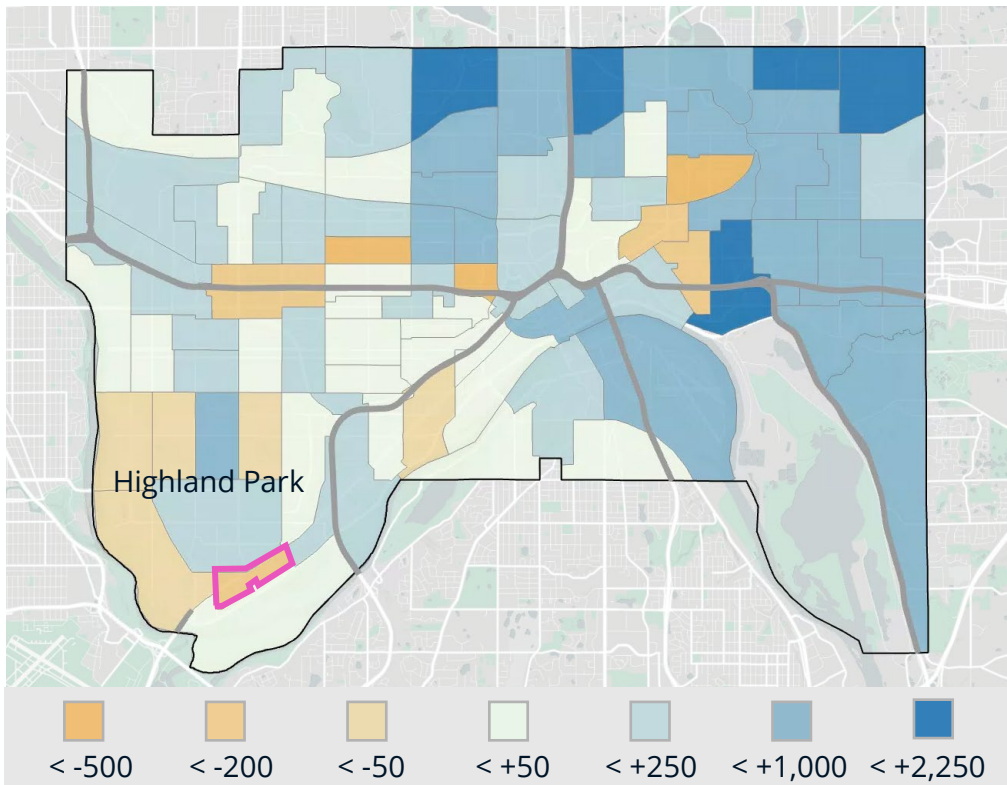
Change in Share of Latino Population, Saint Paul, MN (2010-2020)



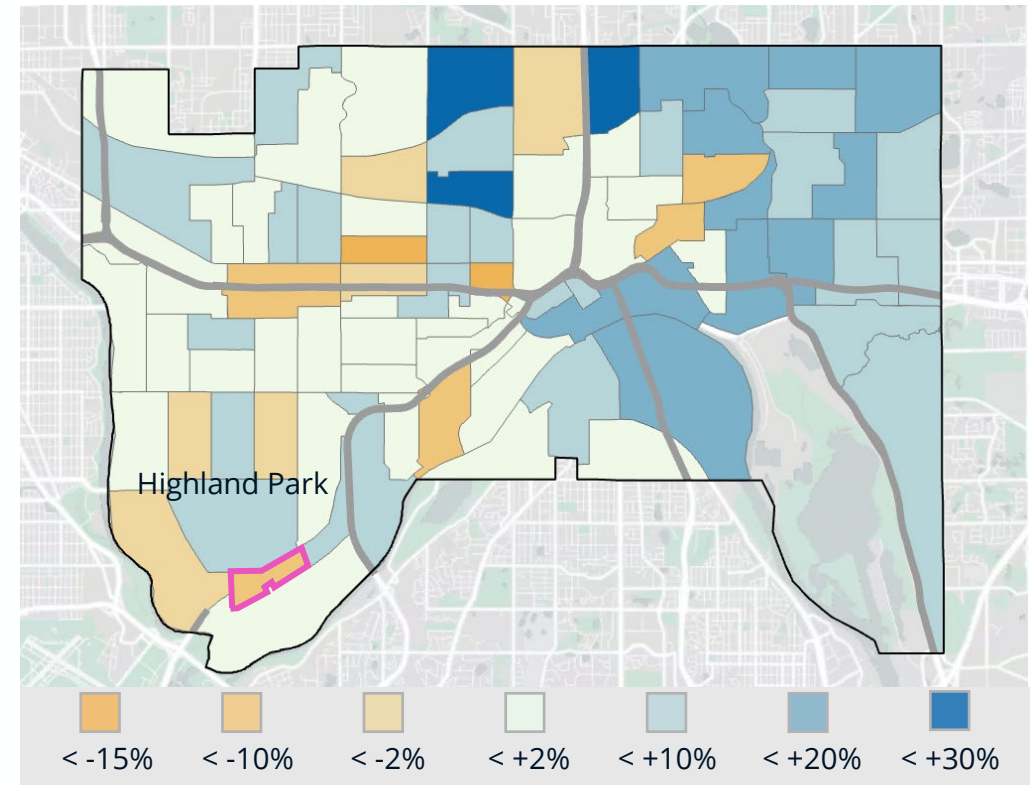
Gentrification & Displacement | Sibley Manor Displacement Risk

There has also been a decrease in the population of Asian residents.

Change in Asian Population, Saint Paul, MN (2010 - 2020)



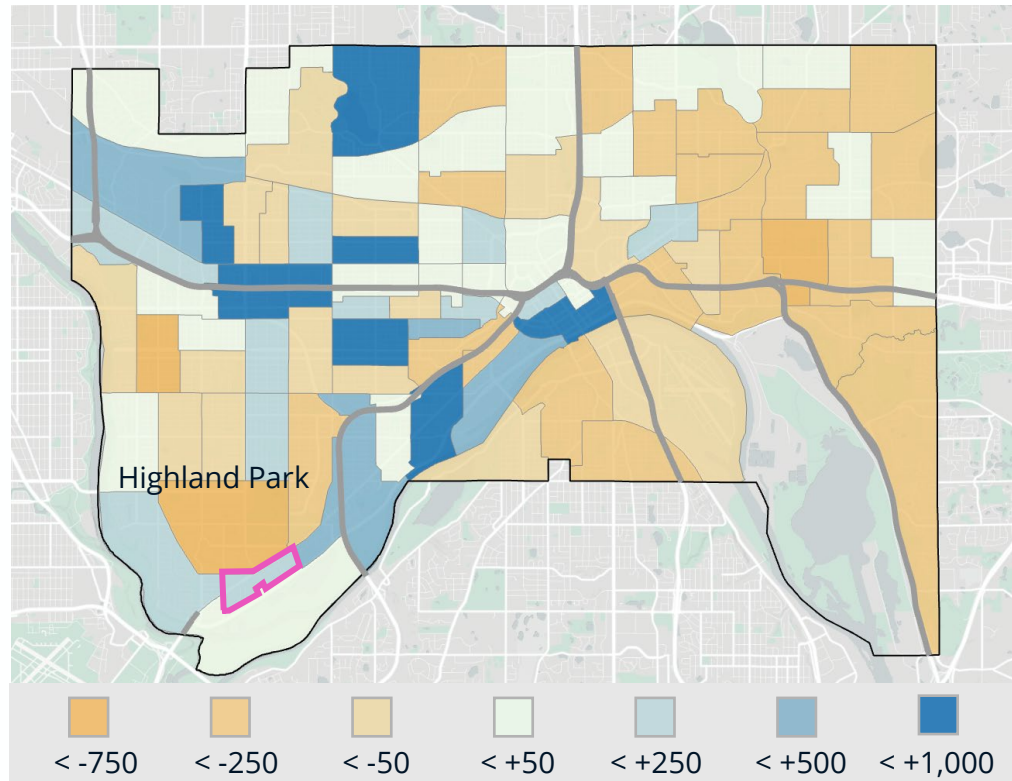
Change in Share of Asian Population, Saint Paul, MN (2010-2020)



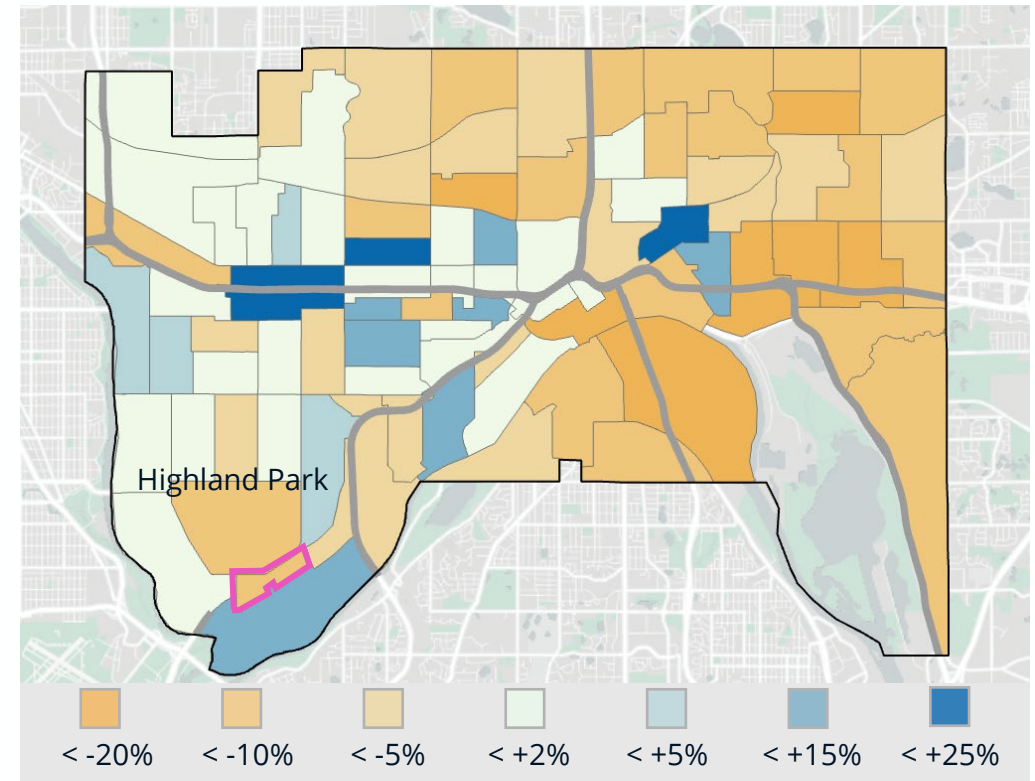
Gentrification & Displacement | Sibley Manor Displacement Risk

There has been a slight increase in the white population, though the share of the white population has decreased.

Change in White Population, Saint Paul, MN (2010 - 2020)



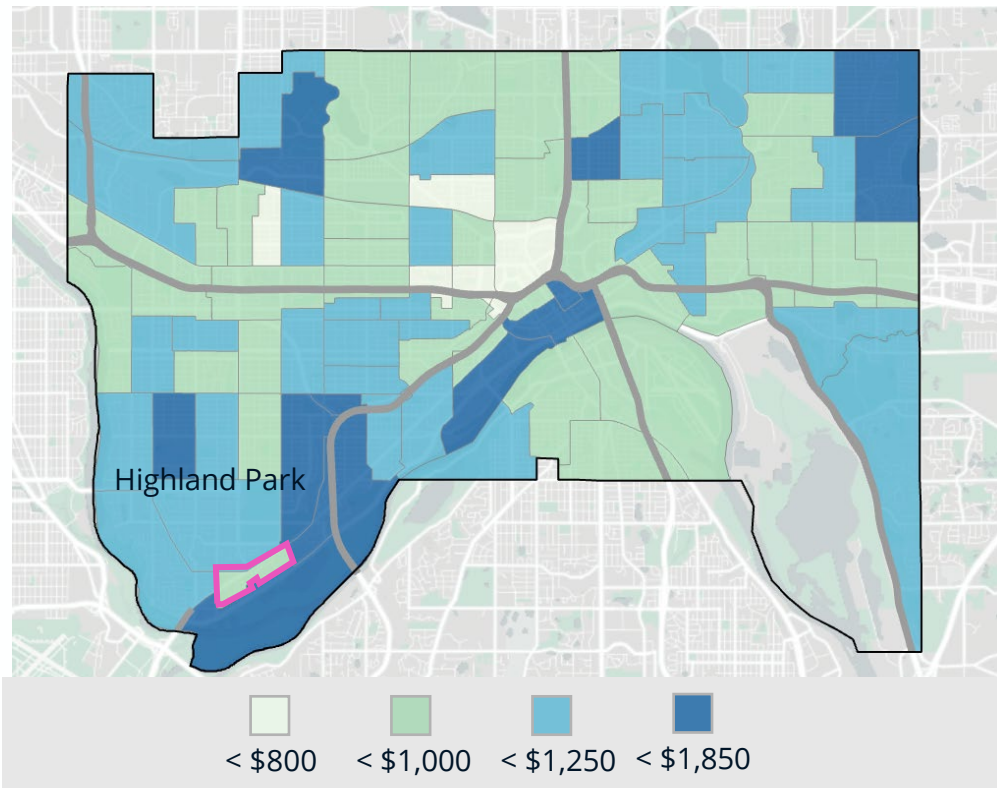
Change in Share of White Population, Saint Paul, MN (2010 - 2020)



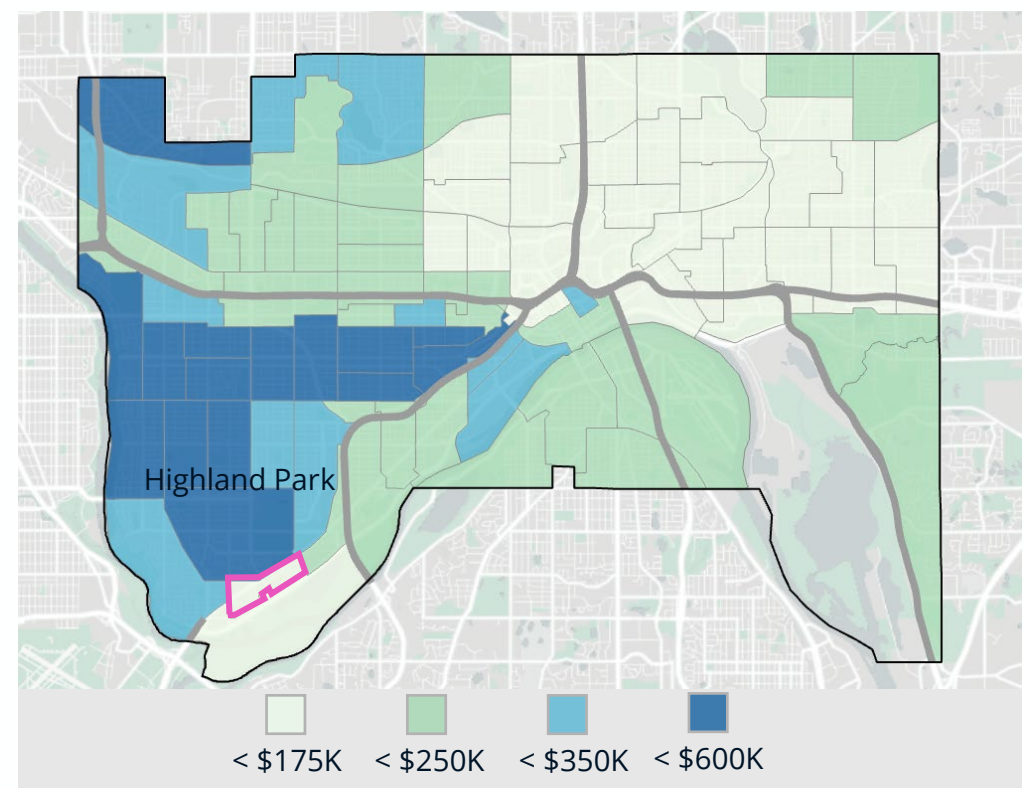
Gentrification & Displacement | Sibley Manor Displacement Risk

Today Sibley Manor is a relatively affordable area on the west side of the city, though these dynamics could change with transit investment.

Median Rent by Tract (2020)



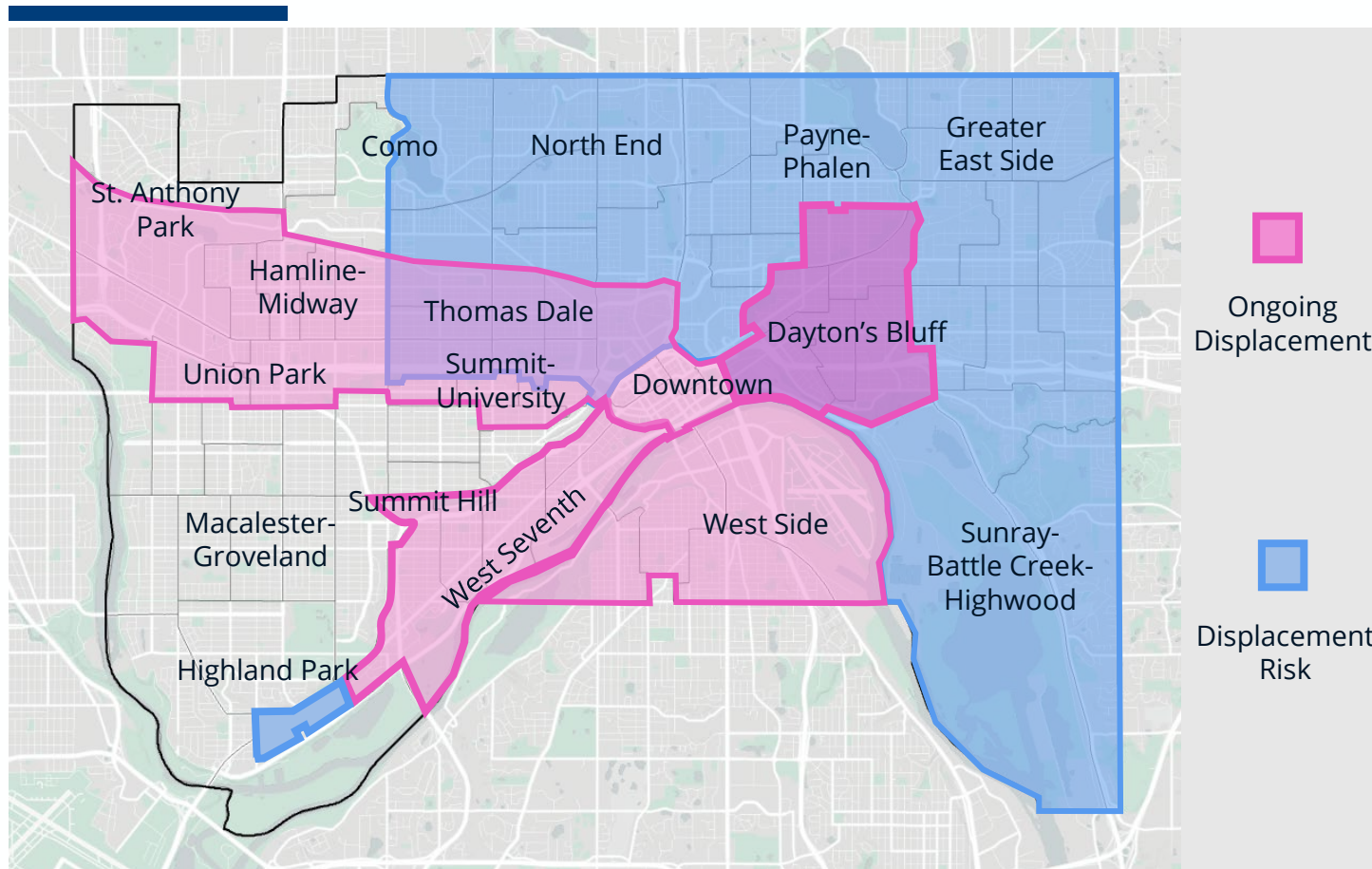
Median Home Value, Saint Paul, MN (2020)



Gentrification & Displacement | Displacement and Displacement Risk Summary

Displacement is ongoing in the West Side neighborhood, along University Ave, in Dayton's Bluff, and in West Seventh. There are significant displacement risks around Sibley Manor and in many neighborhoods in the city's north and east sides.

Displacement Summary, Saint Paul, MN





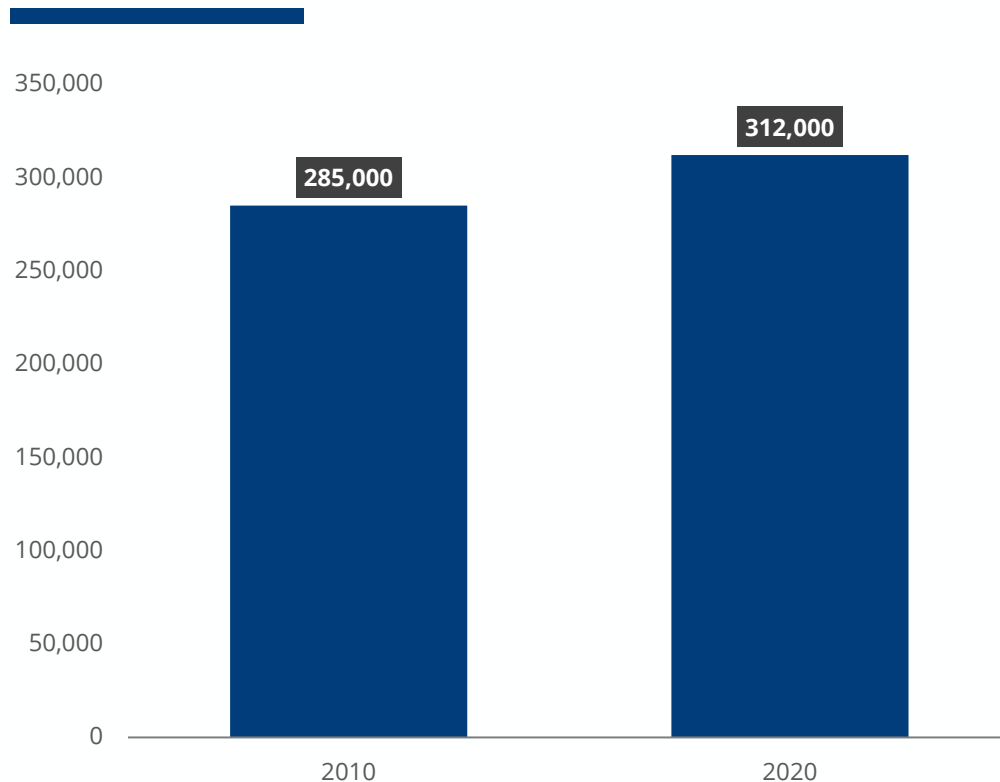
| 02

Demographic Trends

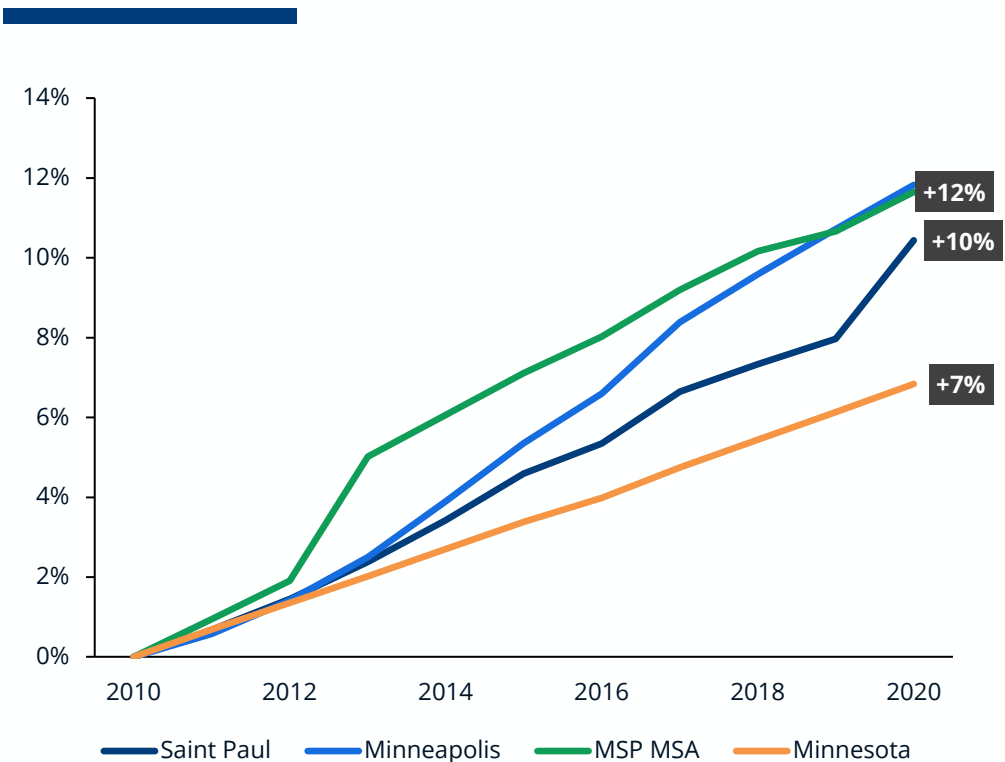
Demographic Trends | Total Population

Saint Paul's population has grown by 10% since 2010, outpacing the state's growth and modestly lagging those of the MSA and Minneapolis.

Population, Saint Paul, MN (2010-2020)



Comparative Population Growth (2010-2020)



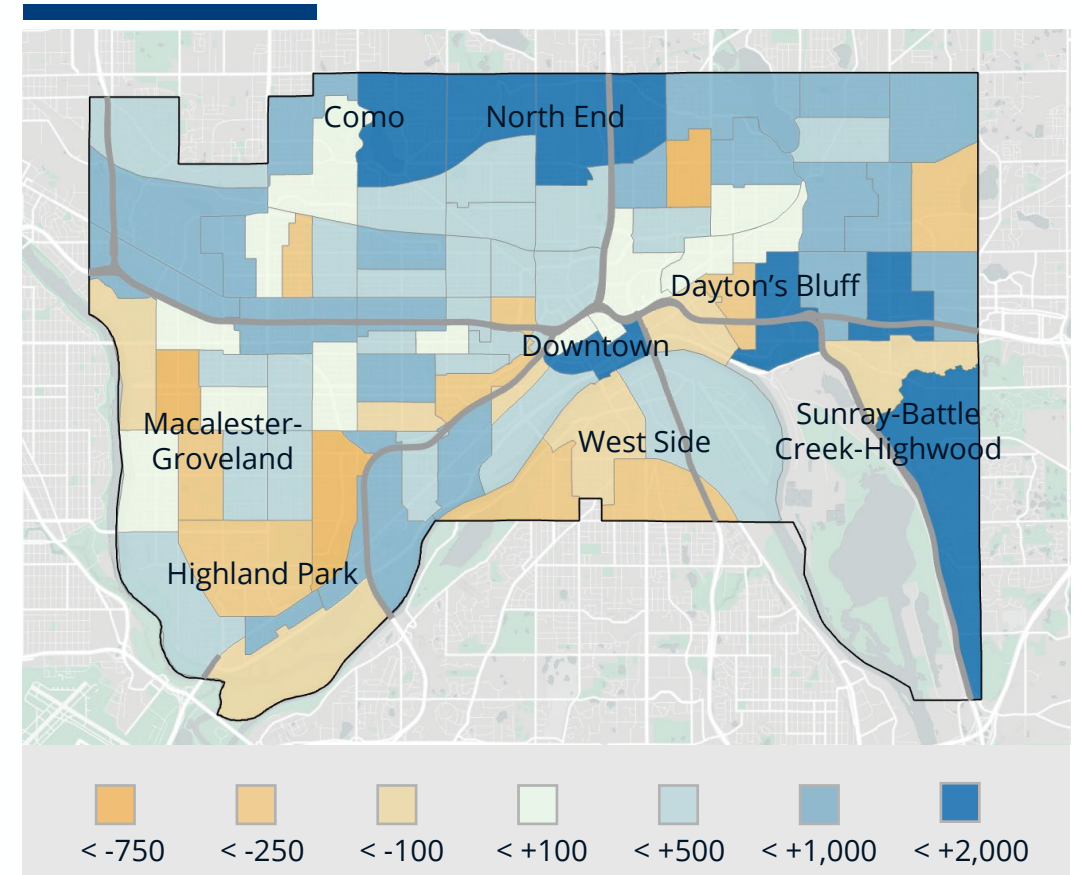
Demographic Trends | Population Change

The highest population growth in the last decade has been concentrated in census tracts in the city's Downtown, North End, and Southeast neighborhoods.

Neighborhoods along University Avenue and across the northern half of the city have also experienced more moderate gains.

On the other hand, Census tracts in Highland Park, Macalester-Groveland, Dayton's Bluff, and on the West Side have experienced moderate declines in population since 2010.

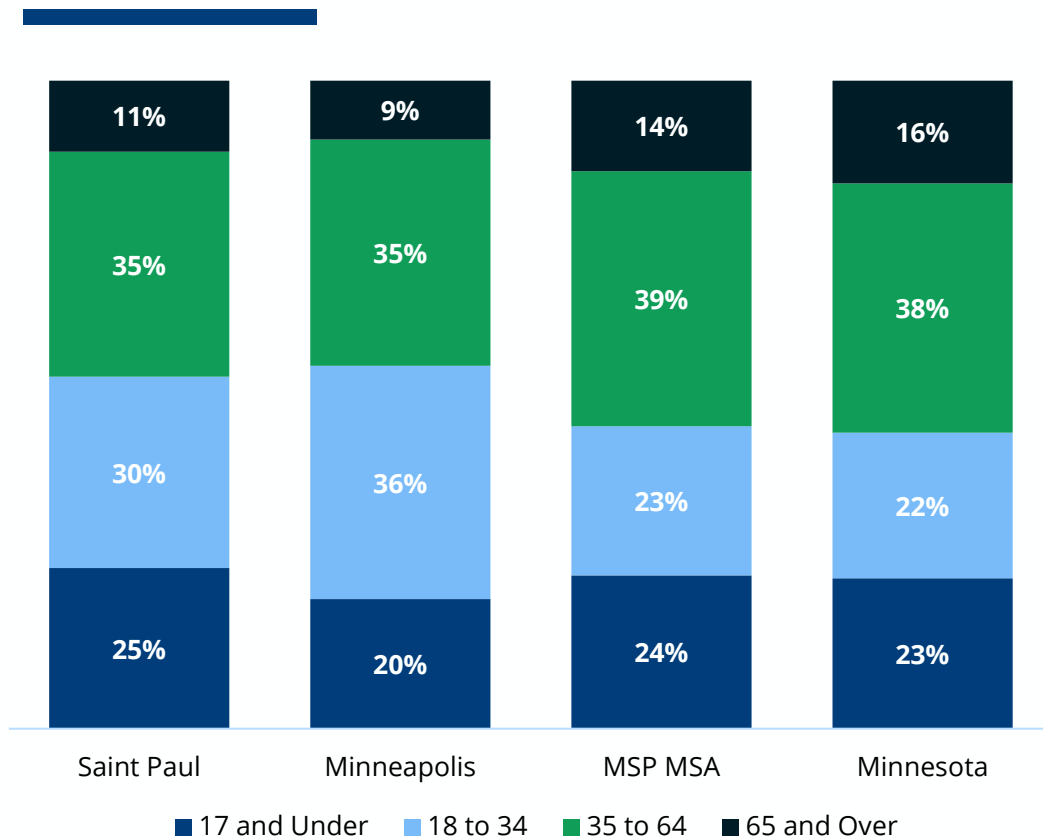
Population Change by Census Tract, Saint Paul, MN
(2010-2020)



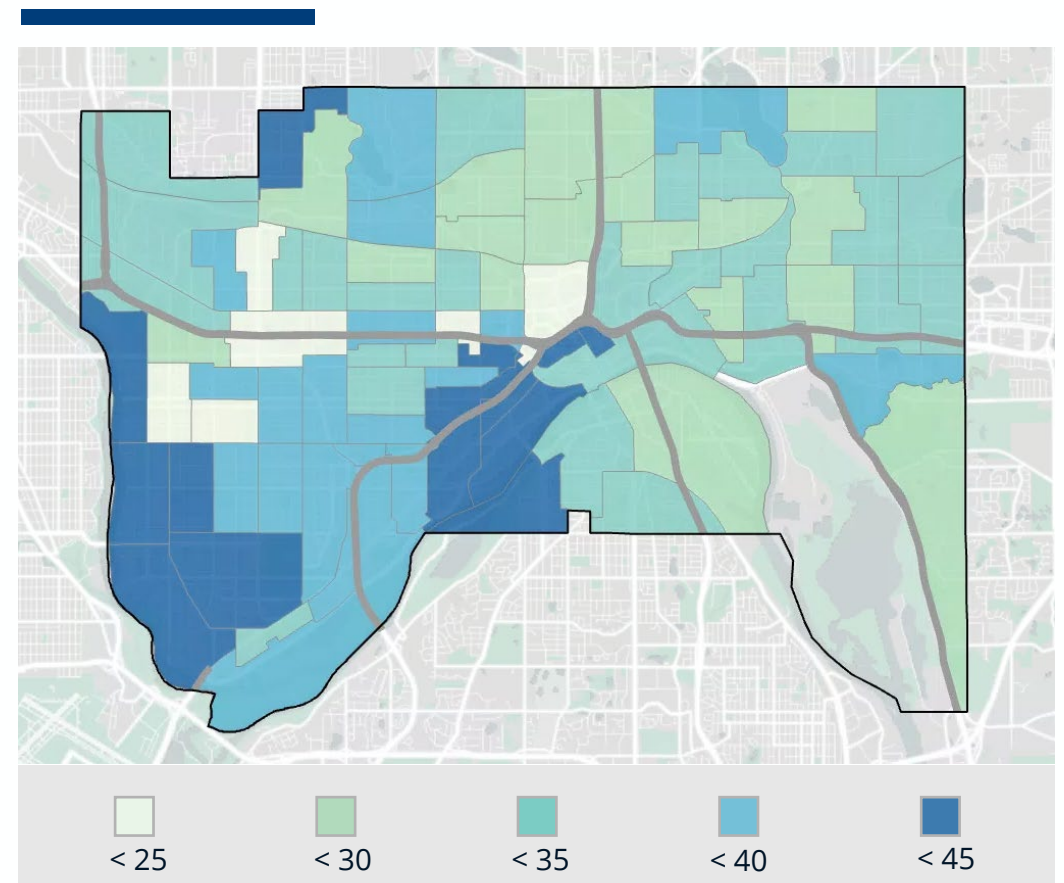
Demographic Trends | Age

Saint Paul has a greater share of people under 35 than the MSA and state, but a smaller share compared to Minneapolis.

Comparative Age Distribution (2020)



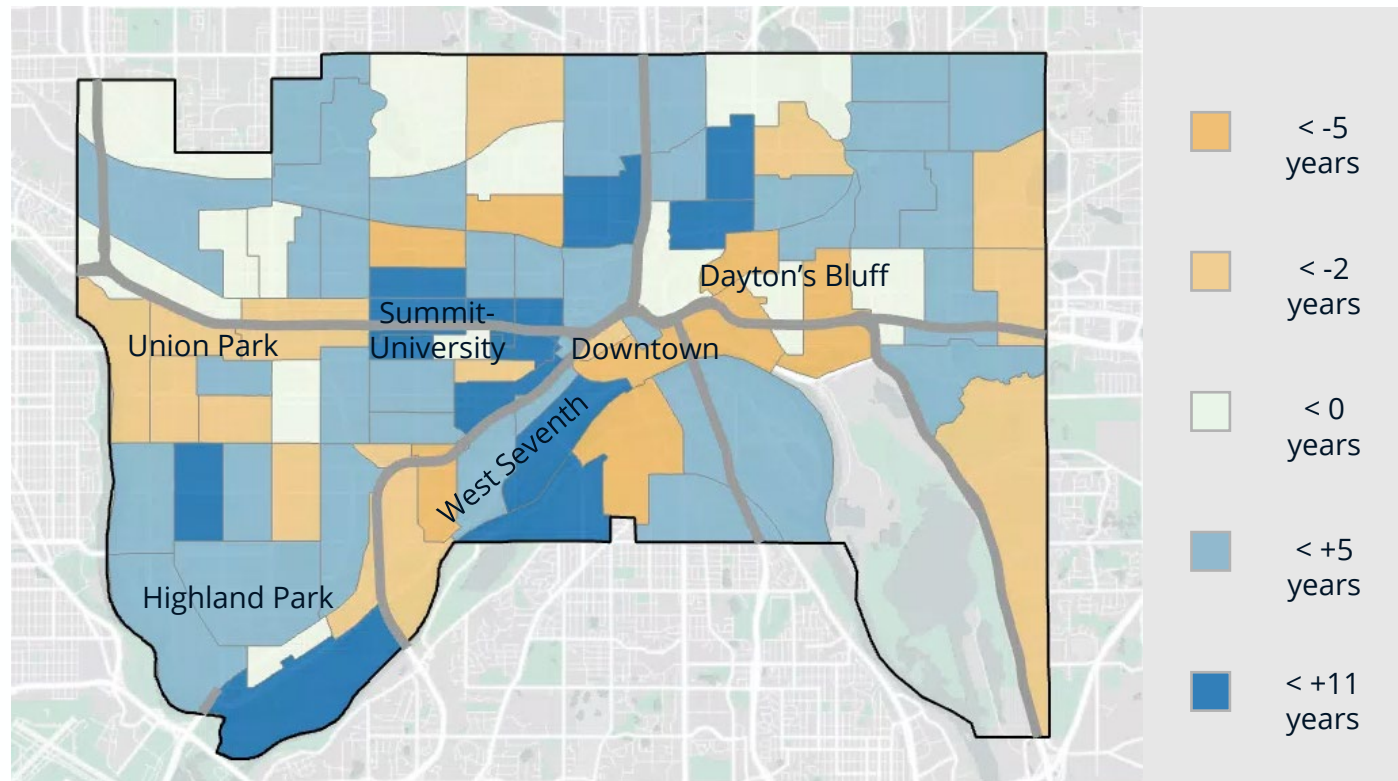
Median Age (1990-2020)



Demographic Trends | Age

Changes in age have been widespread and varied since 2010. Neighborhoods like Downtown, Dayton's Bluff, and Union Park have gotten younger, while Summit-University, West Seventh, and Highland Park have gotten older.

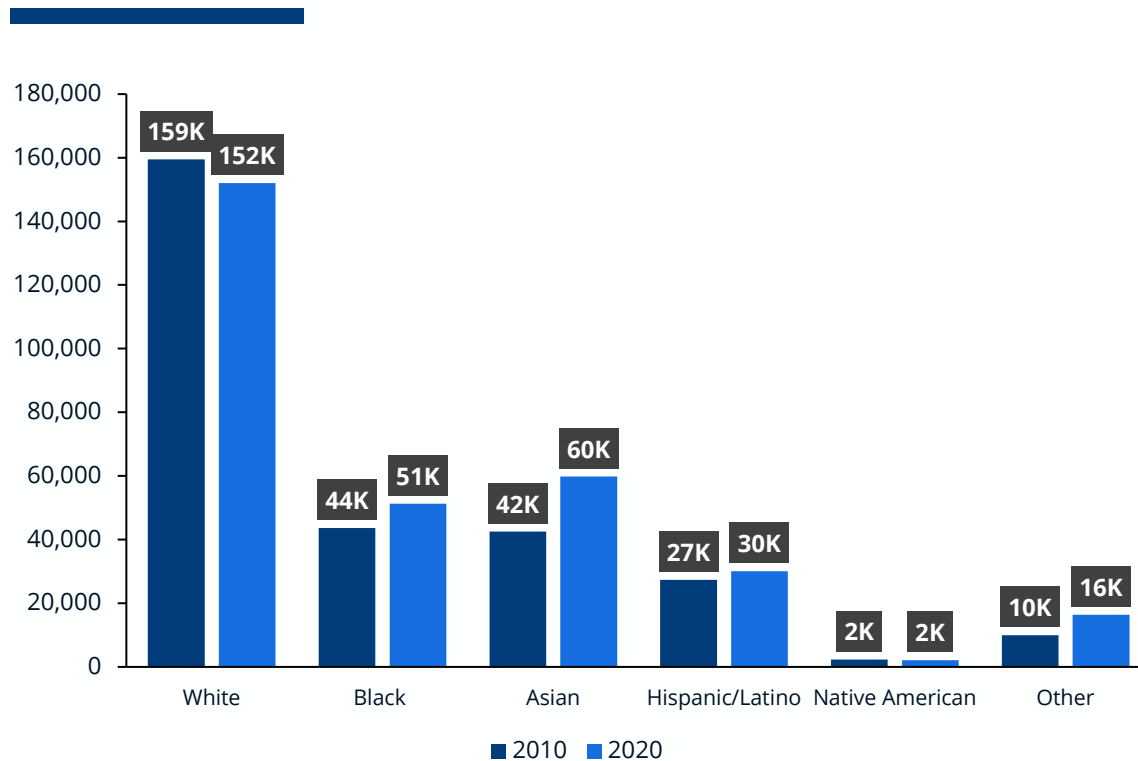
Change in Median Age, Saint Paul, MN
(2010-2020)



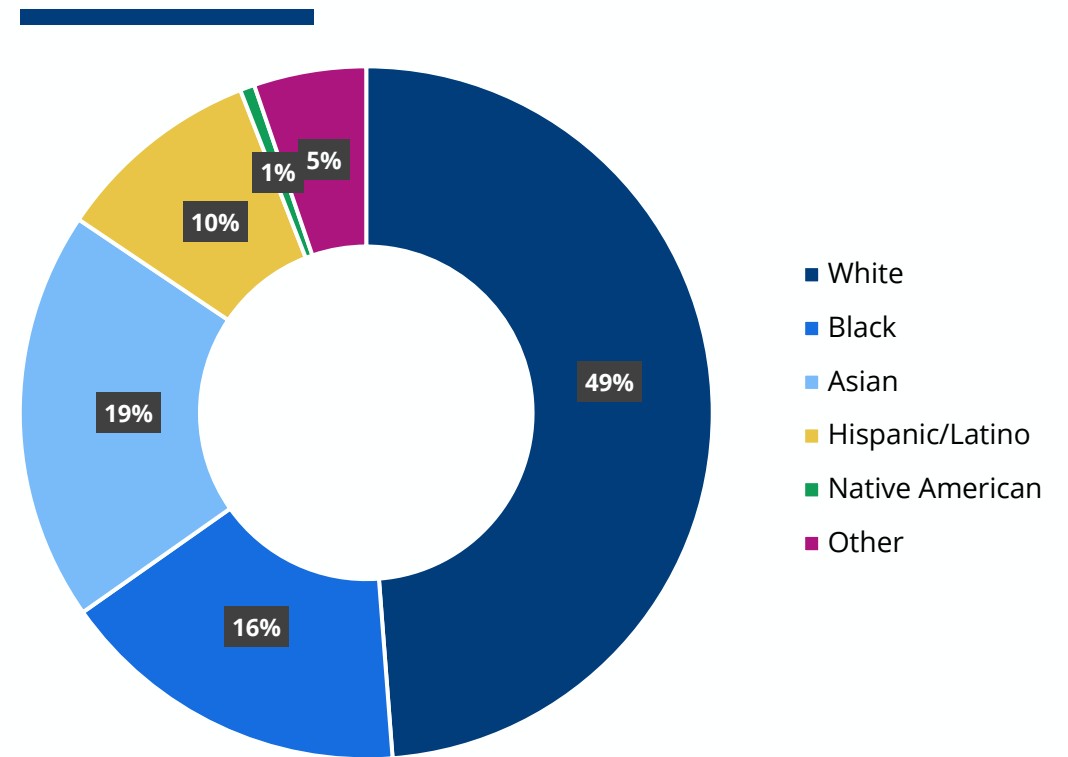
Demographic Trends | Population by Race

Saint Paul has become one of the most diverse cities in Minnesota, as its populations of color have grown over the last decade and its white population has fallen just under 50%.

Population by Race, Saint Paul, MN
(2010 - 2020)



Population Distribution by Race, Saint Paul, MN
(2020)



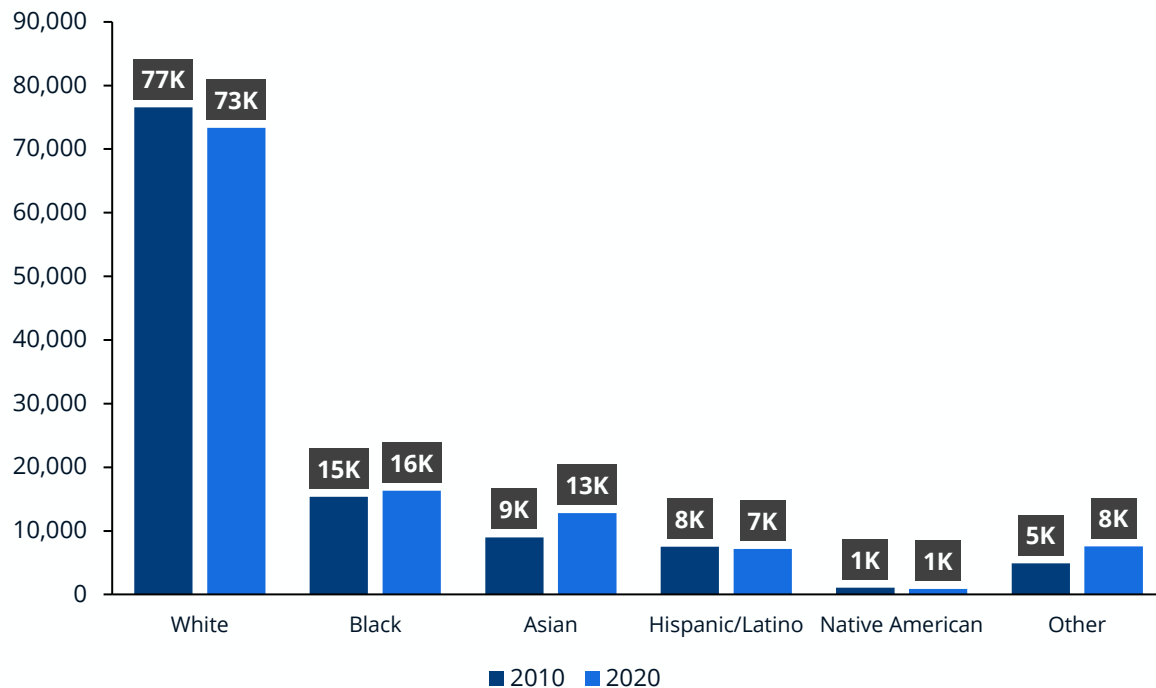
Note: For all racial demographic analysis, the "Other" category includes multiracial, unknown, or Native Hawaiian and other Pacific Islander residents or households.

Source(s): ACS 5-Year Estimates

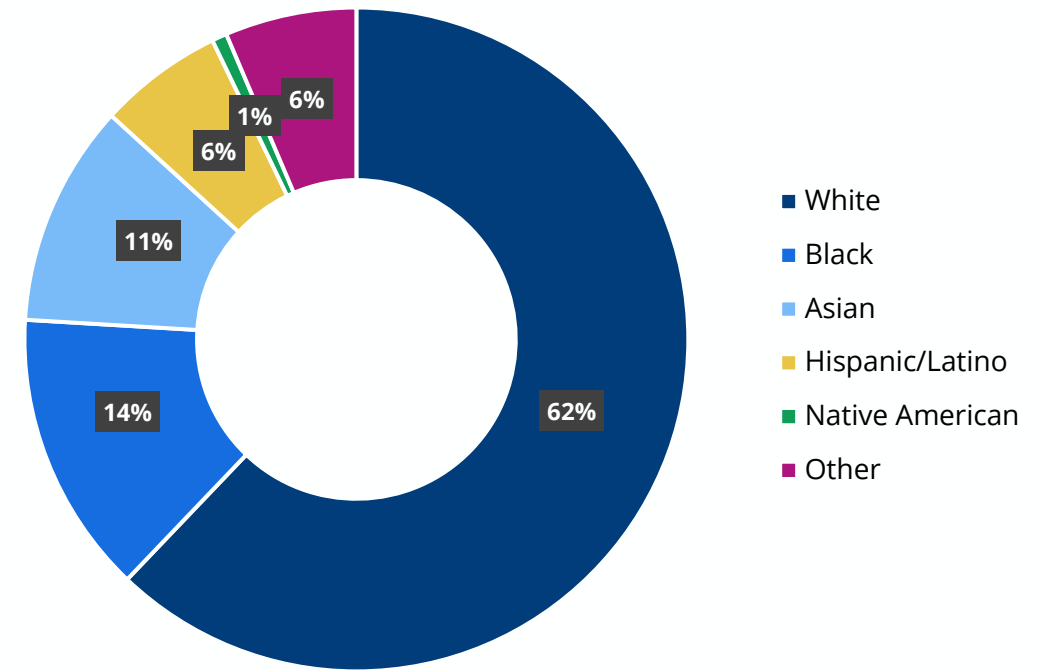
Demographic Trends | Households by Race

Although 50% of the overall population is white, over 60% of households in Saint Paul are white. This indicates that Saint Paul's white households tend to be smaller than households of color.

Households by Race, Saint Paul, MN (2010 - 2020)



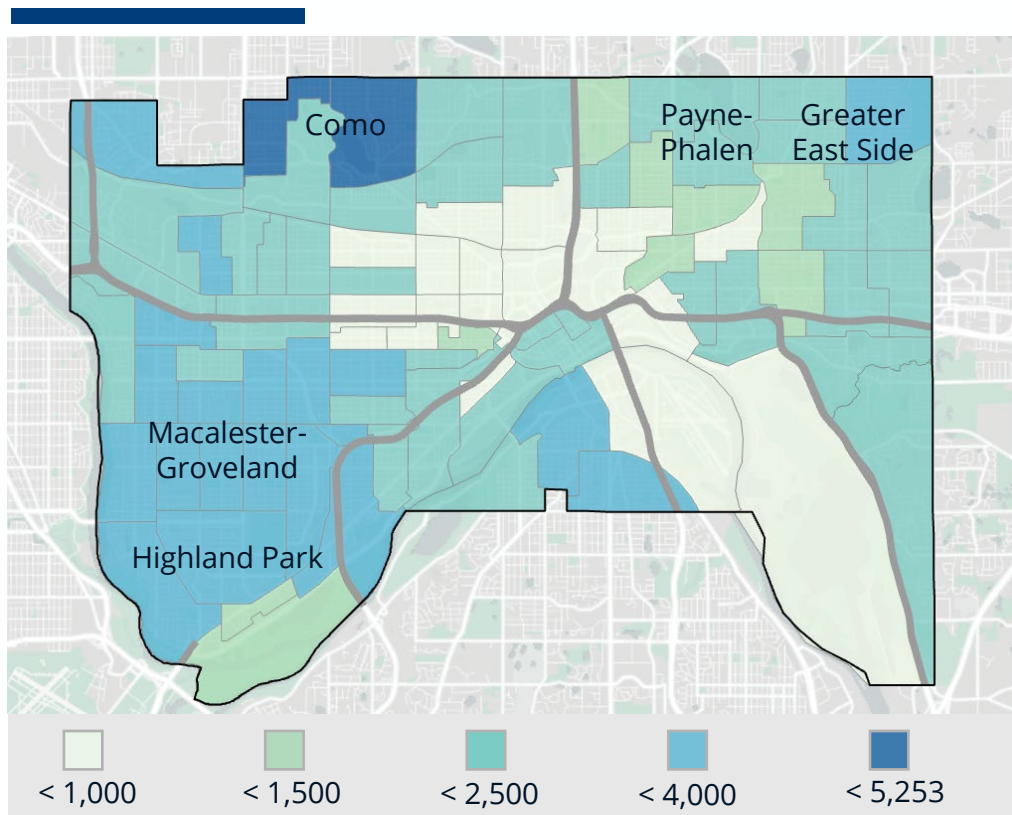
Household Distribution by Race, Saint Paul, MN (2020)



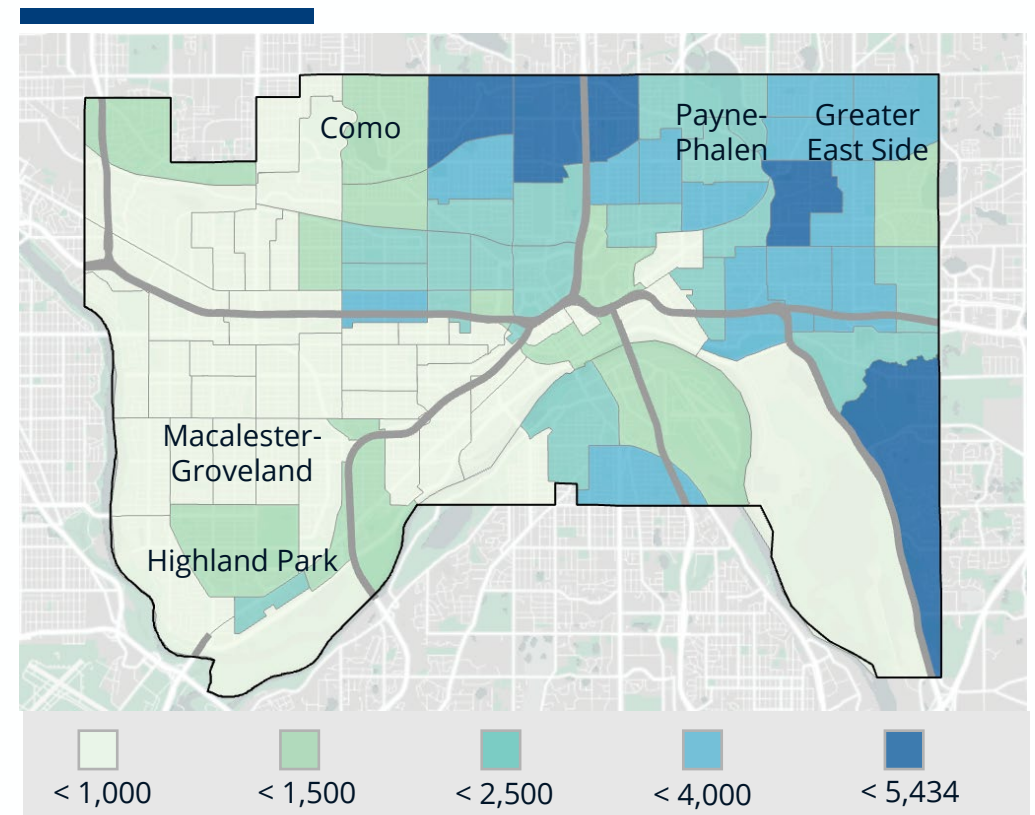
Demographic Trends | Race

The city's white population is concentrated in neighborhoods to the west and north, like Highland Park and Como. The city's population of color is concentrated in neighborhoods to the northeast, like Greater East Side and Payne-Phalen, as well as neighborhoods to the southeast. There is little overlap between census tracts with large white populations and large populations of color.

Total White Population, Saint Paul, MN
(2020)



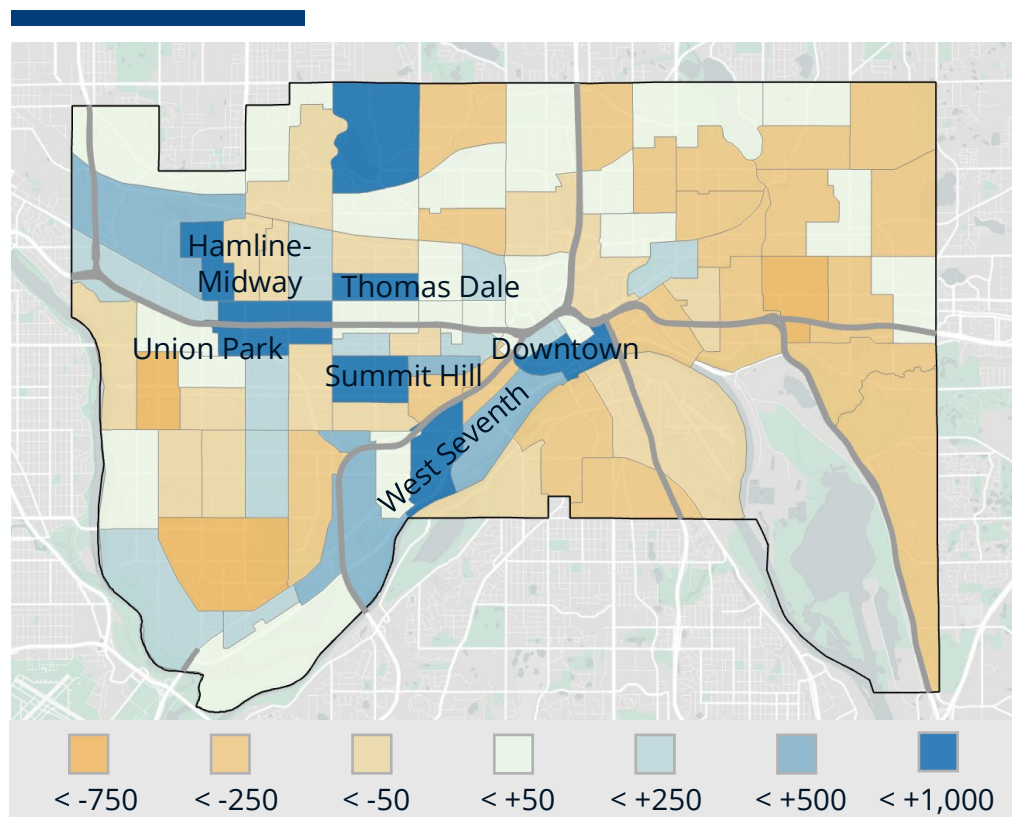
Total Population of Color, Saint Paul, MN
(2020)



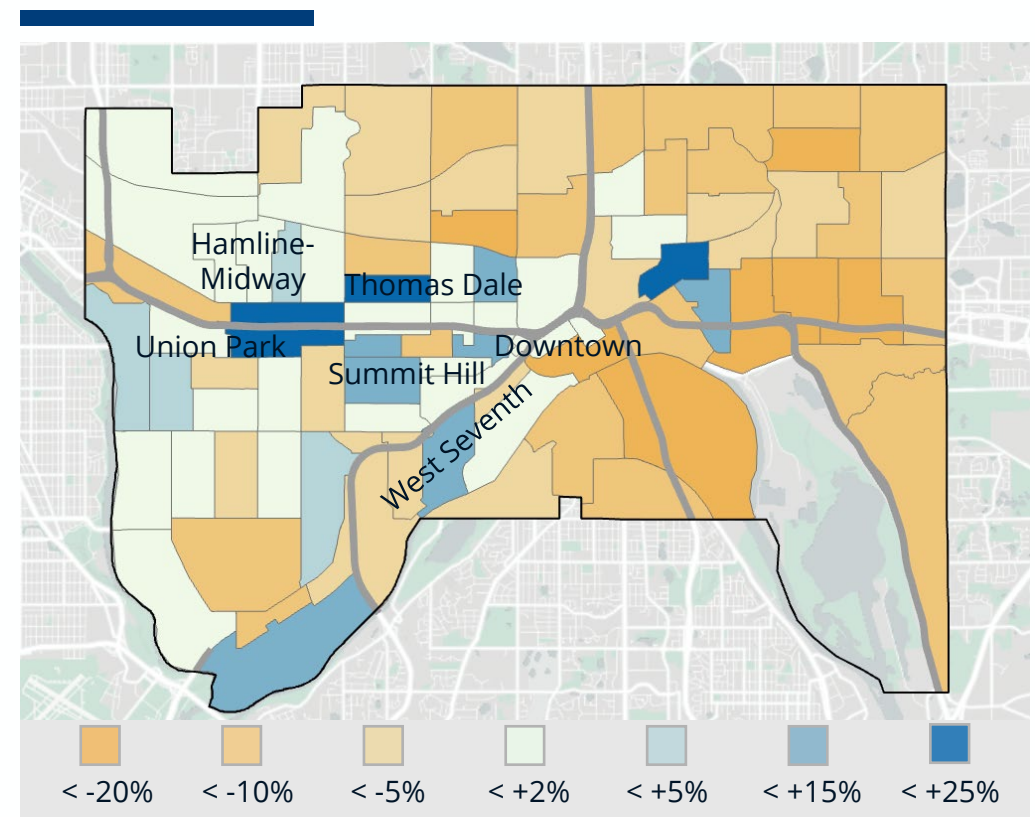
Demographic Trends | Race

The population of white residents has increased in census tracts in several neighborhoods in the city's south and west, like Union Park, Summit Hill, Thomas Dale, the North End, Downtown, and West Seventh. The population of white residents has decreased in almost all census tracts east of Downtown.

Change in White Population, Saint Paul, MN (2010 - 2020)



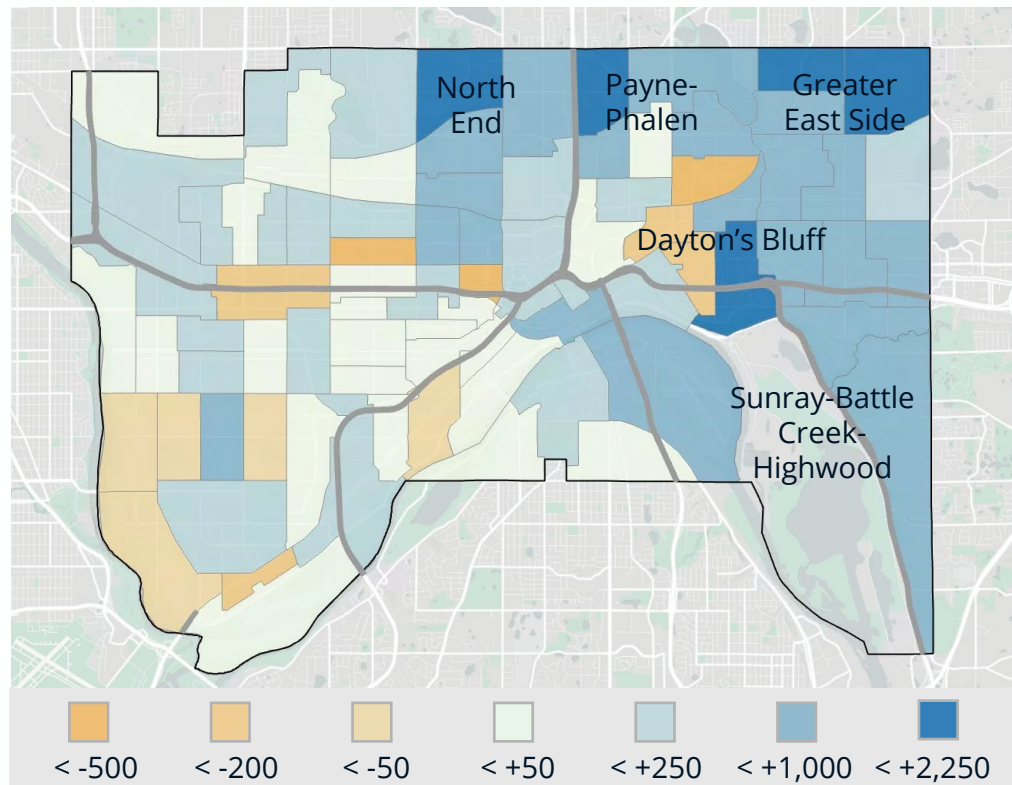
Change in Share of White Population, Saint Paul, MN (2010 - 2020)



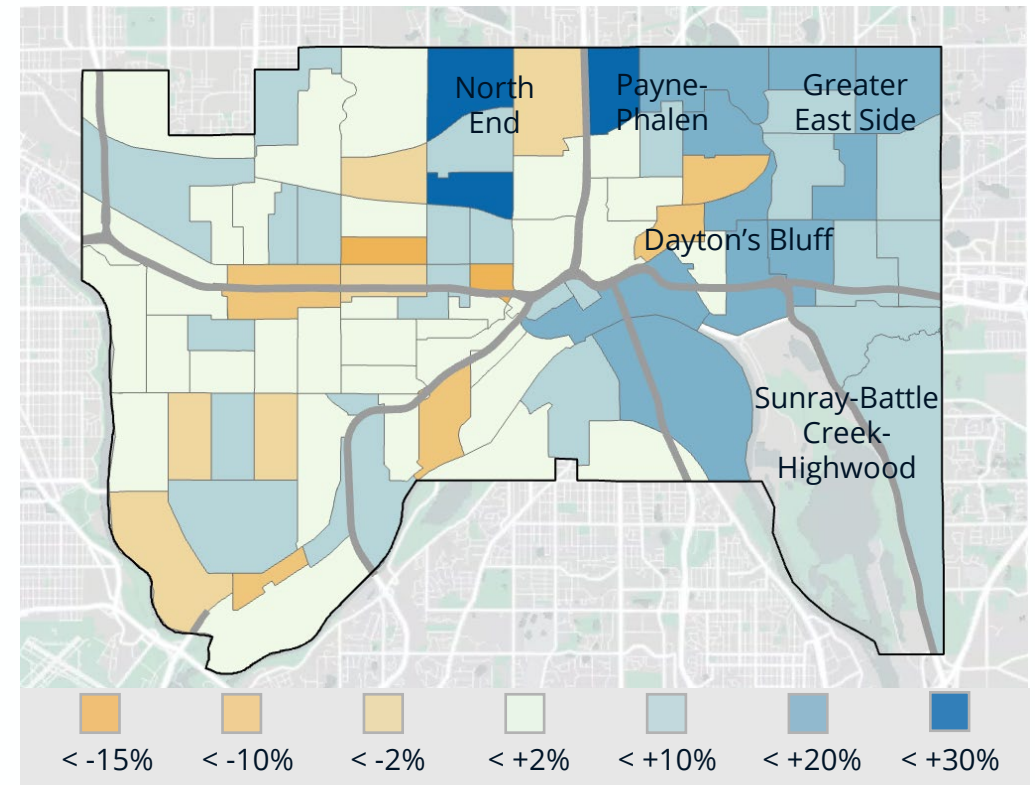
Demographic Trends | Race

The population of Asian residents increased across the north and east of the city in neighborhoods like Greater East Side, Payne-Phalen, and the North End.

Change in Asian Population, Saint Paul, MN (2010 - 2020)



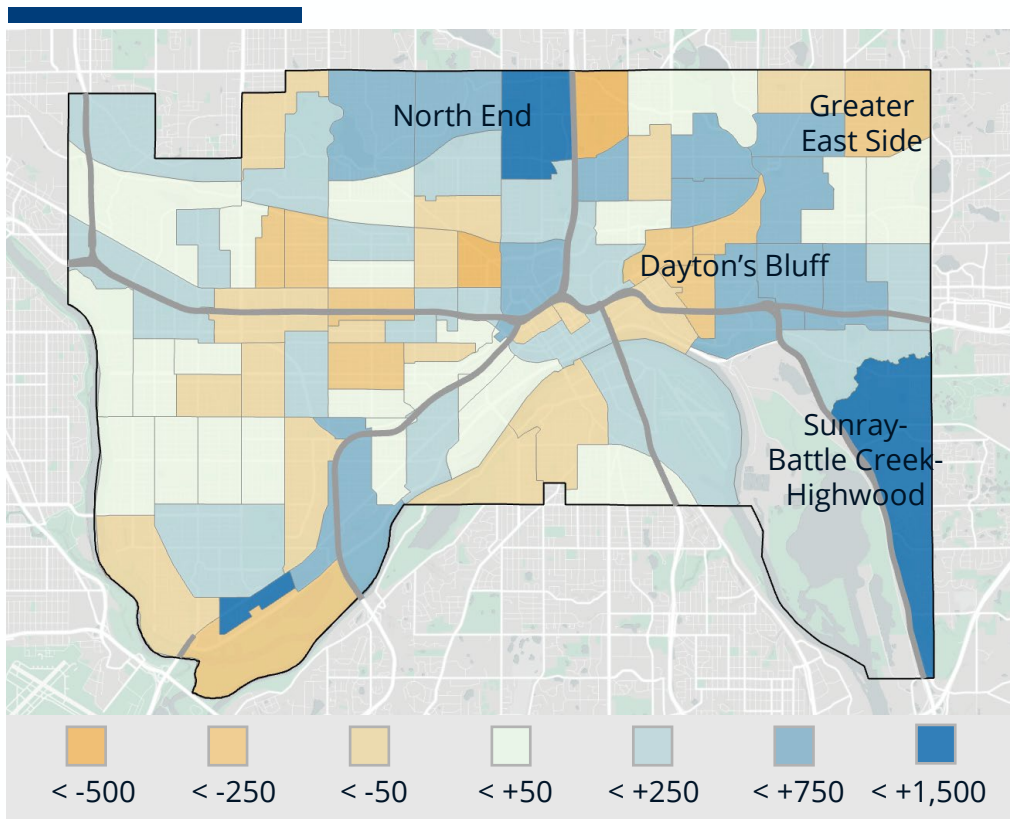
Change in Share of Asian Population, Saint Paul, MN (2010-2020)



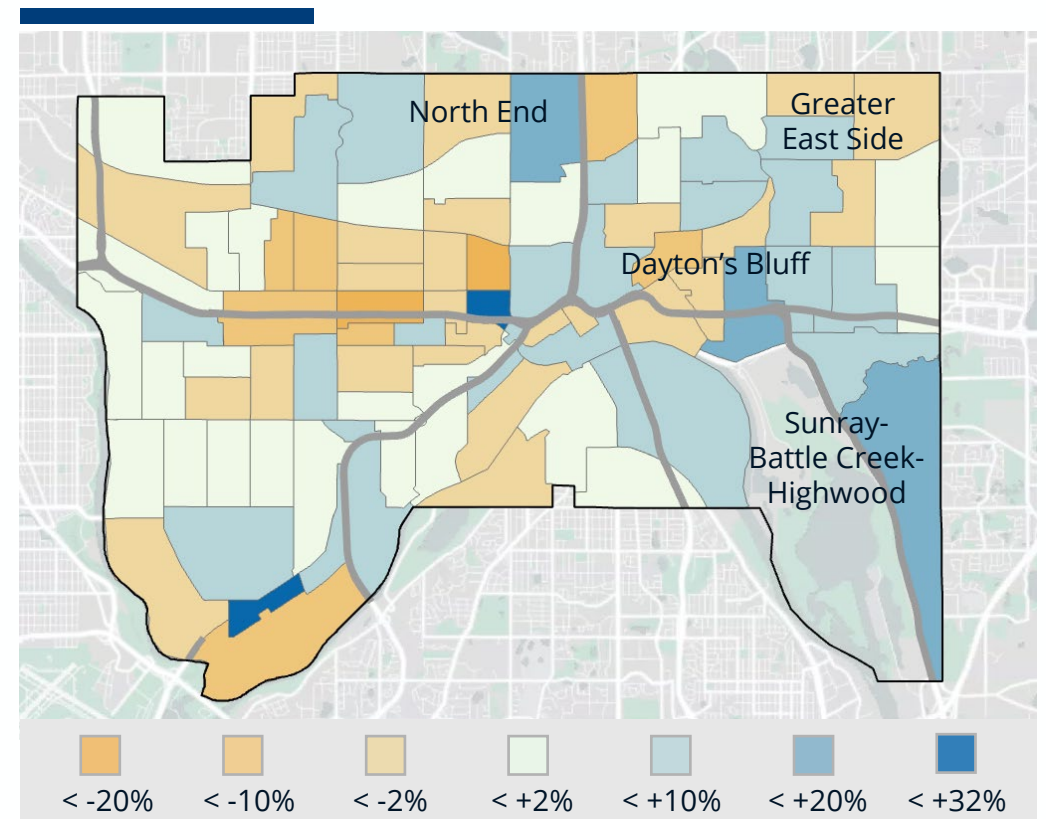
Demographic Trends | Race

The population of Black residents increased most in census tracts in the North End, Greater East Side, Dayton's Bluff, and Highwood.

Change in Black Population, Saint Paul, MN (2010 - 2020)



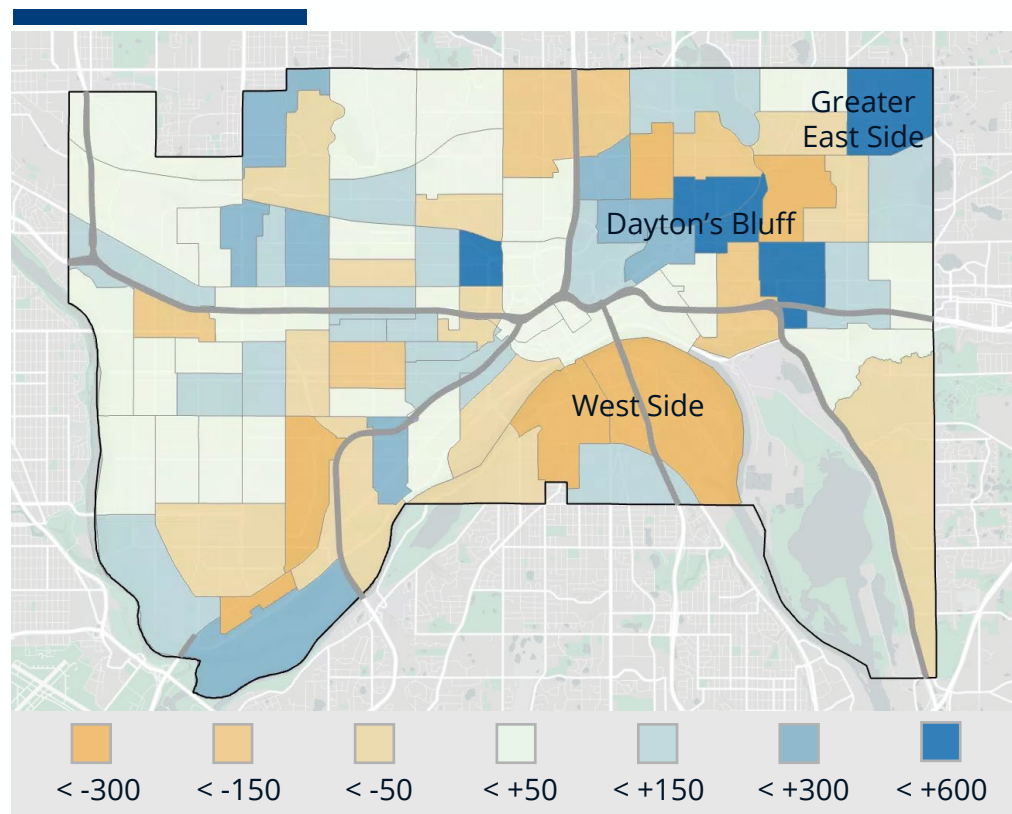
Change in Share of Black Population, Saint Paul, MN (2010-2020)



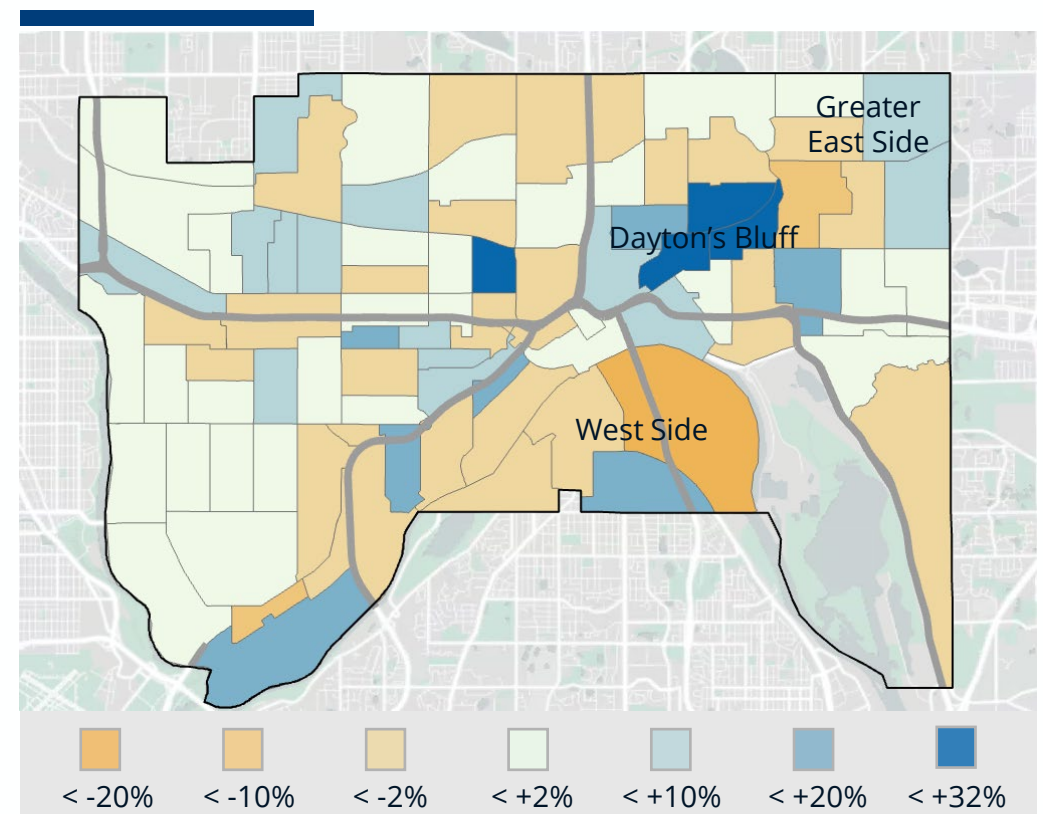
Demographic Trends | Race

The city's Latino population has declined most in the West Side neighborhood. Though there are tracts where the Latino population has grown, there has been little concentrated growth in any single region of the city.

Change in Latino Population, Saint Paul, MN (2010 - 2020)



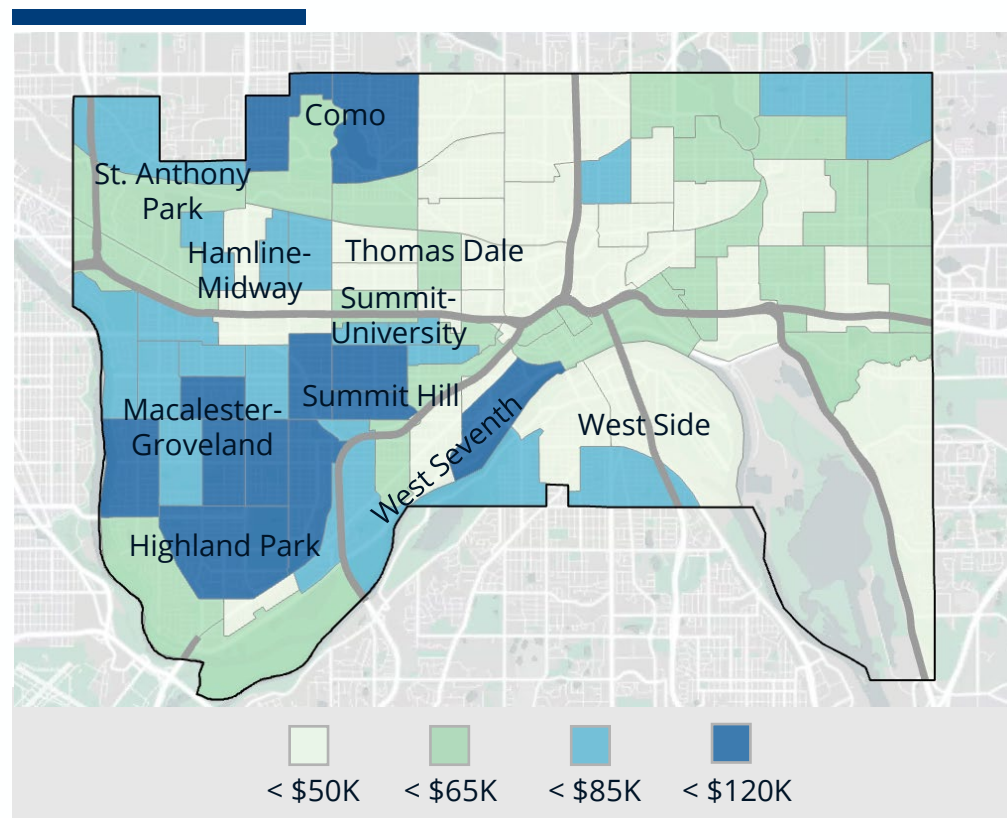
Change in Share of Latino Population, Saint Paul, MN (2010-2020)



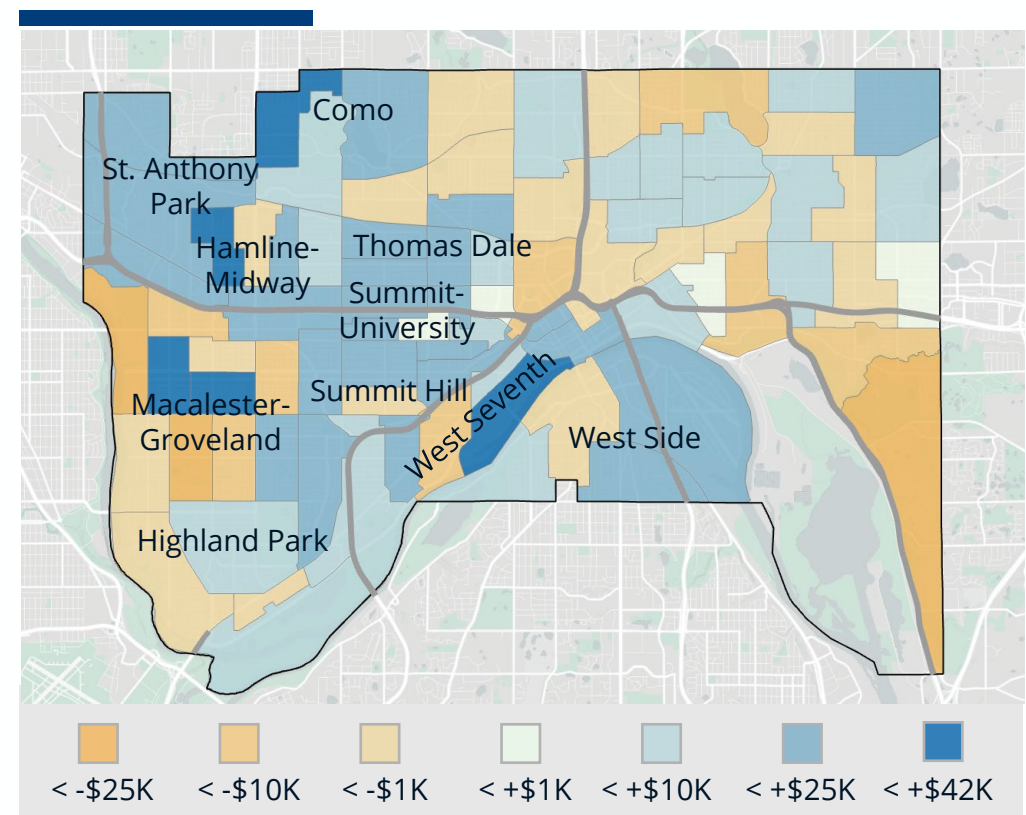
Demographic Trends | Income

Highland Park, Summit Hill, and Macalester-Groveland have the highest median incomes. Since 2010, median incomes have increased most in neighborhoods like Thomas Dale, Summit-University, Hamline-Midway, St. Anthony Park, Como, and Macalester-Groveland.

Median Income, Saint Paul, MN (2020)



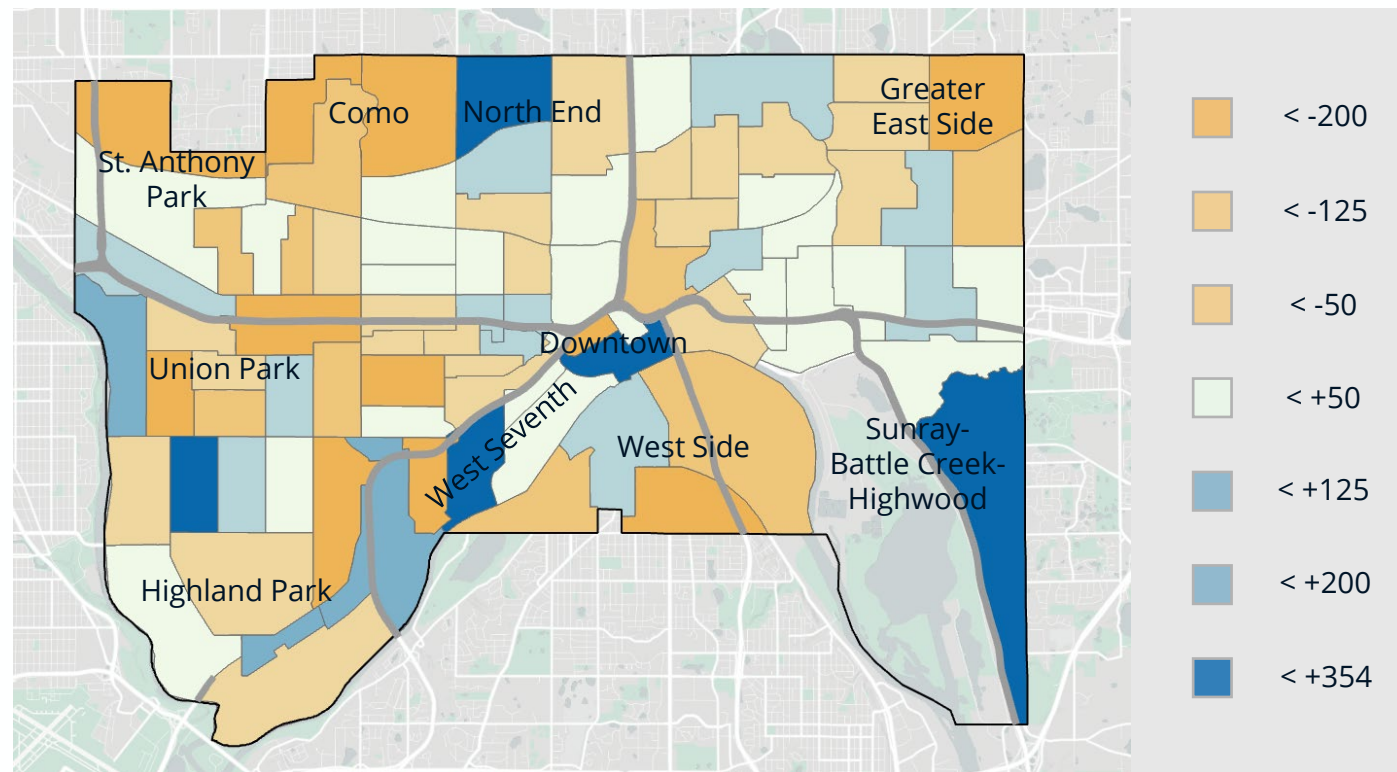
Change in Median Income, Saint Paul, MN (2010-2020)



Demographic Trends | Income

Almost all census tracts are losing low-income households. This trend is most pronounced in Como, St. Anthony Park, Greater East Side, West Side, and Union Park. Growth in low-income households has been concentrated in only a few tracts in Sunray, North End, Downtown, West Seventh, and Highland Park.

Change in Households Earning Below 80% AMI, Saint Paul, MN
(2010-2020)



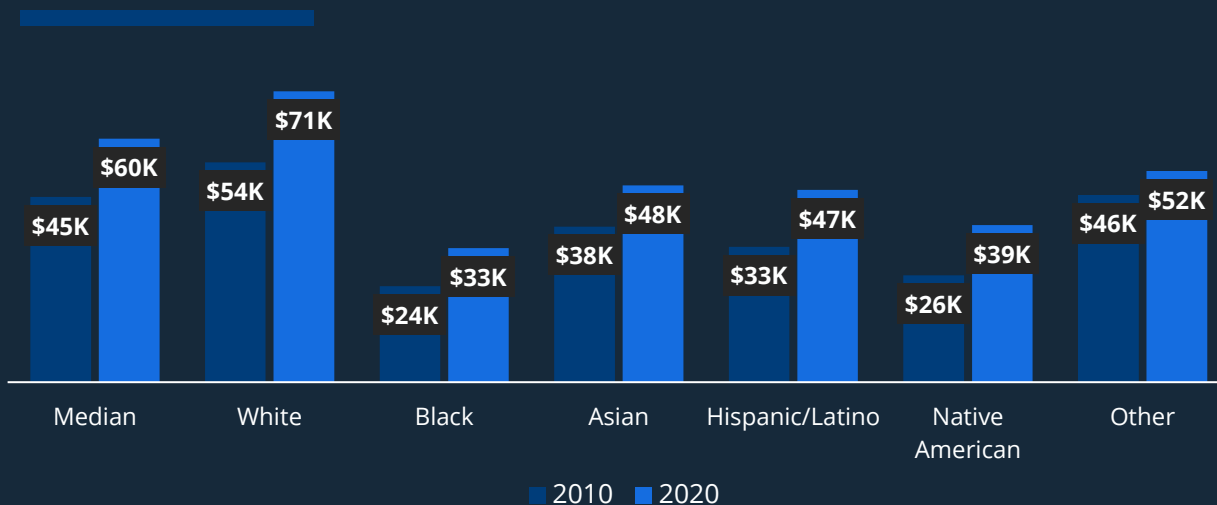
Demographic Trends | Income by Race

Over the last decade, median household incomes have increased across all racial groups. Despite this growth, Black households continue to have the lowest median incomes.

When compared to the MSA and the State, median household incomes are lower in Saint Paul across all racial groups.

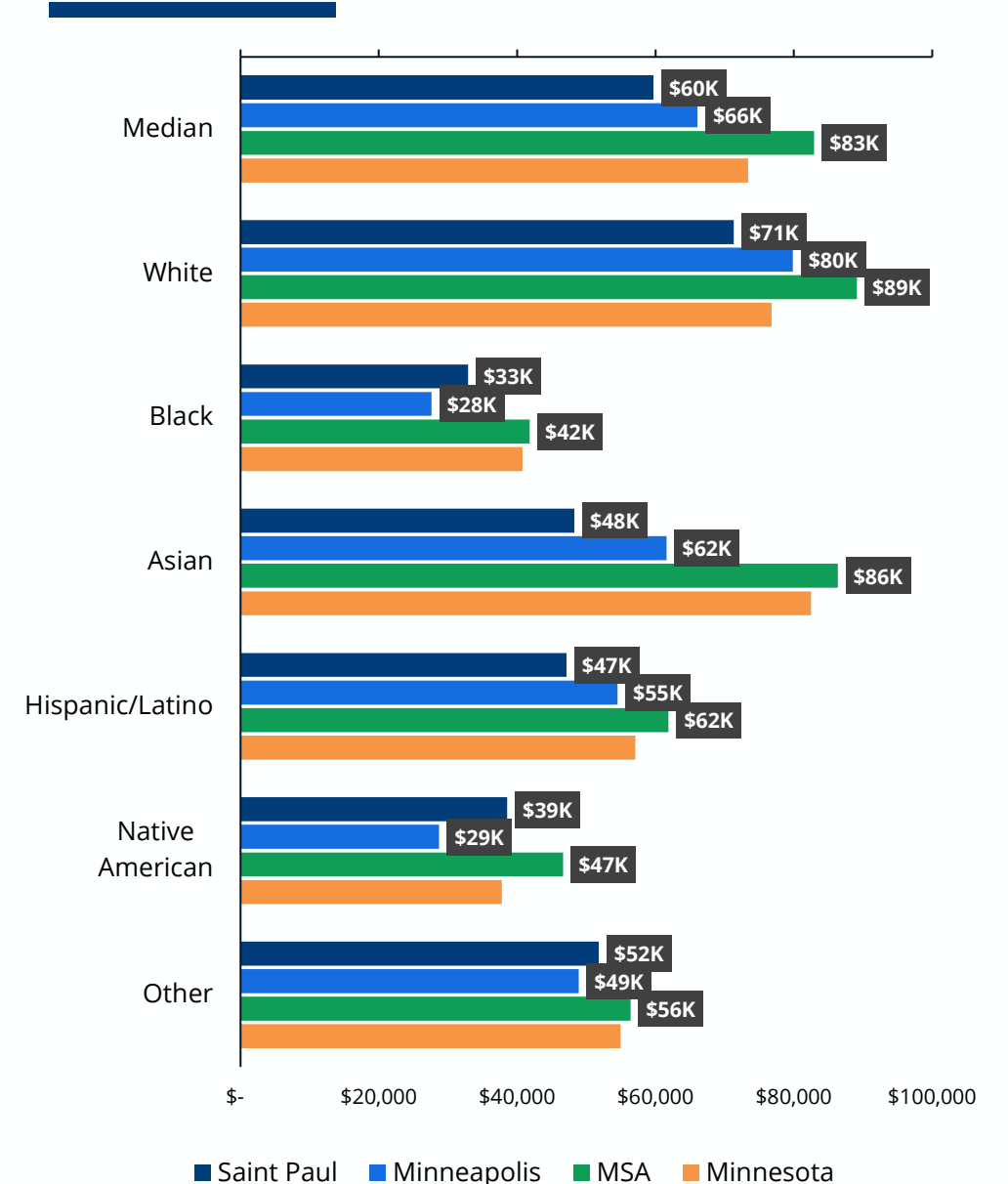
However, Black and Indigenous households in Minneapolis have the lowest median incomes.

Median Household Income by Race, Saint Paul, MN (2010-2020)



Note: Since 2020, household incomes in the MSA have increased to \$118,200, according to HUD Income definitions.
Source(s): ACS 5-Year Estimates

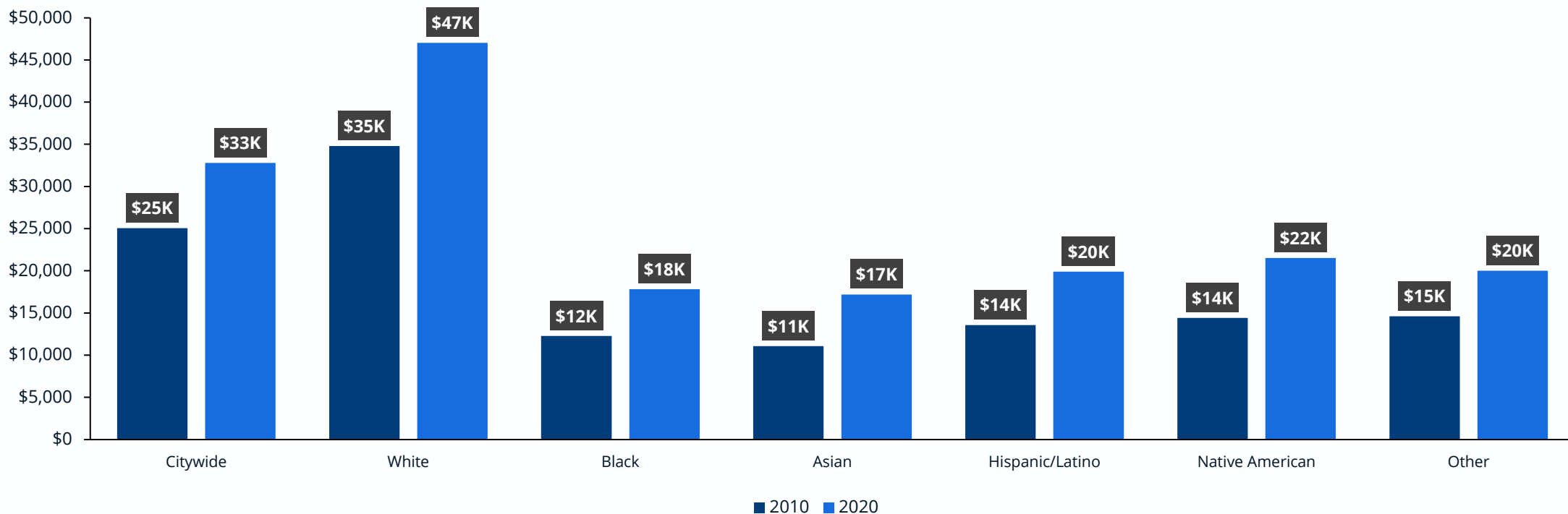
Comparative Median Income by Race (2020)



Demographic Trends | Income by Race

Incomes per capita in Saint Paul have increased over the last decade, but the city's communities of color continue to lag white residents.

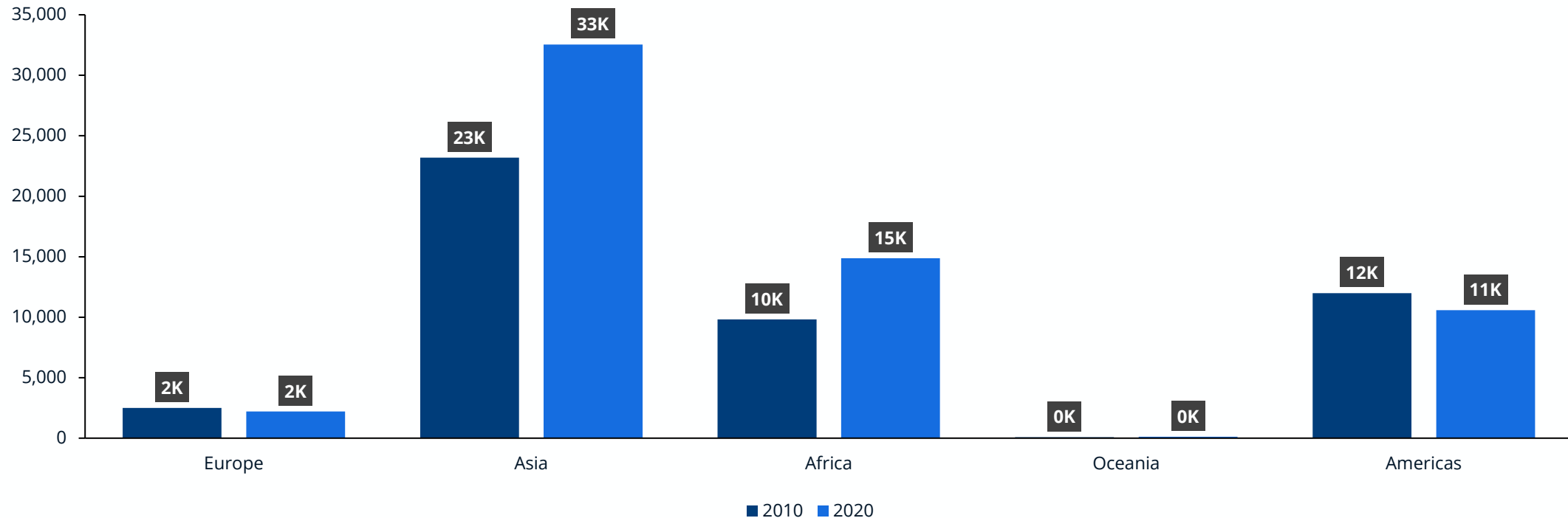
Income Per Capita by Race, Saint Paul, MN (2010-2020)



Demographic Trends | Foreign-Born Population

Since 2010, Saint Paul has seen an influx of Asian and African immigrants. Those coming from elsewhere in the Americas have decreased but still make up a notable portion of the city's foreign-born population.

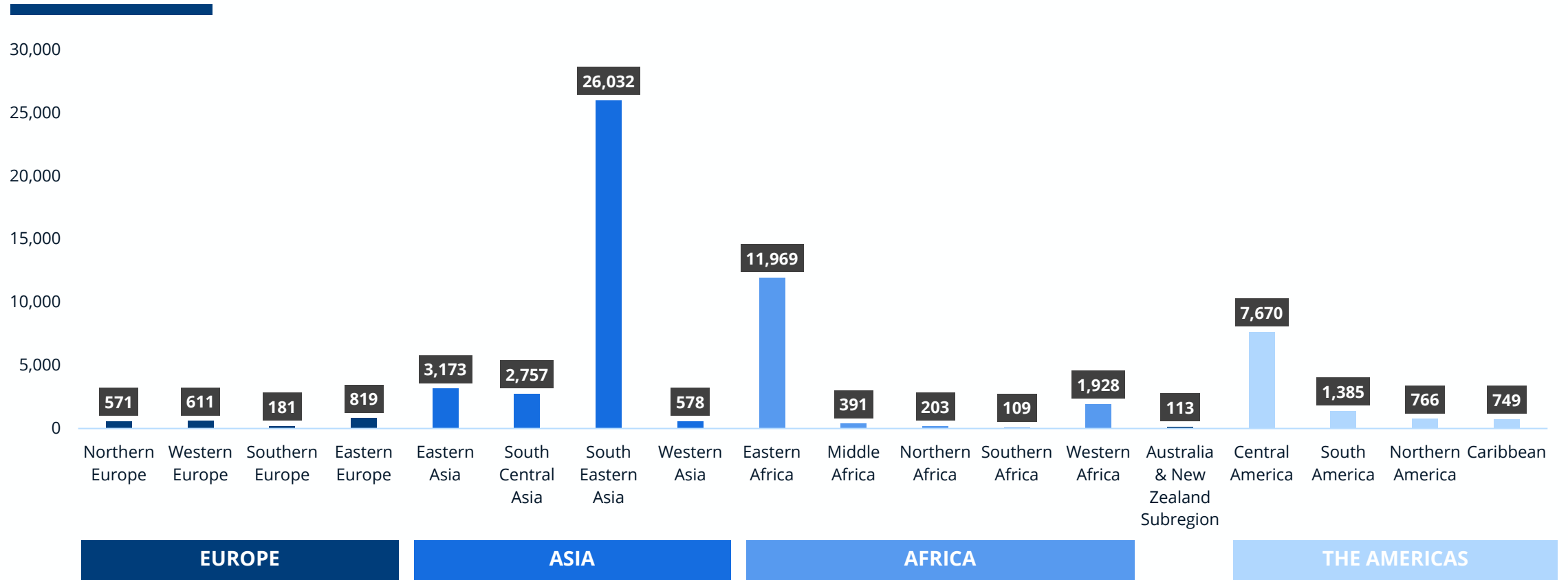
Foreign-Born Population by Continent of Origin, Saint Paul, MN (2010-2020)



Demographic Trends | Foreign-Born Population

In 2020, residents from the regions of Southeastern Asia, Eastern Africa, and Central America accounted for the majority of Saint Paul's foreign-born population.

Foreign-Born Population by Subcontinent of Origin, Saint Paul, MN (2020)

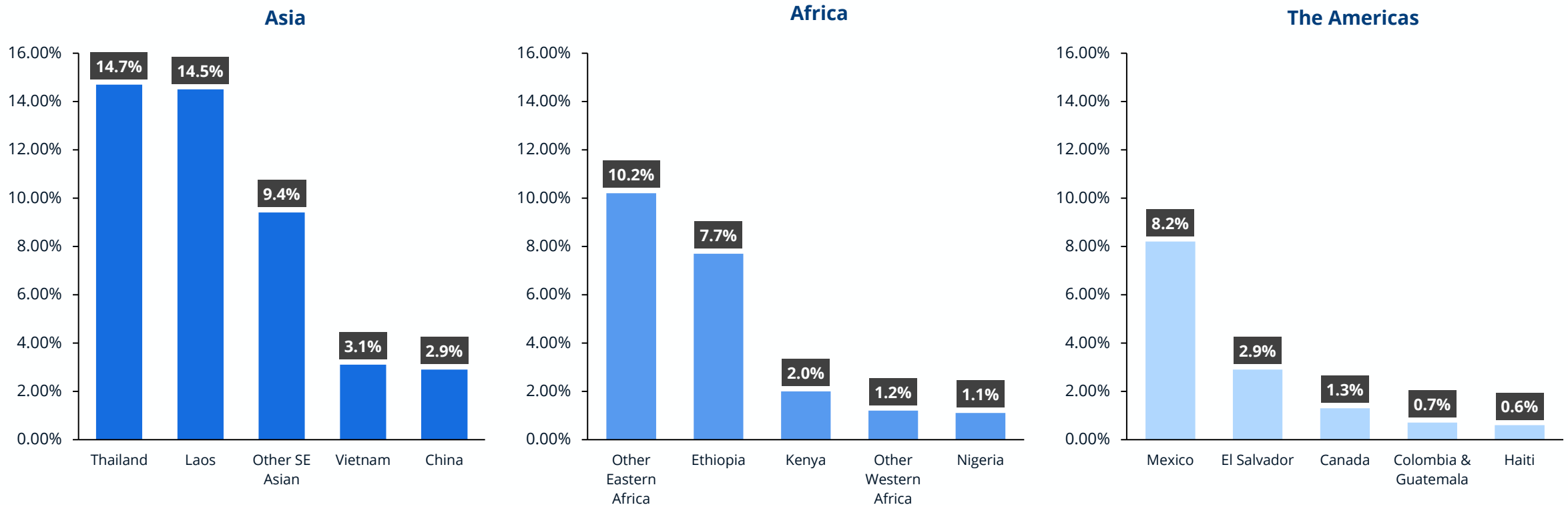


Source(s): ACS 5-Year Estimates

Demographic Trends | Foreign-Born Population

In 2020, of the 60,328 foreign-born residents in Saint Paul, 14.7% came from Thailand, while 14.5% came from Laos. Those from East African nations made up 10.2% of the immigrant population.

Top Countries of Origin for Foreign-Born Residents, Saint Paul, MN (2020)

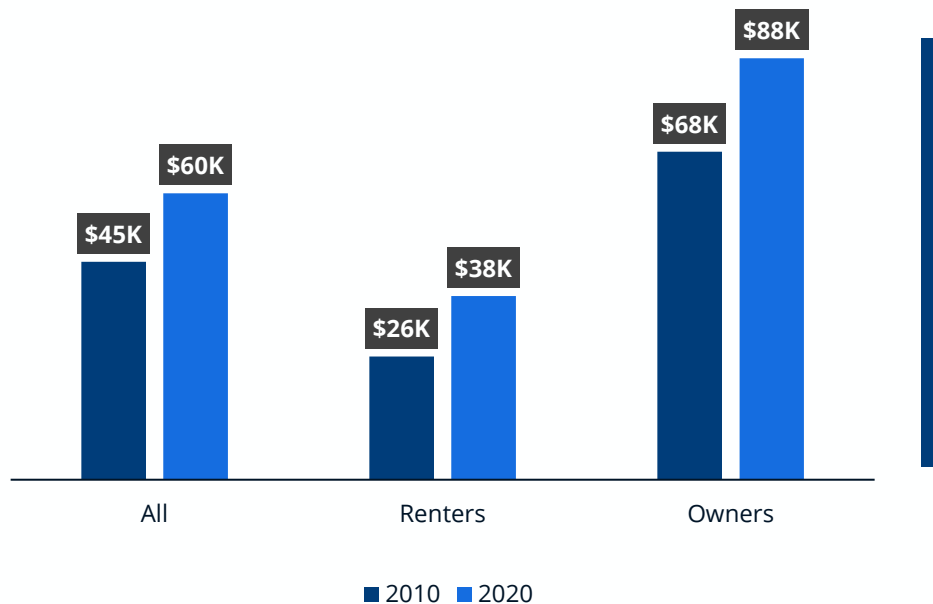


Source(s): ACS 5-Year Estimates

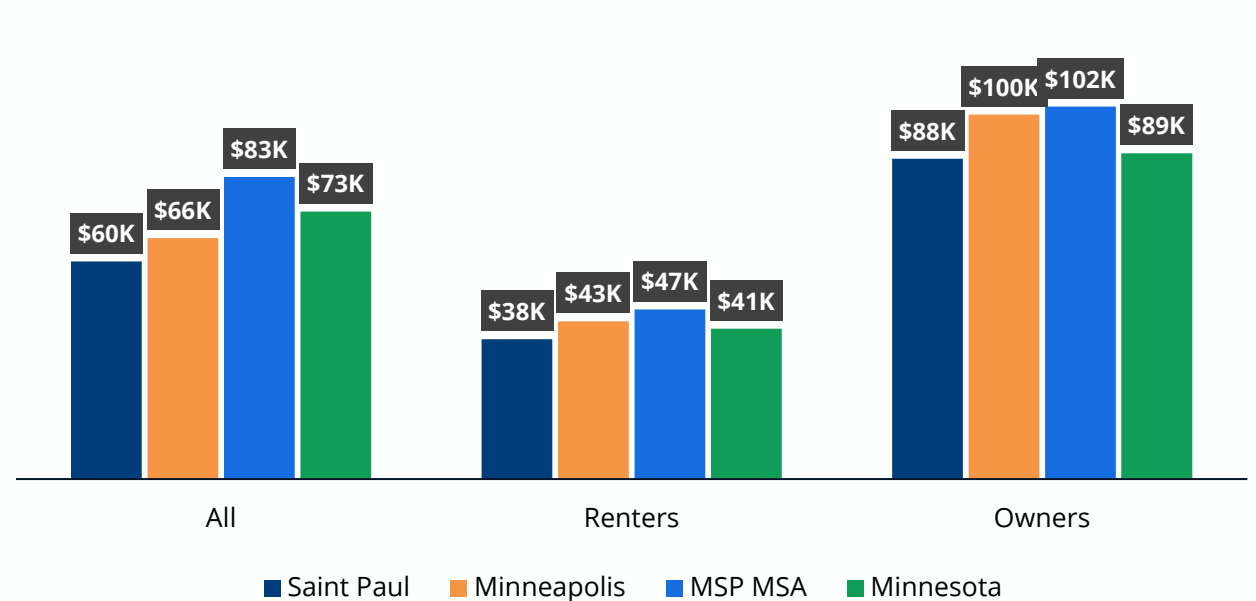
Demographic Trends | Income by Tenure

Over the last decade, renters' incomes have increased 49% and owners' incomes have increased 28%. For both owners and renters, Saint Paul's median income lags Minneapolis, the MSA, and the state.

Median Income by Tenure, Saint Paul, MN (2010-2020)



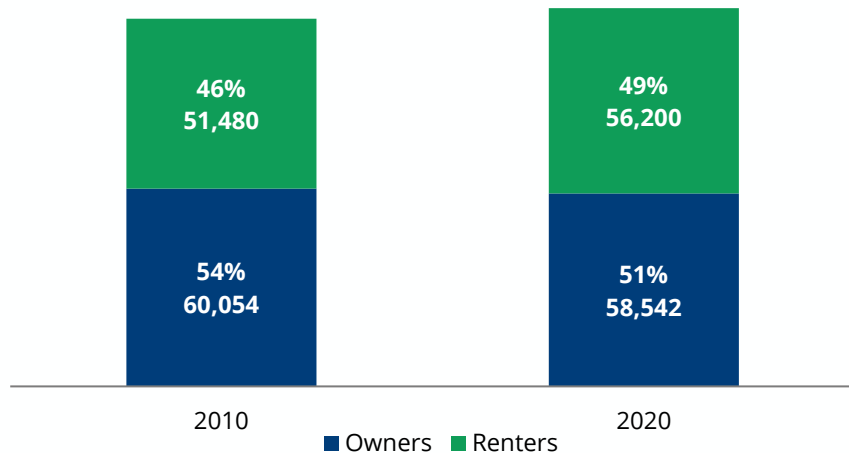
Comparative Median Income by Tenure (2020)



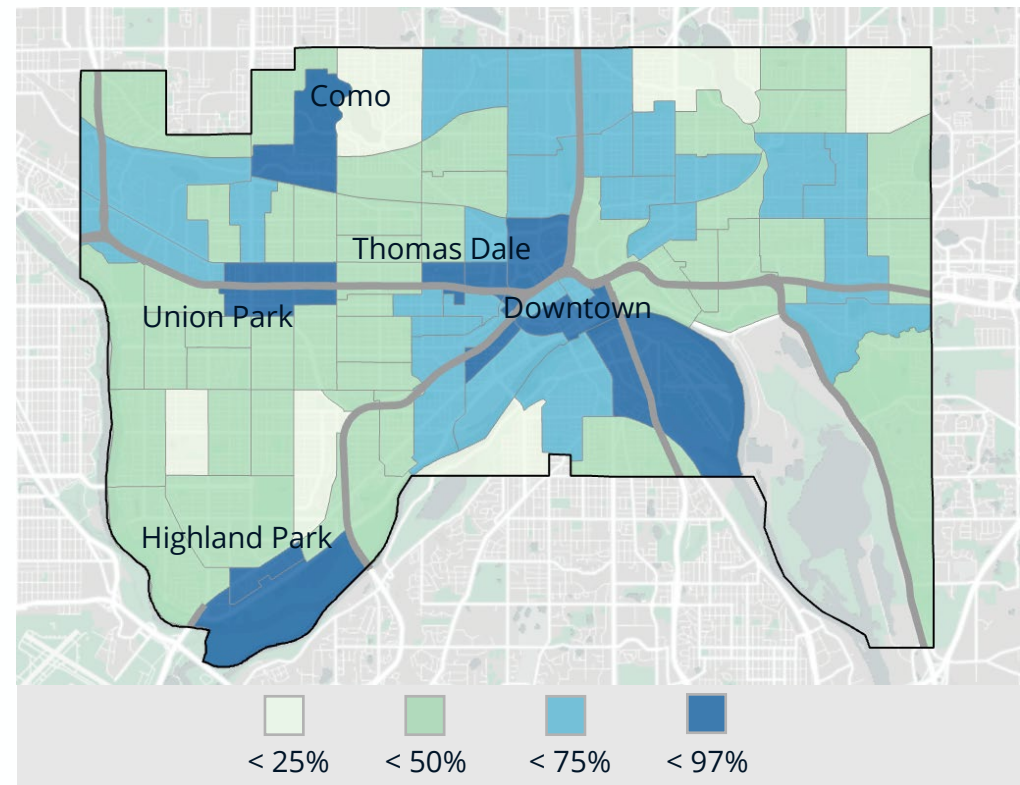
Demographic Trends | Housing Tenure

Over the last decade, rentership has increased and ownership has decreased, both in number and proportion. The highest share of renters exists around Downtown and in pockets of Union Park, Como, and Highland Park.

Housing Units by Tenure, Saint Paul, MN (2010-2020)



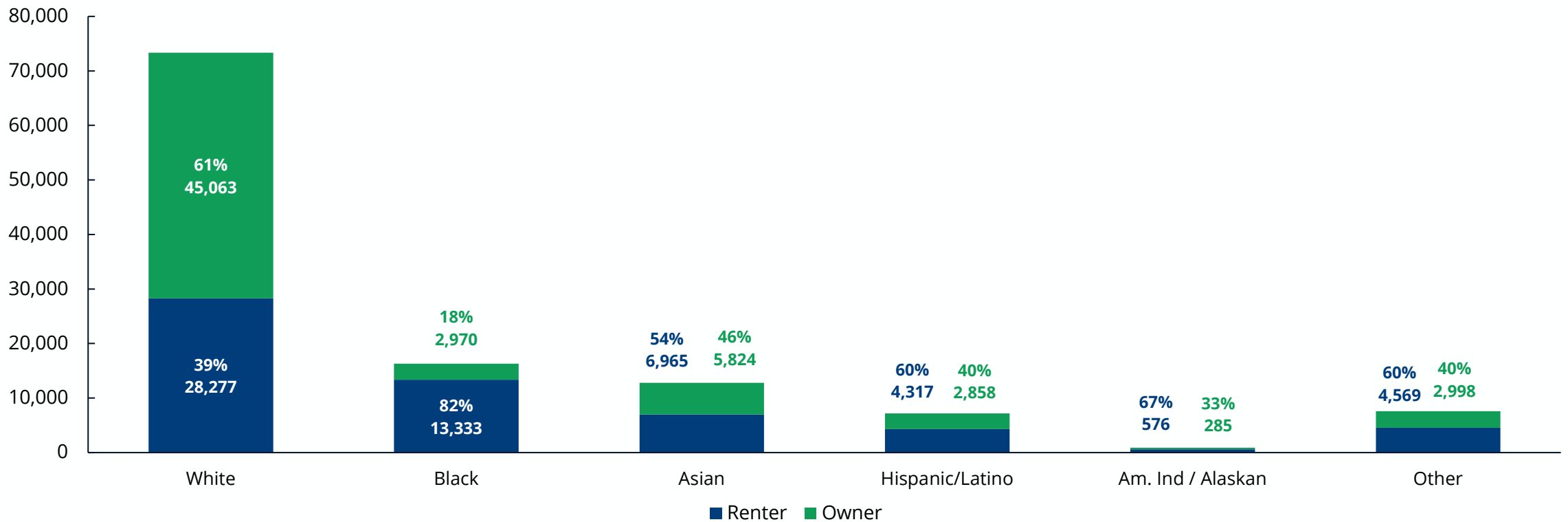
Share of Renters (2020)



Demographic Trends | Housing Tenure by Race

61% of white households own their home while only 18% of Black households own their home.

Housing Tenure by Race, Saint Paul, MN (2020)

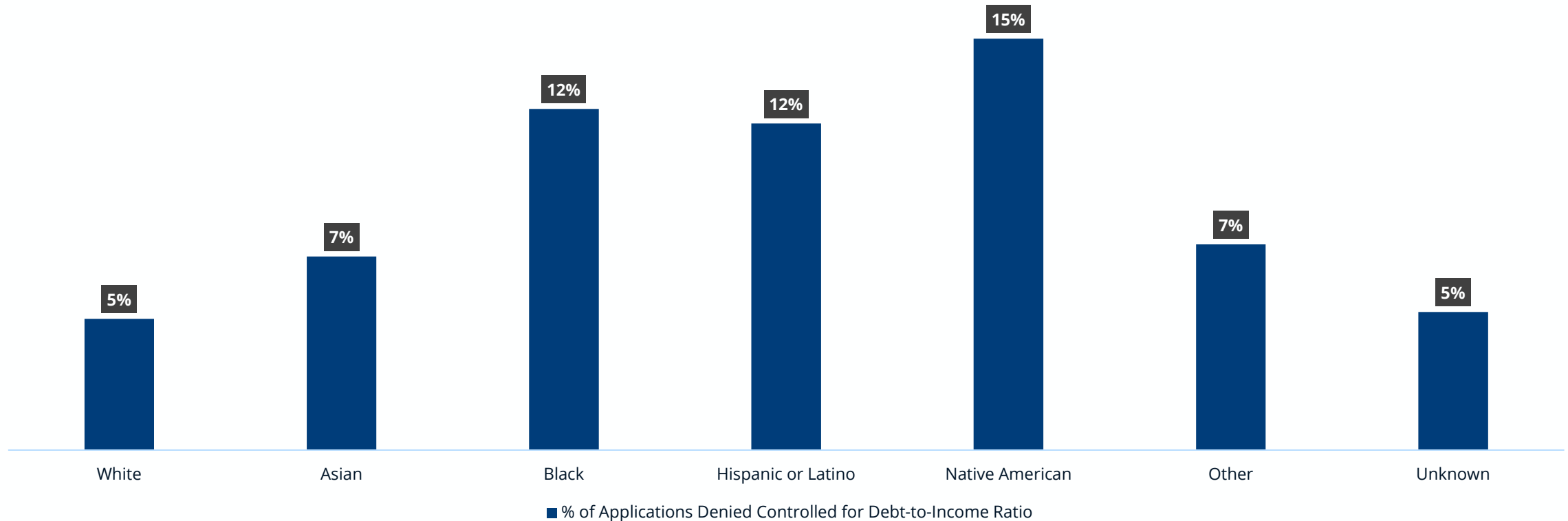


Source(s): ACS 5-Year Estimates

Demographic Trends | Population and Demographics

Controlling for Debt-to-Income Ratio, Black and Latino applicants are over two times as likely to have their mortgage application denied when compared to white applicants. Native American applicants are three times as likely to be denied.

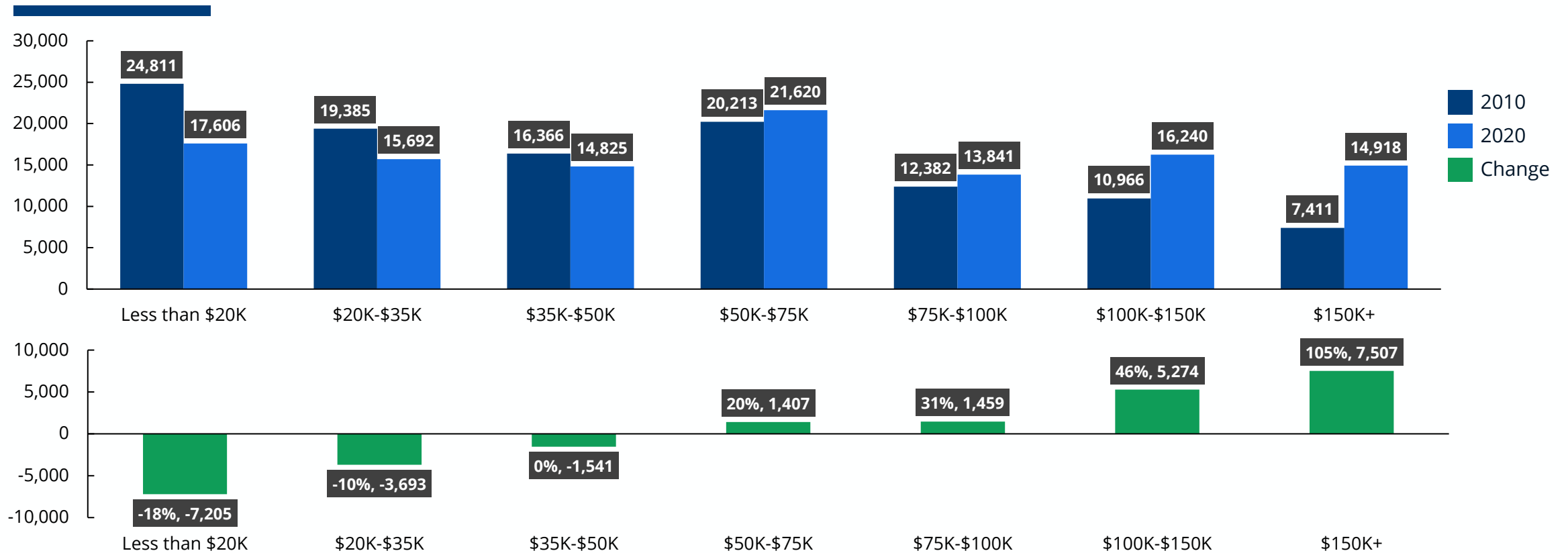
Mortgage Denials by Race, Saint Paul, MN (2020)



Demographic Trends | Population and Demographics

Incomes in Saint Paul are generally rising, with fewer households making less than \$50,000 and more households making \$50,000+.

Household by Income, Saint Paul, MN (2010-2020)



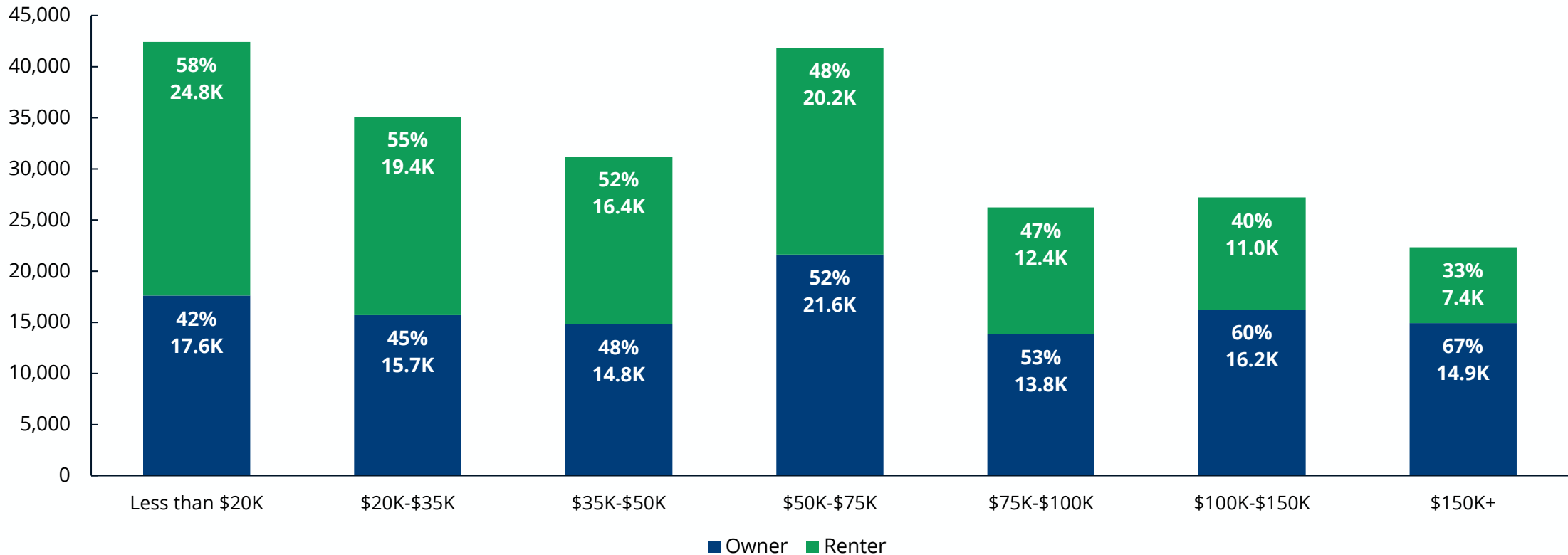
Source(s): ACS 5-Year Estimates

Note: Incomes are not inflation adjusted, so some, but not all, growth can be attributed to inflation growth in the past decade.

Demographic Trends | Population and Demographics

Households with higher median incomes are more likely to own their home than rent.

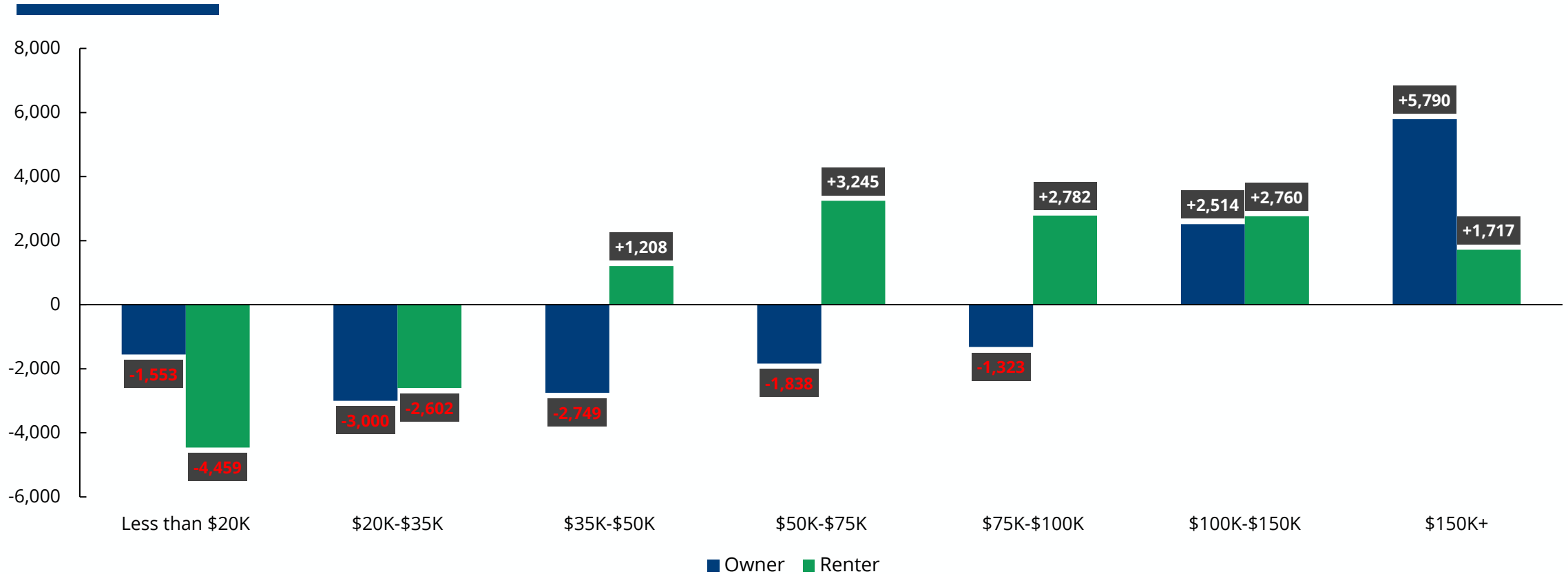
Household Income by Tenure Type, Saint Paul, MN (2020)



Demographic Trends | Population and Demographics

Since 2010, homeownership has decreased for those making less than \$100,000, while the number of renter households grew for those making over \$35,000. The loss in both renters and owners for incomes under \$35,000 indicates either rising incomes and/or displacement outside of Saint Paul.

Change in Households by Tenure Type, Saint Paul, MN (2010-2020)



Source(s): ACS 5-Year Estimates



| 03

Engagement
Findings

Engagement Findings | Methodology

NEOO Partners employed various strategies to facilitate conversations with Saint Paul community members about the housing challenges they face.

1

Virtual Open House

1

Survey & Social Media Campaign

3

Community Tables

4

Coffee Shop Conversations

6

Developer Interviews

7

Focus Groups

Engagement Findings | Results

NEOO Partners successfully engaged with hundreds of community members and gathered qualitative data to illustrate the housing situation in Saint Paul.



**619 TOTAL
PEOPLE ENGAGED**



**455 SURVEY
RESPONDENTS***



164 IN-PERSON



**6,958 SOCIAL
MEDIA
IMPRESSIONS**

Note: This number counts unique respondents and excludes duplicate entries.

Engagement Findings | **Survey Topics**

The survey focused on four key topics.

Neighborhood

Demographics

Housing Type

Barriers to
Housing

Engagement Findings | Survey Response Rates

Residents in Downtown had the highest survey response rate for renters, while residents in Como had the highest survey response rate for homeowners.

Highest Response Rates for Renters by Neighborhood

1. Downtown
2. Summit University
3. Hamline-Midway
4. Macalester-Groveland
5. Frogtown
6. Payne-Phalen and Highland

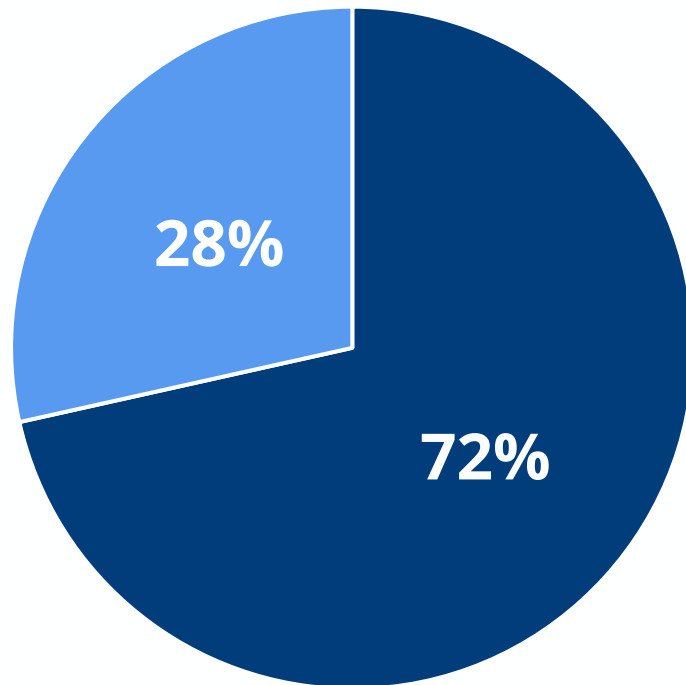
Highest Response Rates for Homeowners by Neighborhood

1. Como
2. Hamline-Midway
3. Macalester-Groveland
4. Greater East Side
5. Payne-Phalen
6. Summit University and Highland

Engagement Findings | Ownership vs. Rentership

Over 70% of respondents own their homes, a higher share compared to the city's overall tenure split of 51% owner-occupied households and 49% renter-occupied households.

Responses by Tenure



■ Own ■ Rent

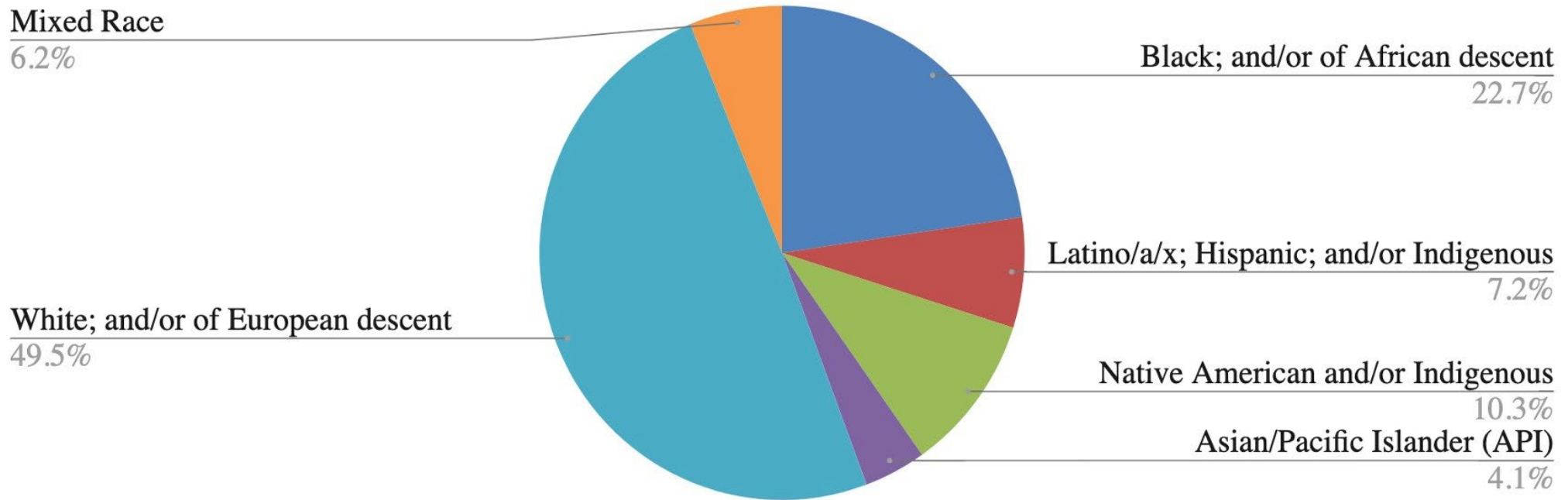
Of 455 respondents:

- **358** answered
 - **256** respondents own
 - **102** respondents rent
- **90** skipped
- **7** answered "other"

Engagement Findings | Race & Ethnicity – Renters

50.5% of survey respondents who rent their homes identified as BIPOC. As previously mentioned, many residents in Saint Paul’s communities of color are renters.

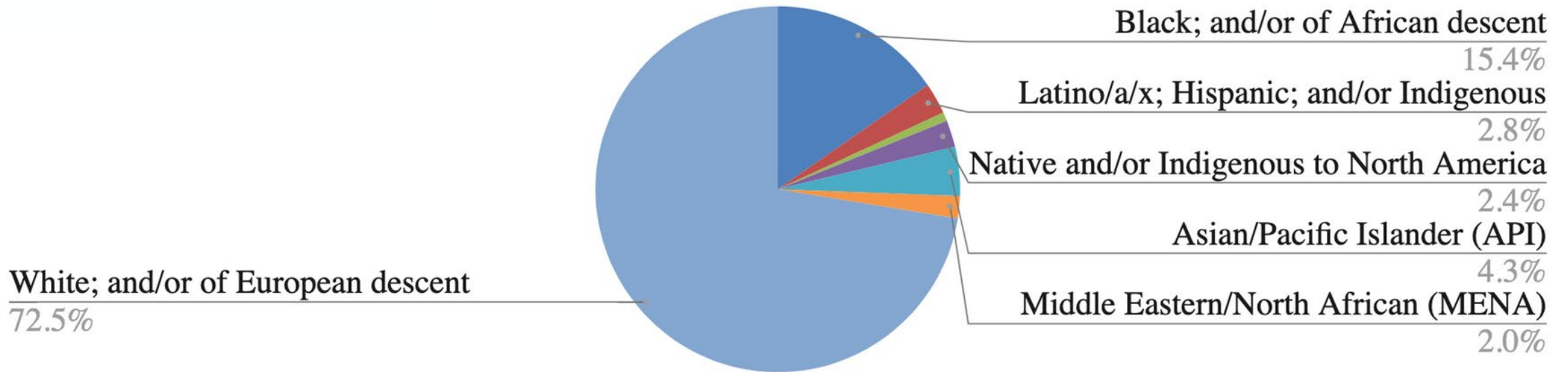
Renters by Race



Engagement Findings | Race & Ethnicity – Homeowners

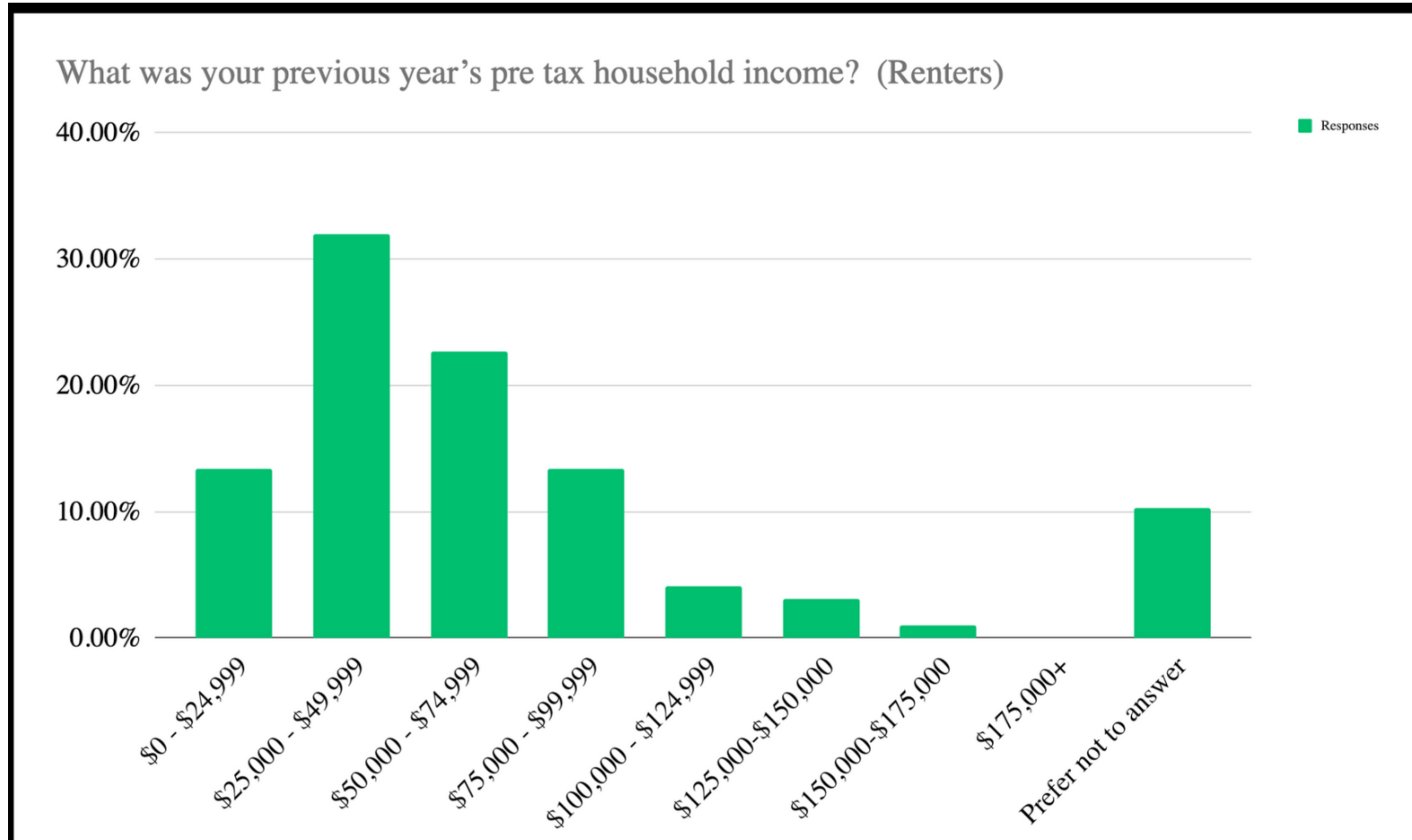
72.5% of survey respondents who own their homes identified as white and/or of European descent. As previously mentioned, white households in Saint Paul are more likely to own instead of rent their homes.

Homeowners by Race



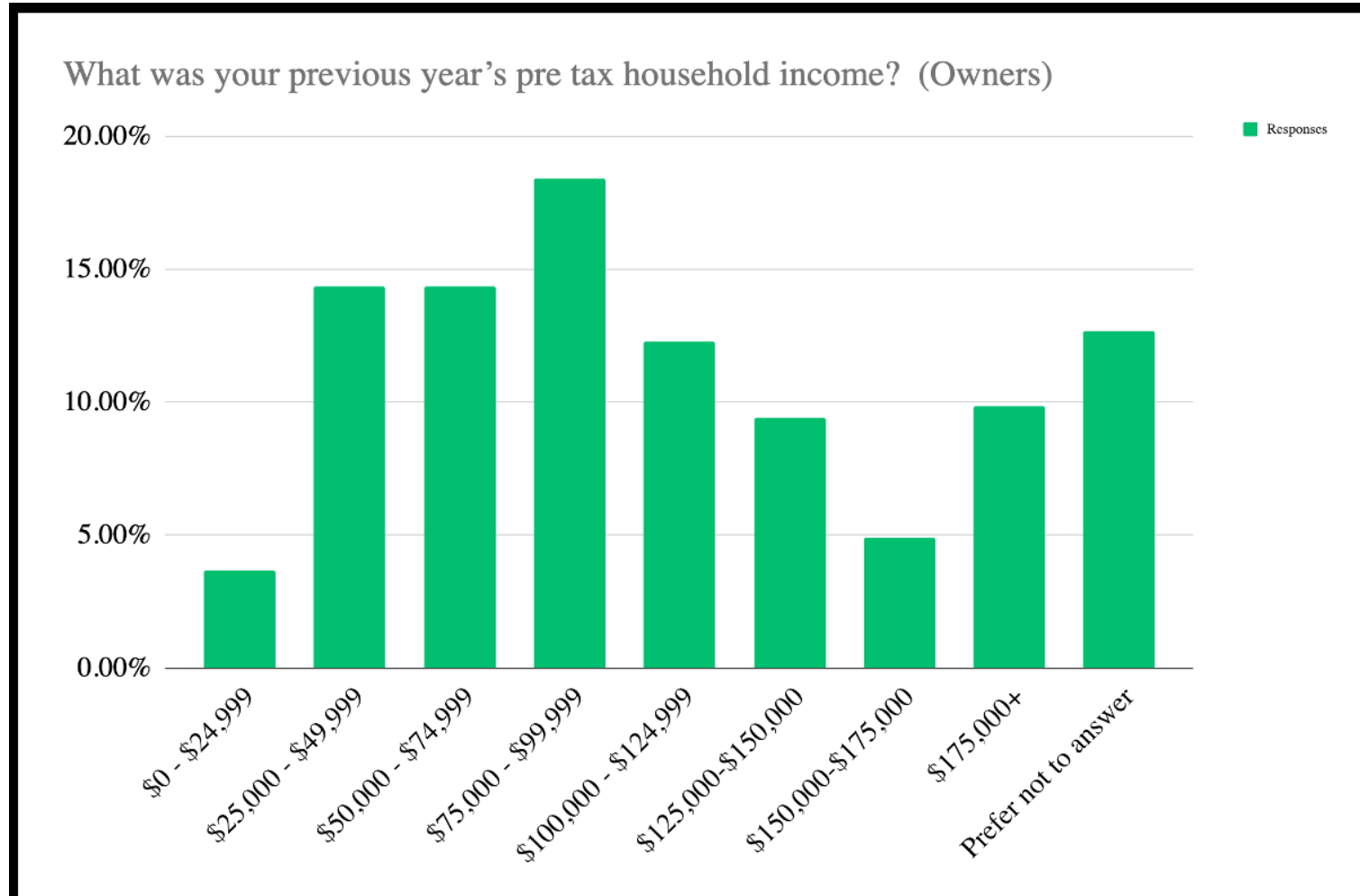
Engagement Findings | Income Distribution - Renters

Renter survey respondents' incomes skew toward the low- to moderate-income range. Overall median income in Saint Paul is \$60,000, while the median income for renters alone is \$38,000.



Engagement Findings | Income Distribution - Homeowners

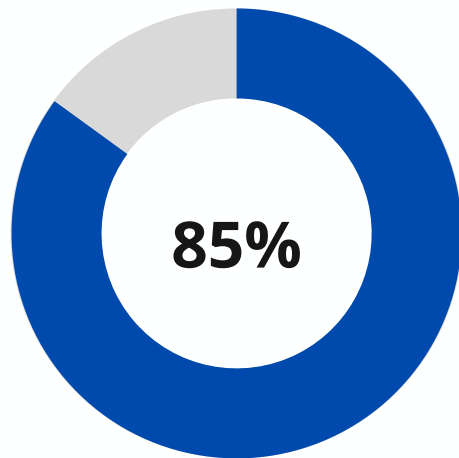
Homeowner survey respondents had higher incomes than renters, aligning with census data. Homeowners in Saint Paul have a median household income of \$88,000.



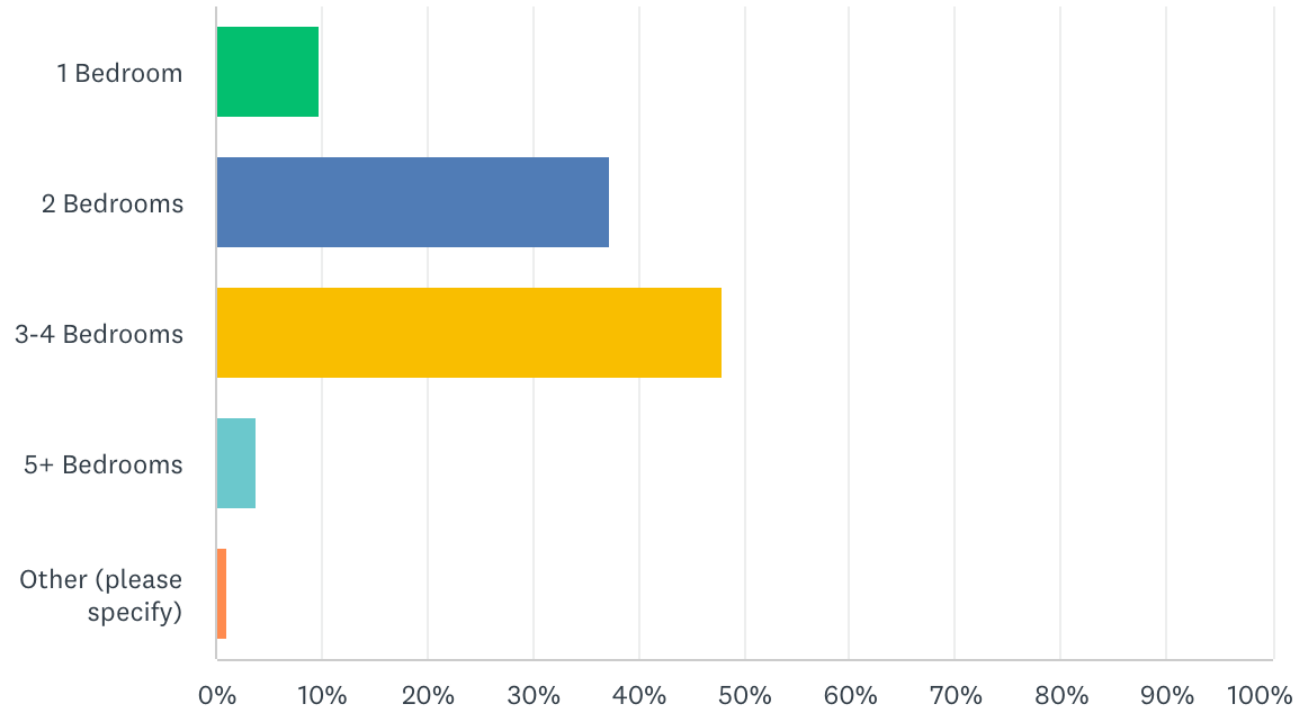
Engagement Findings | Ideal Home Size – Renters

Most renters' ideal home size is two to four bedrooms, suggesting demand for larger dwelling units.

Q: What is your ideal housing type?



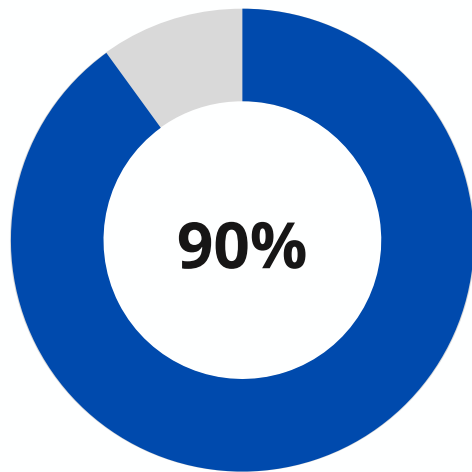
Have an ideal home size of two to four bedrooms.



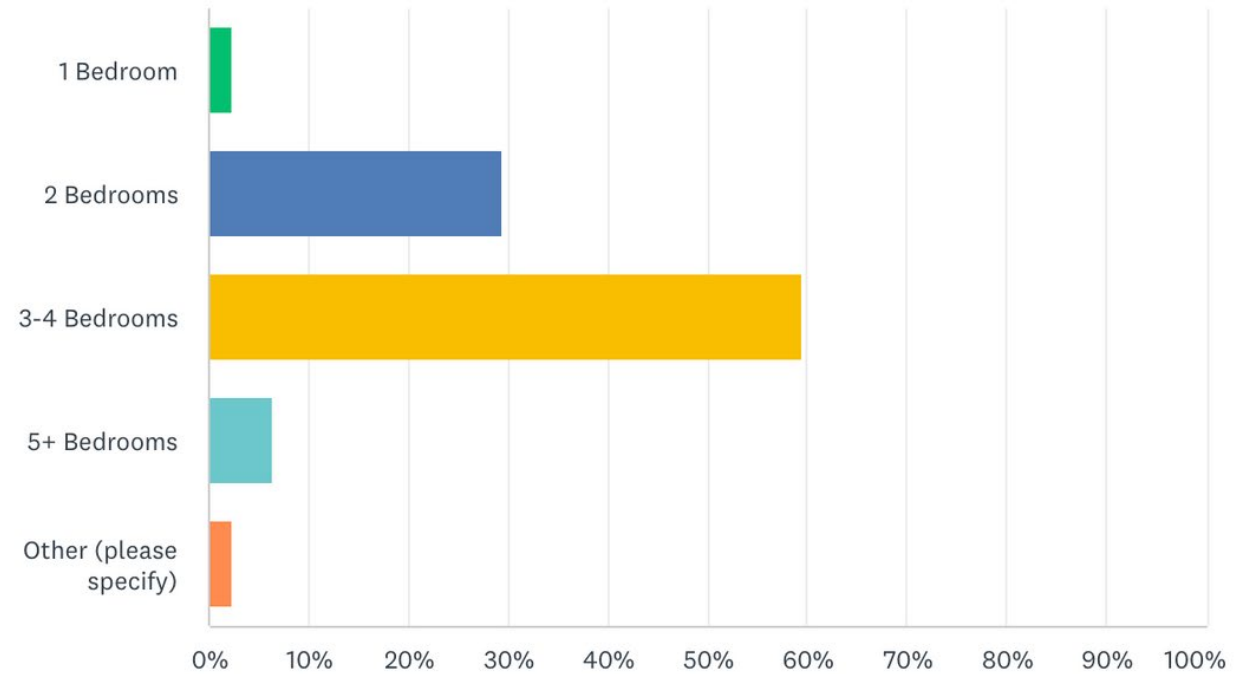
Engagement Findings | Ideal Home Size – Homeowners

Most homeowners' ideal home size is also two to four bedrooms, suggesting demand for larger dwelling units among homeowners as well.

Q: What is your ideal housing type?



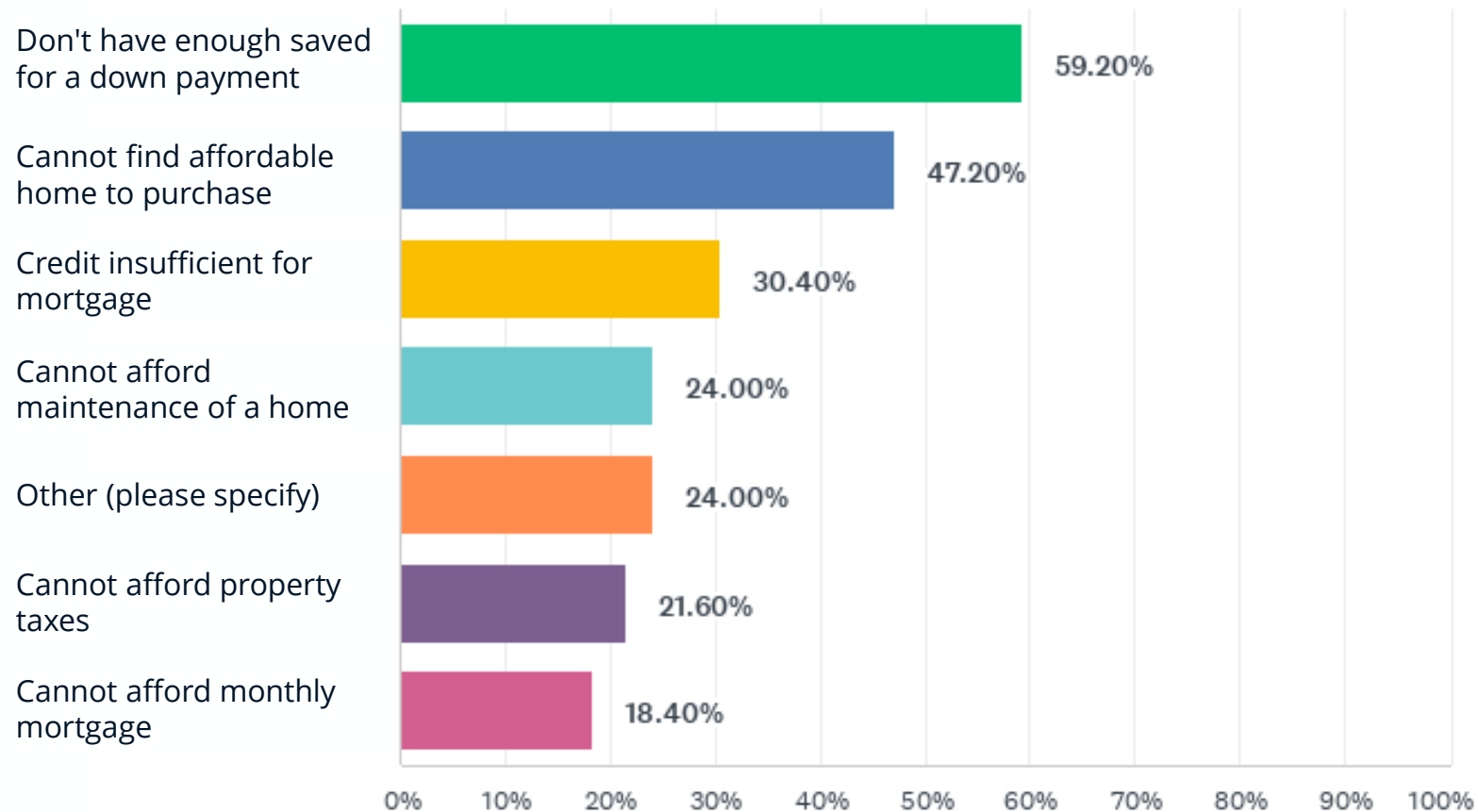
Have an ideal home size of two to four bedrooms.



Engagement Findings | Barriers to Homeownership – Renters

For renters in Saint Paul, the primary barriers to homeownership are insufficient savings for a down payment and difficulty finding an affordable home to purchase.

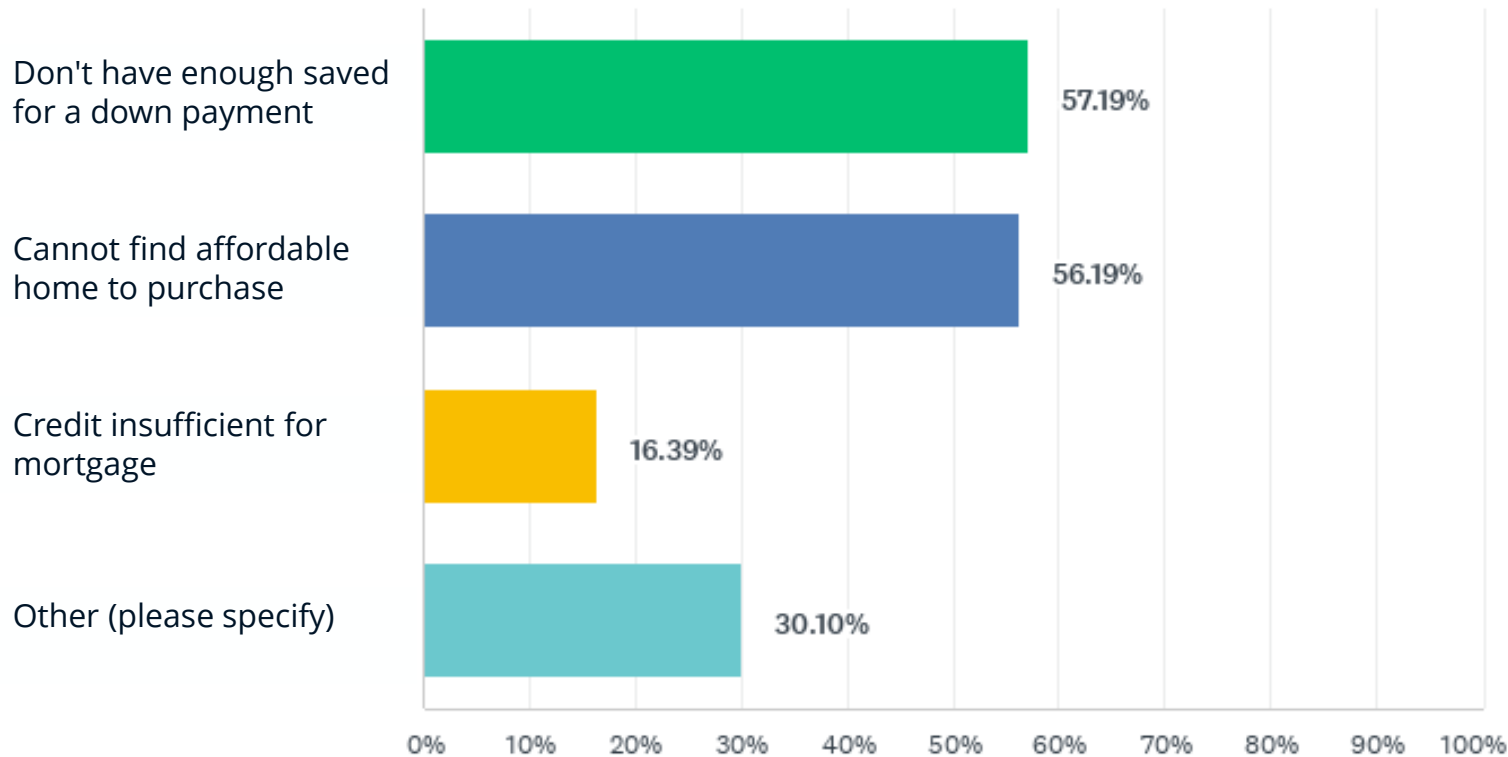
Barriers to Homeownership for Renters



Engagement Findings | Barriers to Homeownership – Homeowners

Like renters, the primary barriers to homeownership that existing homeowners faced when purchasing their homes were down payments and high purchase prices.

Barriers to Homeownership for Homeowners



Engagement Findings | **Barriers to Homeownership - Homeowners**

Homeowner respondents that noted other barriers frequently cited the cost of housing maintenance as another major obstacle to purchasing a home.

Additional Barriers to Homeownership for Homeowners



Engagement Findings | Top Factors Impacting Housing Choice

Both renters and homeowners are driven by the same factors when choosing where to live in Saint Paul, with affordability taking top priority.

Top Three Factors Impacting Housing Choice for Renters

1. Affordability
2. Proximity to Work
3. Community Amenities

Top Three Factors Impacting Housing Choice for Homeowners

1. Affordability
2. Proximity to Work
3. Community Amenities

Engagement Findings | **Top Cost Increases**

Both renters and homeowners are seeing costs rise for utilities and insurance. Renters are seeing their primary increases in base rent, while homeowners are seeing property taxes rise.

Top Three Factors Impacting Housing Choice for Renters

1. Rent
2. Utilities
3. Insurance

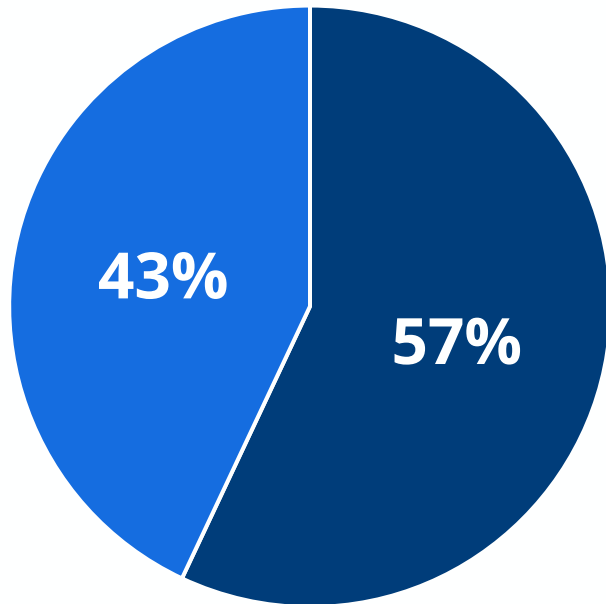
Top Three Factors Impacting Housing Choice for Homeowners

1. Property Tax
2. Utilities
3. Insurance

Engagement Findings | Displacement Concern

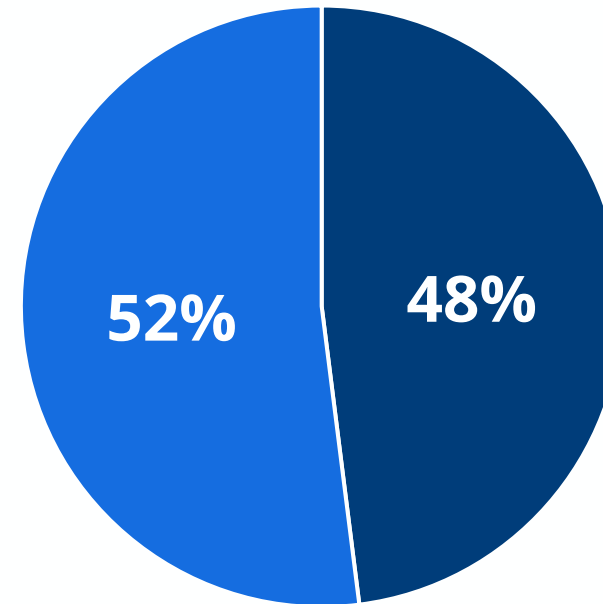
Renters tend to be slightly more concerned about displacement than homeowners, and fear that they will not be able to continue living in their neighborhoods within the next 5-10 years.

Displacement Concerns of Renters



- Concerns About Displacement
- No Concerns About Displacement

Displacement Concerns of Homeowners

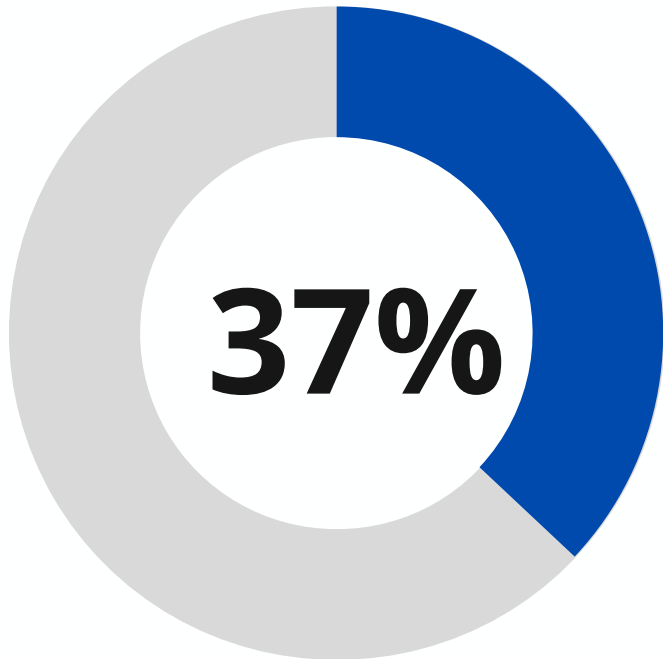


- Concerns About Displacement
- No Concerns About Displacement

Engagement Findings | Local Program Awareness

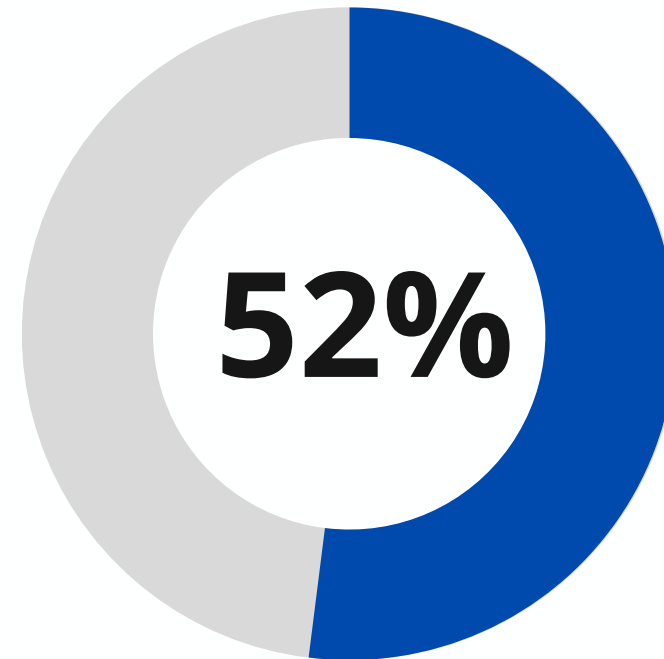
Most renters are not aware of programs that can assist them with purchasing a home. Nearly half of homeowners are also unaware of these programs, suggesting a lack of knowledge regardless of tenure.

Renters' Awareness of Homeownership Programs



Of renters are aware of local programs available to support in purchasing a home.

Homeowners' Awareness of Homeownership Programs



Of homeowners are aware of local programs available to support in purchasing a home.

Engagement Findings | Housing Program Knowledge

The First Time Home Buyer program was the most common write-in answer for programs used to purchase a home.

Commonly Known Homeownership Programs by Saint Paul Residents



Engagement Findings | Reasons for No Longer Owning a Home

Respondents listed several reasons why they no longer own their homes.

Employment Changes

Divorce

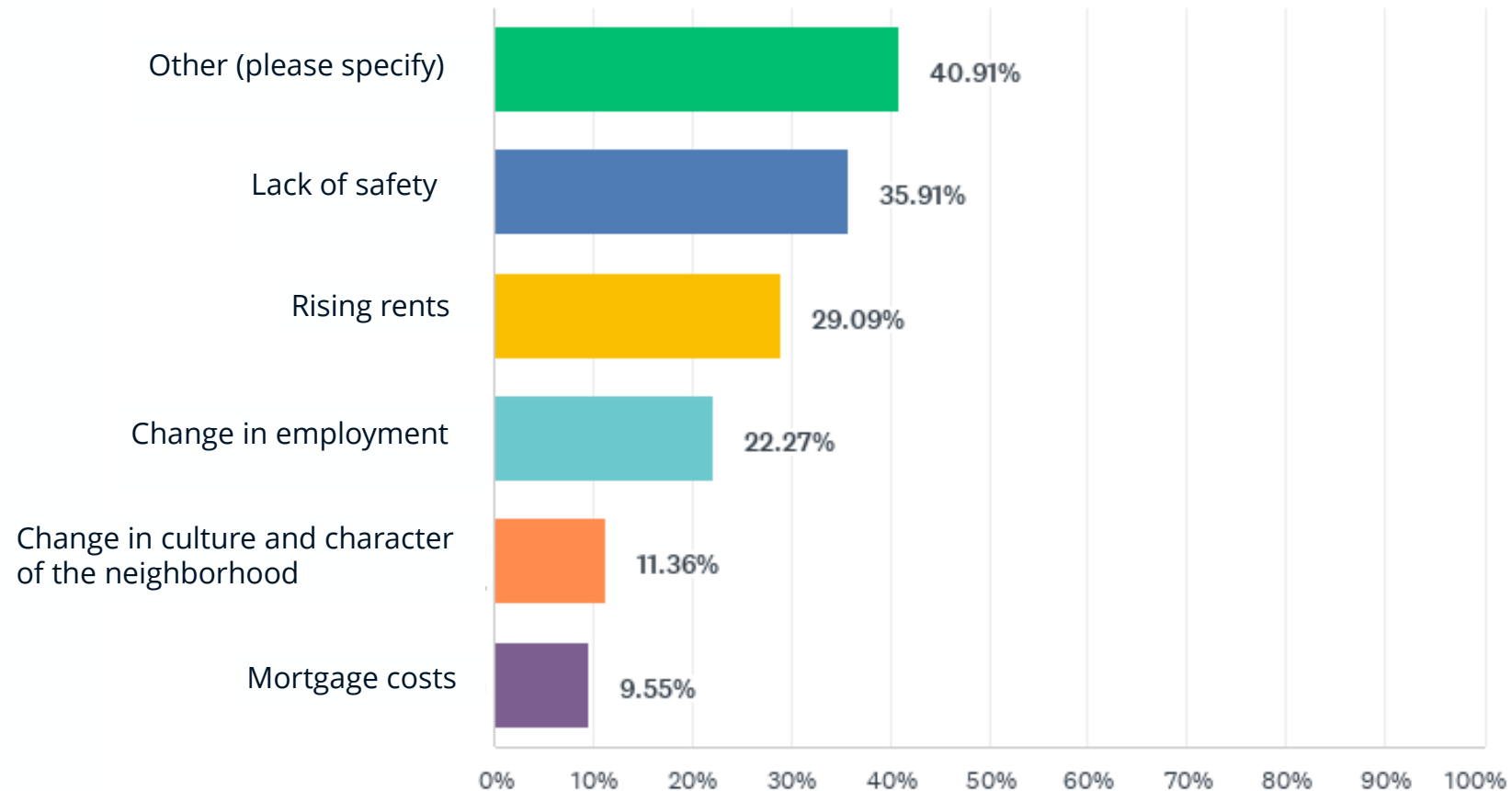
Aging in Place

Lack of Amenities

Engagement Findings | Reasons for Leaving Homes and Neighborhoods

Respondents, both renters and homeowners, cited a lack of safety and increased rents as two of the primary reasons for leaving their homes and neighborhoods.

Reasons for Leaving Homes and Neighborhoods in Saint Paul, MN

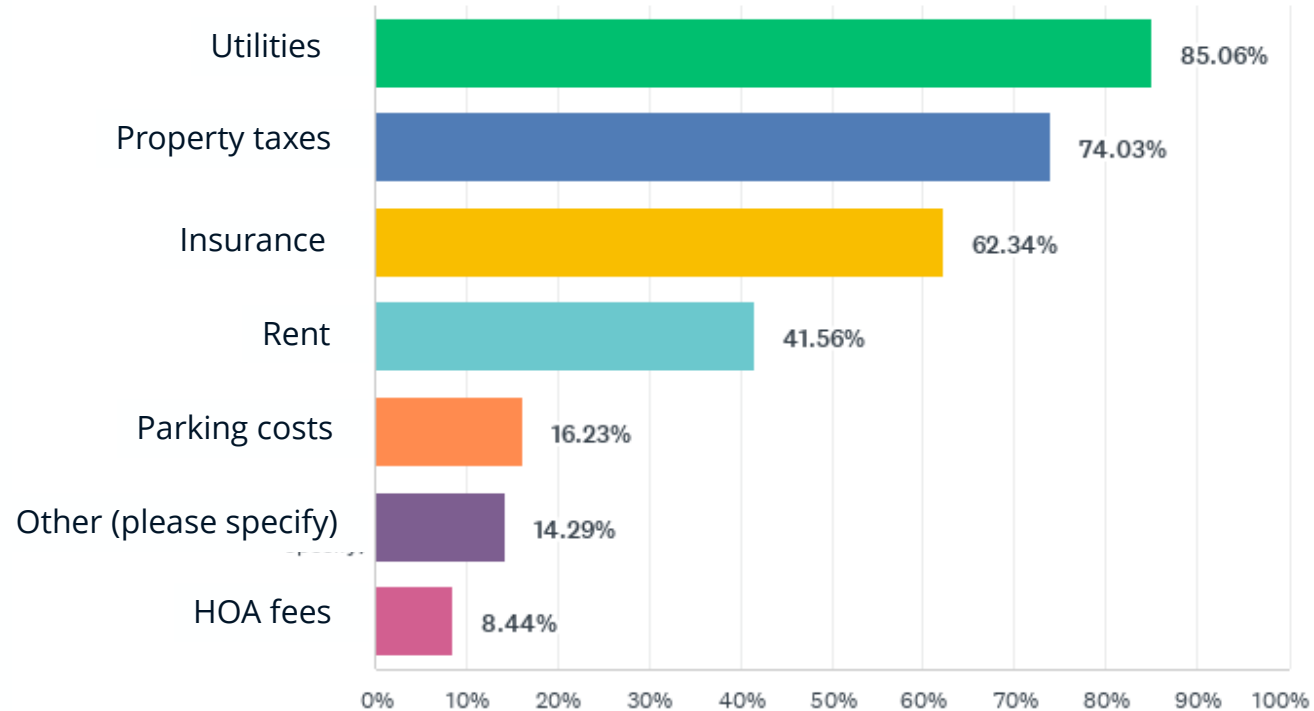


Note: The "Other" category includes responses related to property taxes, foreclosures, property maintenance costs, rising childcare costs, a desire to be closer to family, etc.

Engagement Findings | Recent Rising Costs

For all respondents, utilities and property taxes were cited the most as monthly costs that have risen within the last five years.

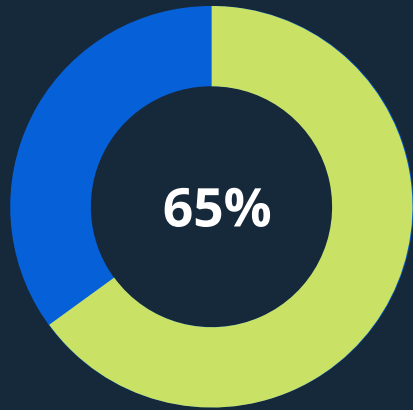
Monthly Costs That Have Risen Within the Last Five Years



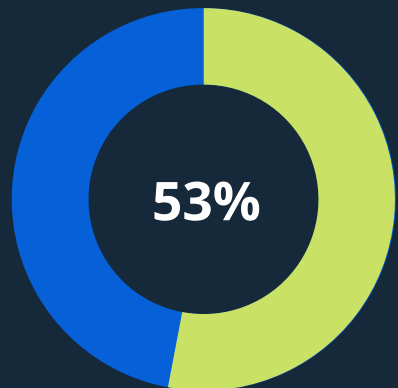
Note: The "Other" category includes costs associated with food, home repairs and maintenance, city fees, etc.

Engagement Findings | Neighborhood Comfort

Most respondents claim to live in their ideal neighborhood. Those who said that they did not were asked to explain why.



Of owners live in their ideal neighborhood



Of renters live in their ideal neighborhood

"My neighborhood feels like it's built to serve people trying to get through it quickly (check out White Bear Avenue) rather than residents."

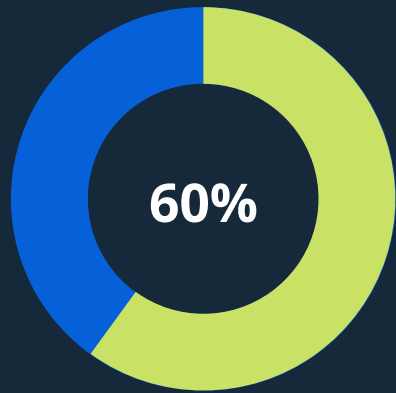
"I would like to move closer to Como Park or another walkable neighborhood. I live in a more industrial area."

"Love the Phalen neighborhood. Just worried about the increase in crime."

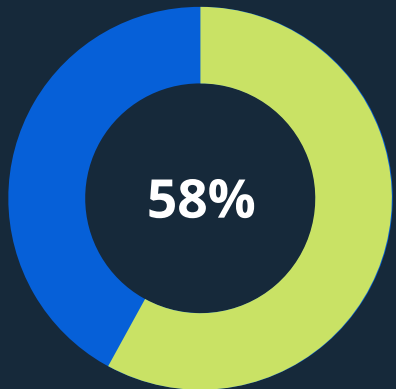
"I used to live in Midway and would love to get back there. This neighborhood is fine. It's mostly renters so doesn't feel as 'community focused'."

Engagement Findings | Affordability

Most homeowner respondents find Saint Paul to be an affordable place to live, while most renter respondents found it unaffordable.



Of owners find it affordable to live in Saint Paul



Of renters find it unaffordable to live in Saint Paul

Respondents who found Saint Paul to be an unaffordable place to live were asked to elaborate:

"Rent is too high. The property taxes are also too high. People are being allowed to build apartment buildings that do not have affordable rent. They do not take into account that not everyone has great credit."

"The cost of rent costs a greater percentage of my income."

"Because of the cost of rising rents, the cost of food, the cost of transportation...it's getting harder for everyone out here, especially the bottom tier income earners. The only way we can make it is through programs like Habitat for Humanity and Brush with Kindness. There are many other programs, but this is the one that helped me."

Engagement Findings | Community Changes

Below are responses from Saint Paul residents to the following question – have you witnessed changes in demographics or local businesses in your community in the past five years?

“The number of vacant storefronts on Snelling and University have skyrocketed. The Midway has never been fancy, but it used to feel stable.”

“Yes – so many new apartment buildings charging \$1,500+ for studios bring the kind of people that can afford that. Mostly white, less diverse.”

“Yes – noticing a lot of luxury apartment buildings going up where they just don’t seem to fit in. All it’s doing is bringing a new demographic population to my neighborhood.”

“Yes – older homes are being bought and remodeled and being sold for higher prices than starter or middle-income homebuyers can afford.”

“Yes – a lot of breweries and leisure/entertainment businesses are opening near my place. All the new homeowners who have bought on our block are white folks.”

“Demographics have not noticeably changed but many businesses in Highland have closed. In other parts of the city that I frequent – East Side, Downtown – it is the same story with business closures.”

Engagement Findings | **Community Feedback on Equitable Housing Strategies**

Engagement yielded a variety of thoughts on how housing issues should be approached and addressed in Saint Paul.

- Provide a mix of housing for renters and homeowners
- Well-paying jobs should be available nearby [where people are living]
- Cultural considerations – building units with more than two bedrooms for larger intergenerational households
- Community co-ops
- Land trusts
- Education on homeownership
- Funding for affordable housing at all levels
- Community ownership and community-led RFPs
- Rental agreements in multiple languages other than just English
- Changing how the government determines affordable housing rates to local markets
- Reward landlords who offer affordable rents with reduced property taxes
- Lower the deposits required to move in
- More places like Safe Zone, shelters for families

There is a need for **more affordable housing** for all populations in Saint Paul

New high-rise housing is seen as “luxury” housing and **not accessible to average residents**

There is a desire for **community-led housing solutions** (co-ops, land trusts, etc.)

More resources are needed from the City (money and education) to maintain, purchase, or subsidize housing costs



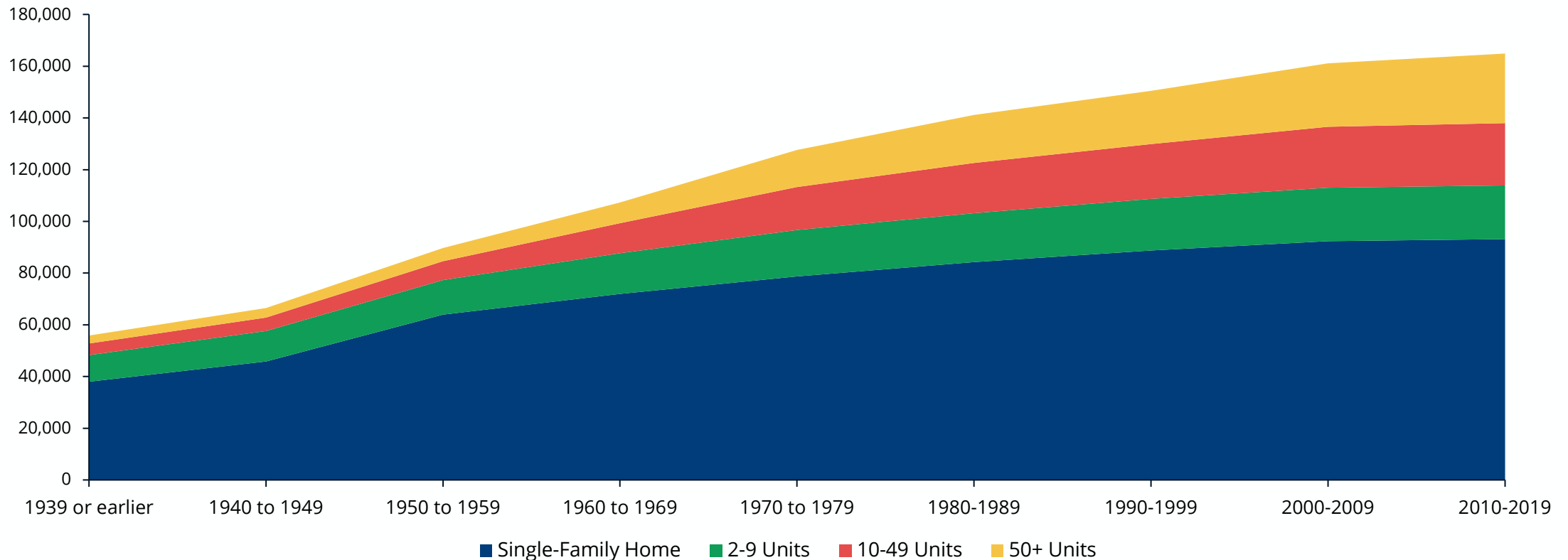
| 04

Housing Stock

Housing Stock | Housing Age

Single-family homes have held the largest share of Saint Paul's housing stock. Since the 1970s, Saint Paul has seen an increase in the number of multifamily buildings.

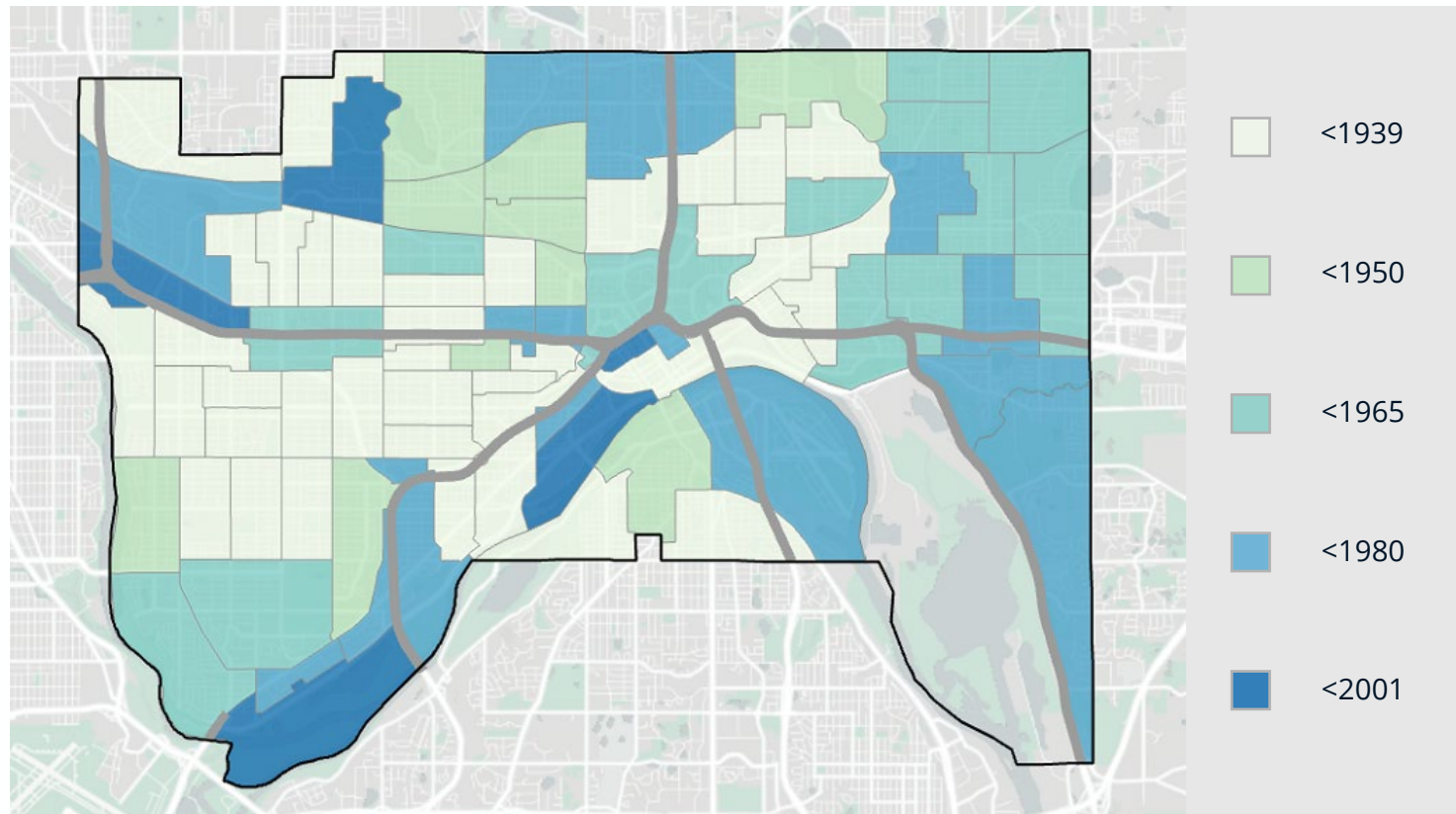
Cumulative Change in Housing Typology by Decade, Saint Paul, MN



Housing Stock | Housing Age

Many tracts in the city have structures with median year built prior to 1939. This suggests that a significant portion of Saint Paul's housing stock is over 80 years old.

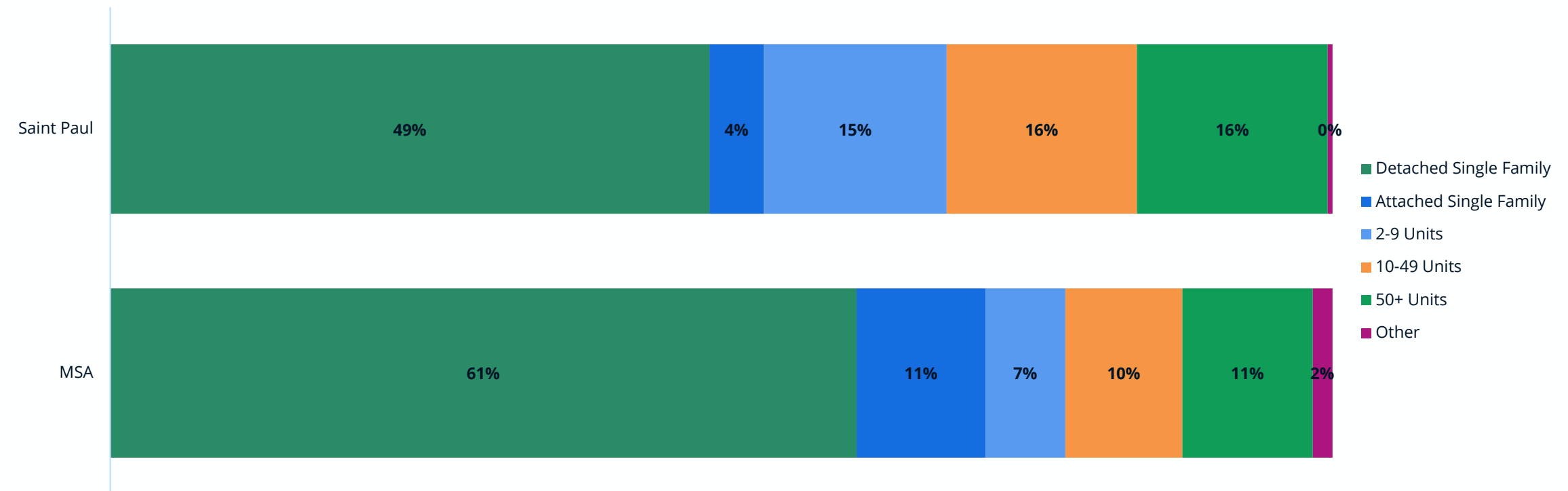
Median Year Built of Structure, Saint Paul, MN
(2020)



Housing Stock | Housing Typology

Although Saint Paul's housing stock mostly consists of single-family residences, the city has a higher proportion of multi-family properties compared to the MSA.

Comparative Units by Building Typology (2020)



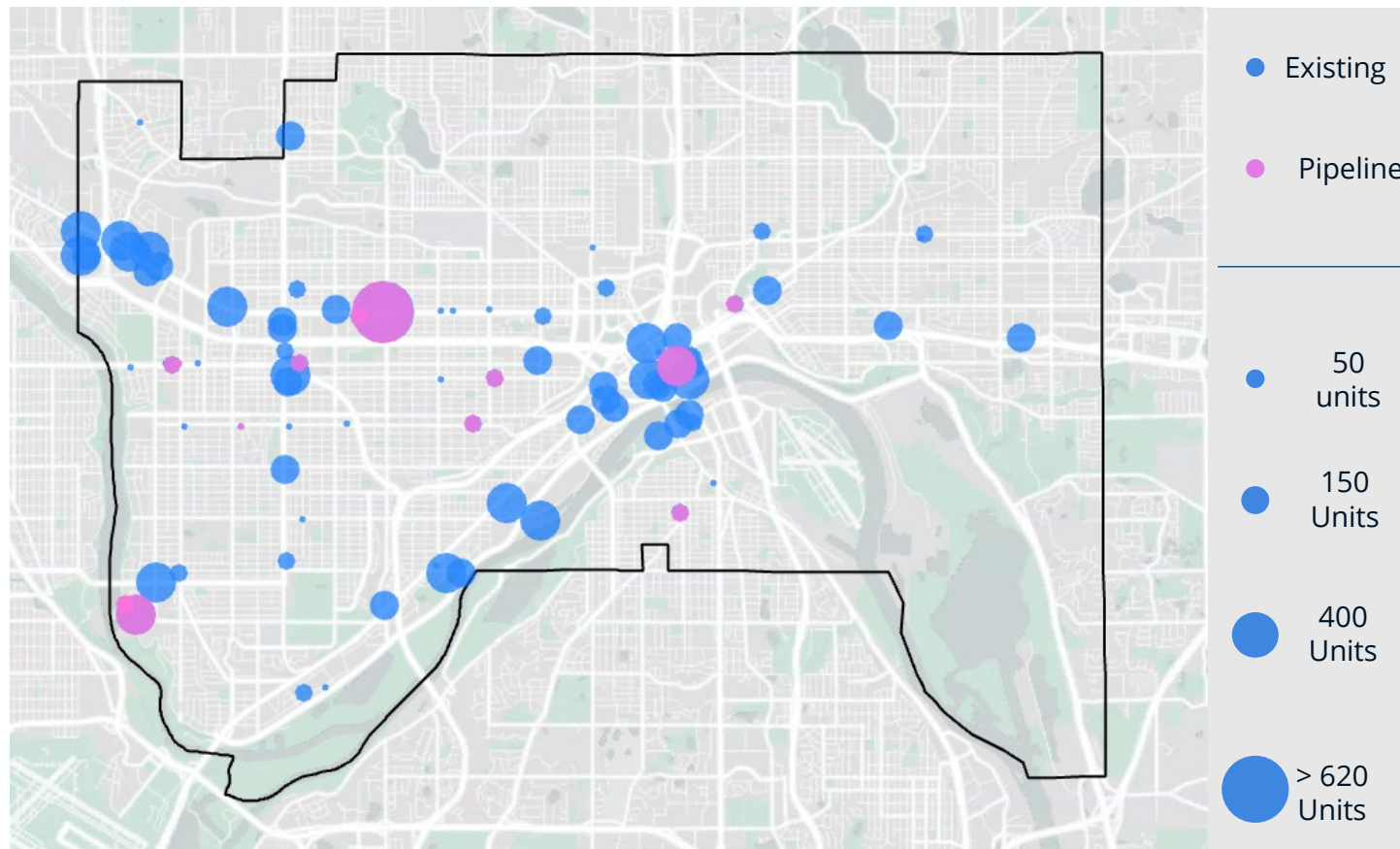
Note: "Attached Single Family" refers to townhomes/rowhouses and does not include duplexes

Source(s): ACS 5-Year Estimates

Housing Stock | Housing Supply

Multifamily production in Saint Paul has increased dramatically in the past decade. The multifamily development pipeline includes over 2,000 units in the next two years.

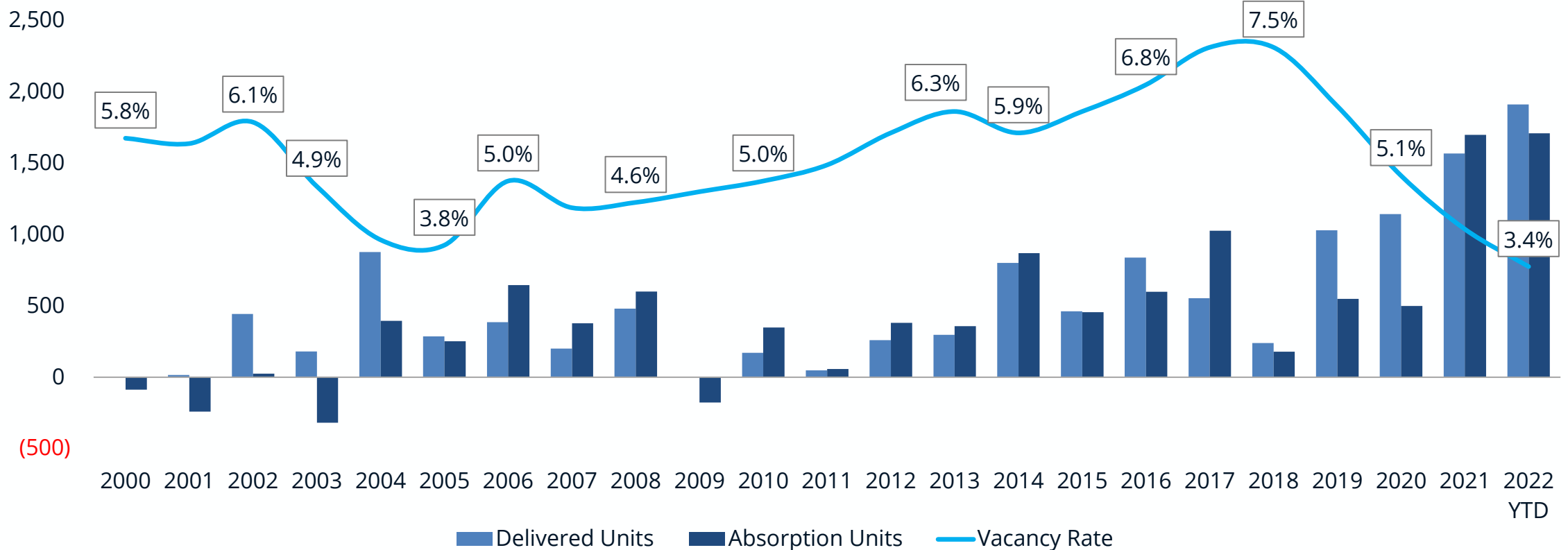
Multifamily Deliveries by Number of Units (2012-2022)



Housing Stock | Multifamily

The production of multifamily units in Saint Paul has accelerated significantly since 2018. The vacancy rate has also seen a steep decline within the same time frame, reaching the lowest rate since 2005.

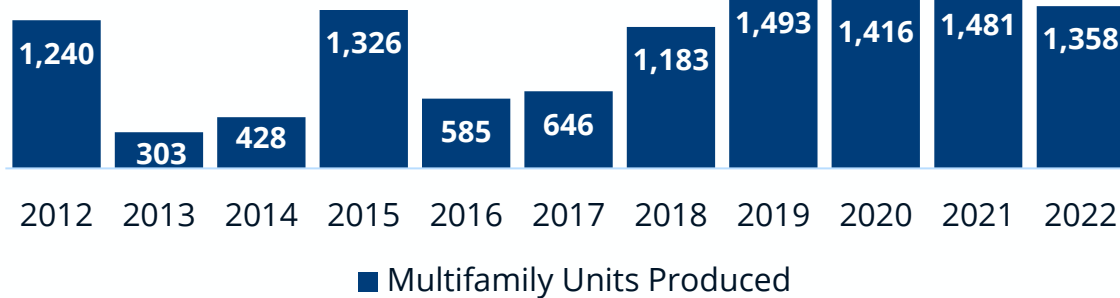
Multifamily Unit Trends, Saint Paul, MN (2000-2022)



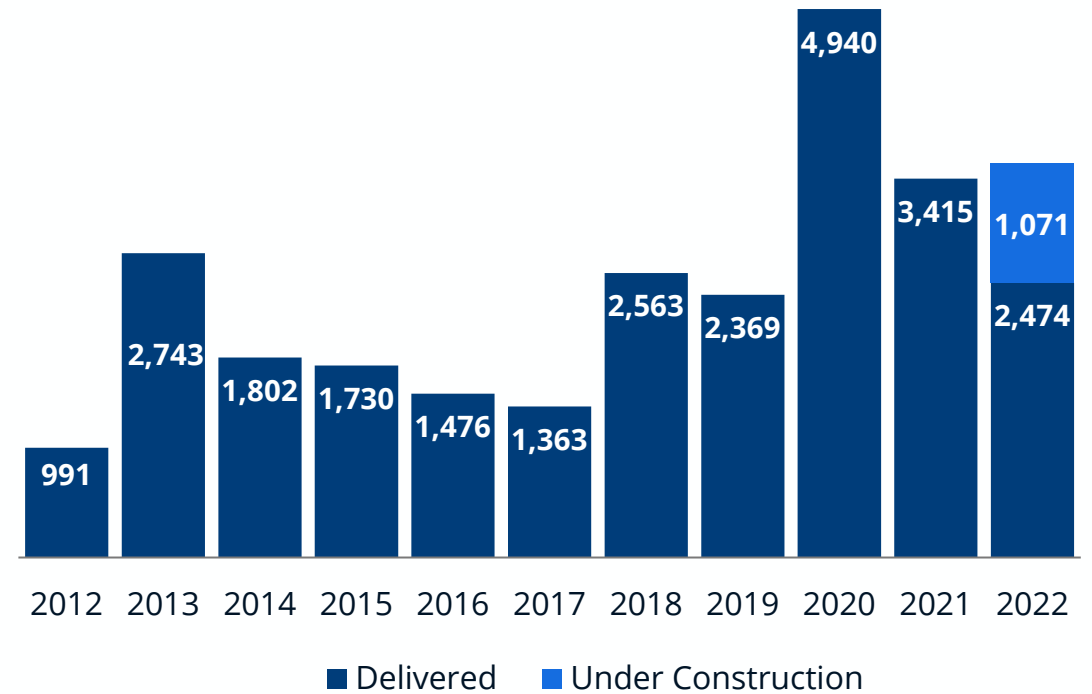
Housing Stock | Multifamily

Despite this dramatic increase in multifamily production, Minneapolis has received almost three times as many multifamily unit deliveries than Saint Paul since 2012.

Multifamily Unit Production, St. Paul (2012-2022)



Multifamily Production, Minneapolis (2012-2022)



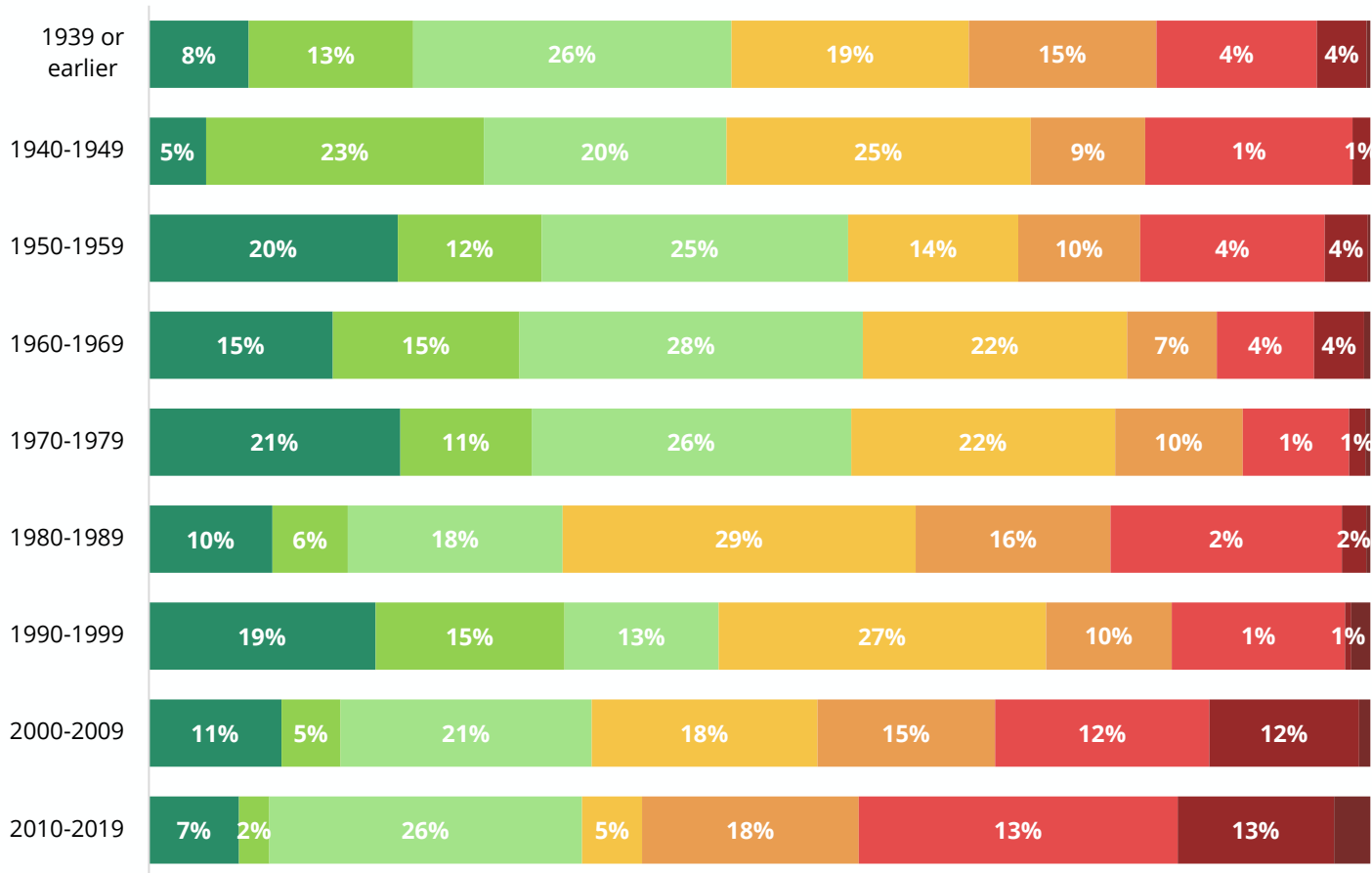
Source(s): Saint Paul Housing Permit Data; Minneapolis CoStar Data

Rental Housing Stock

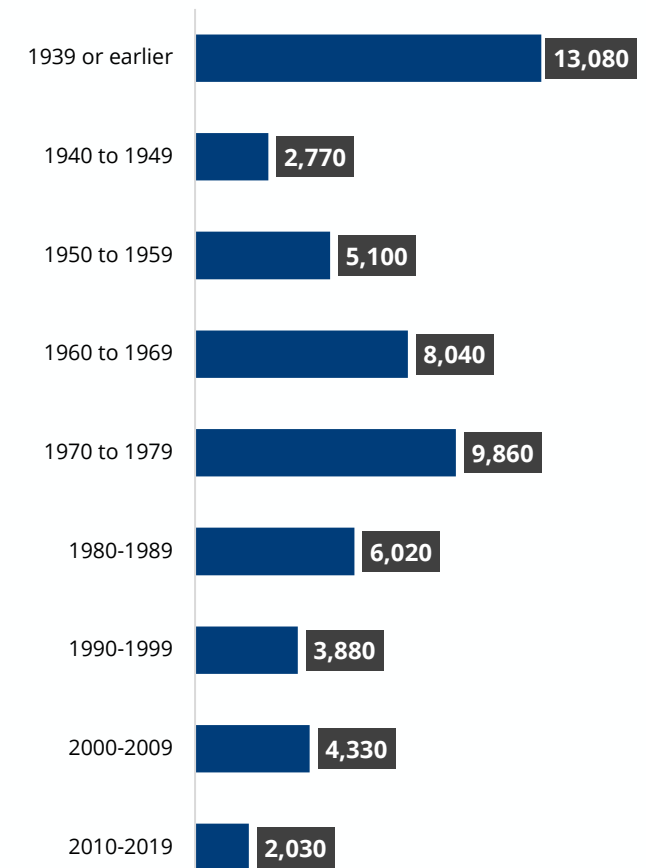
Housing Stock | Rental Housing Age

The majority (53%) of Saint Paul's housing stock is over 50 years old (built before 1970). Unsurprisingly, rents are highest for the newest buildings (units built since 2000).

Units by Rent and Decade Built, Saint Paul, MN



Total Units

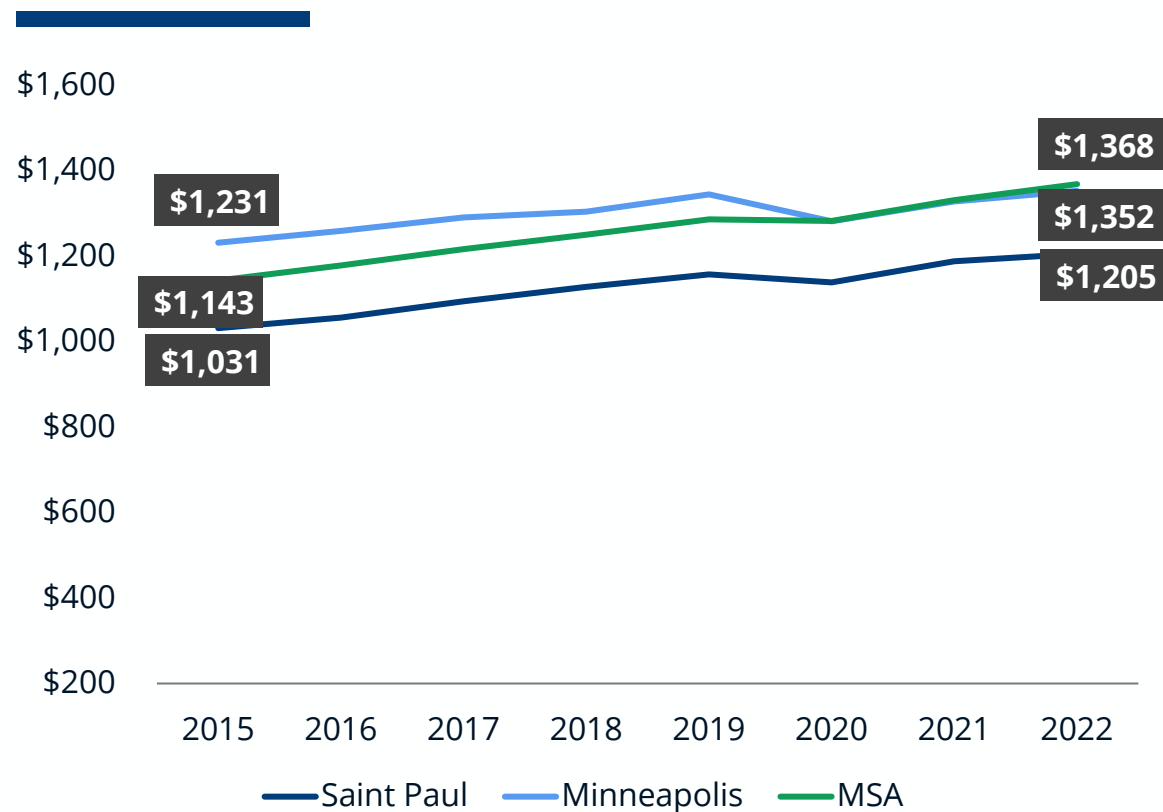


Source(s): ACS 5-Year Estimates

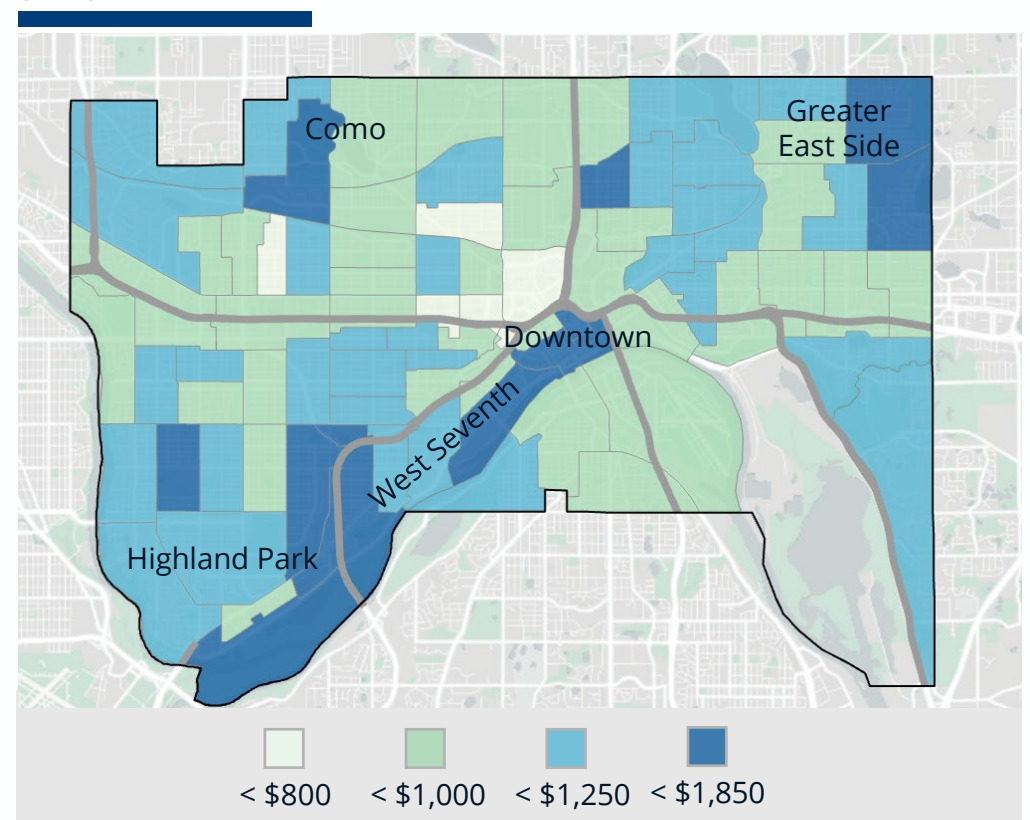
Housing Stock | Rental Housing Rents

Since 2015, rents in Saint Paul have increased on average by 32%. The highest rent tracts are in neighborhoods like Highland Park, West Seventh, Downtown, Como, and Greater East Side.

Comparative Average Rent (2015 - 2022)



Median Rent by Tract (2020)

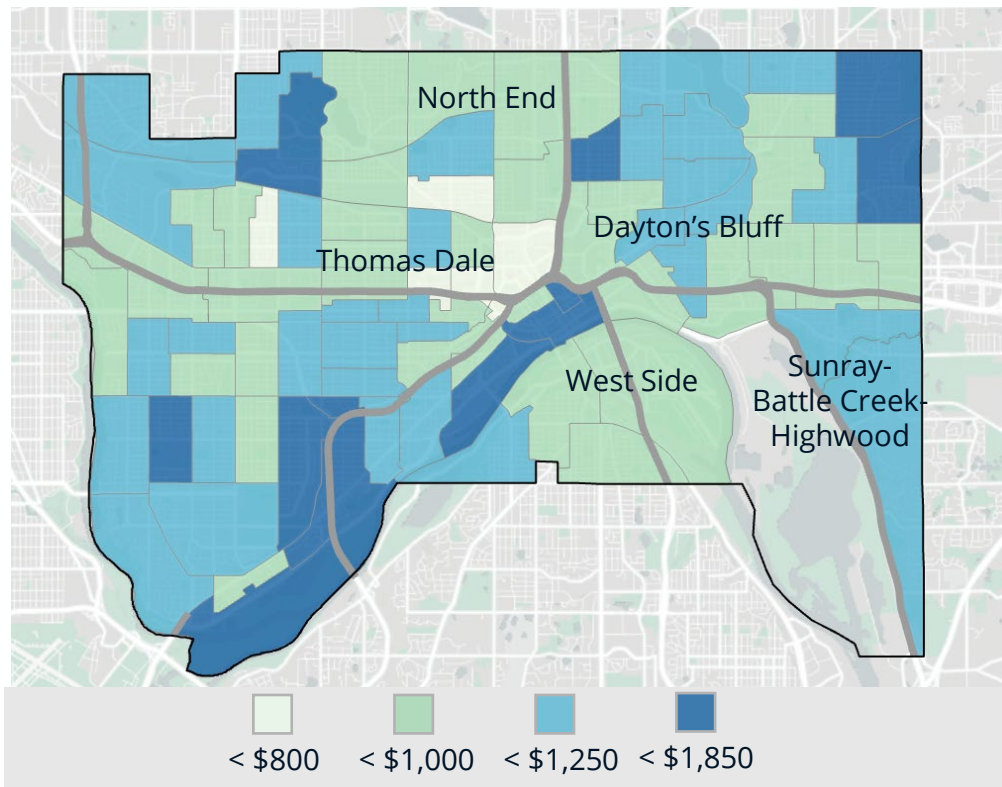


Source(s): Zillow; ACS 5-Year Estimates

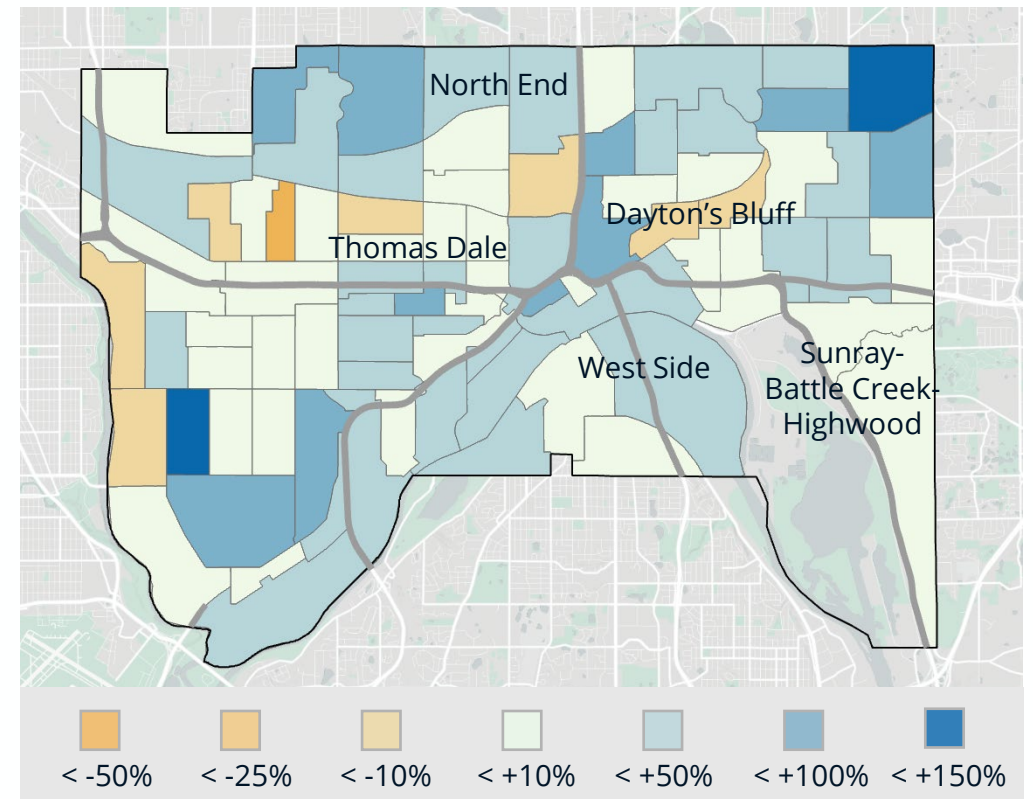
Housing Stock | Rental Housing Rents

The areas with the lowest rents are located north of I-94 and on the East Side. In most tracts, rents have increased between 10% and 50% since 2010 when adjusted for inflation.

Median Rent by Tract (2020)



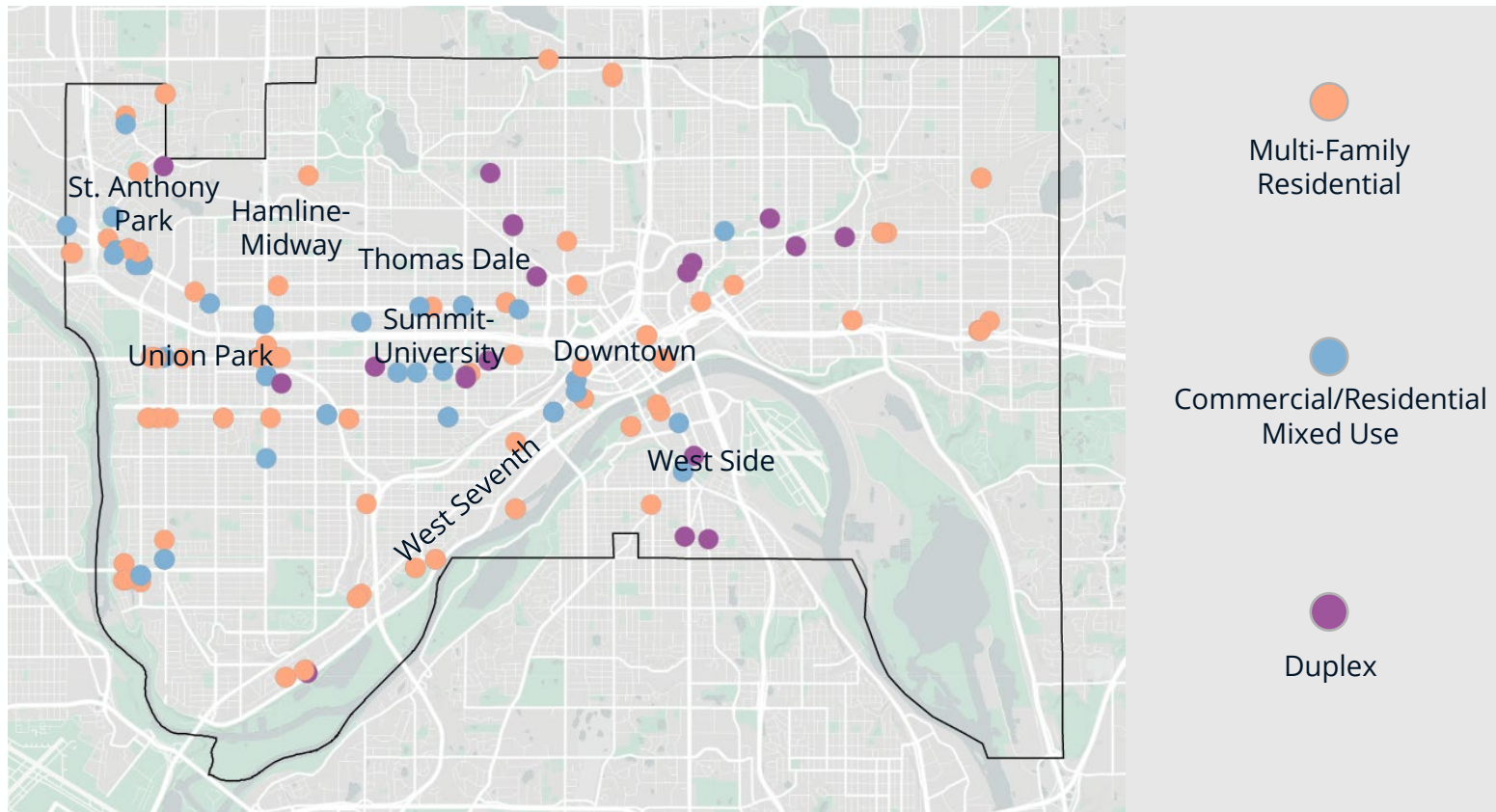
Percentage Change in Median Rent (2010-2020)



Housing Stock | Rental Housing Stock

New Multi-Family Residential building permits since 2015 are mostly concentrated around Downtown, along University Avenue, and along the Riverview Corridor. There have been limited duplex developments.

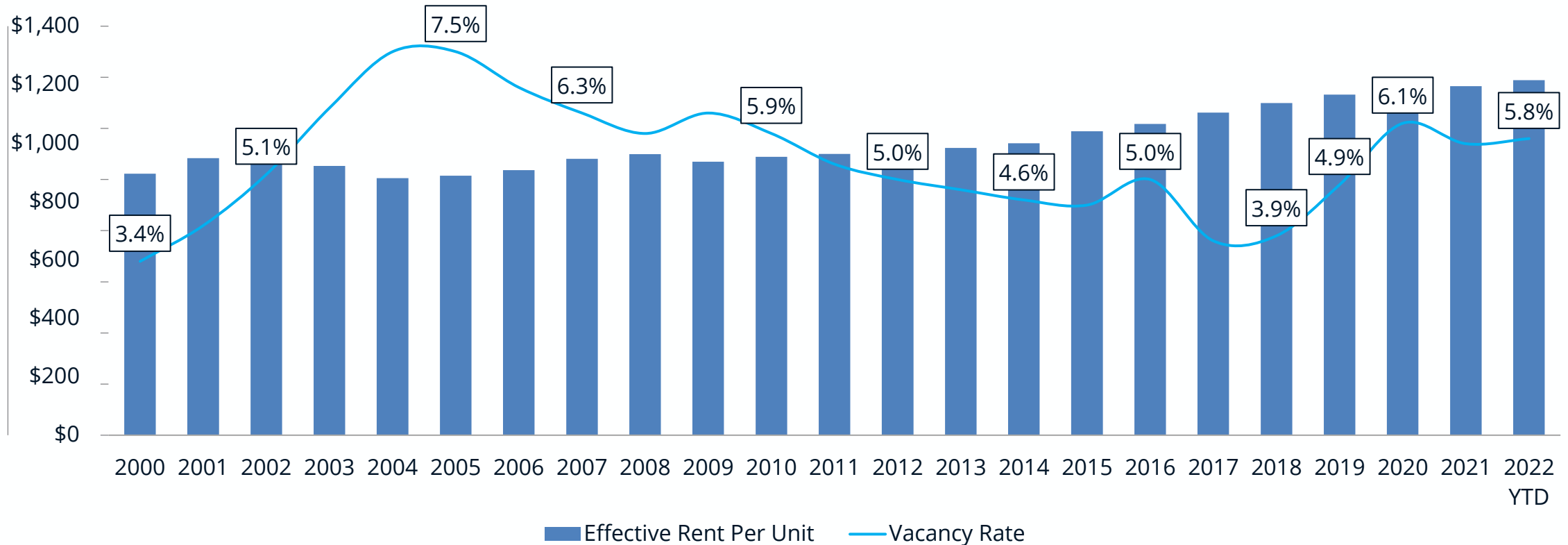
Multi-Family New Construction Building Permits Issued (2015 - 2022)



Housing Stock | Rental Housing Stock

Average rents for multifamily units in Saint Paul have steadily increased since 2000. The vacancy rate has been more sporadic, peaking in 2004 and 2005 before declining, then peaking again in 2020.

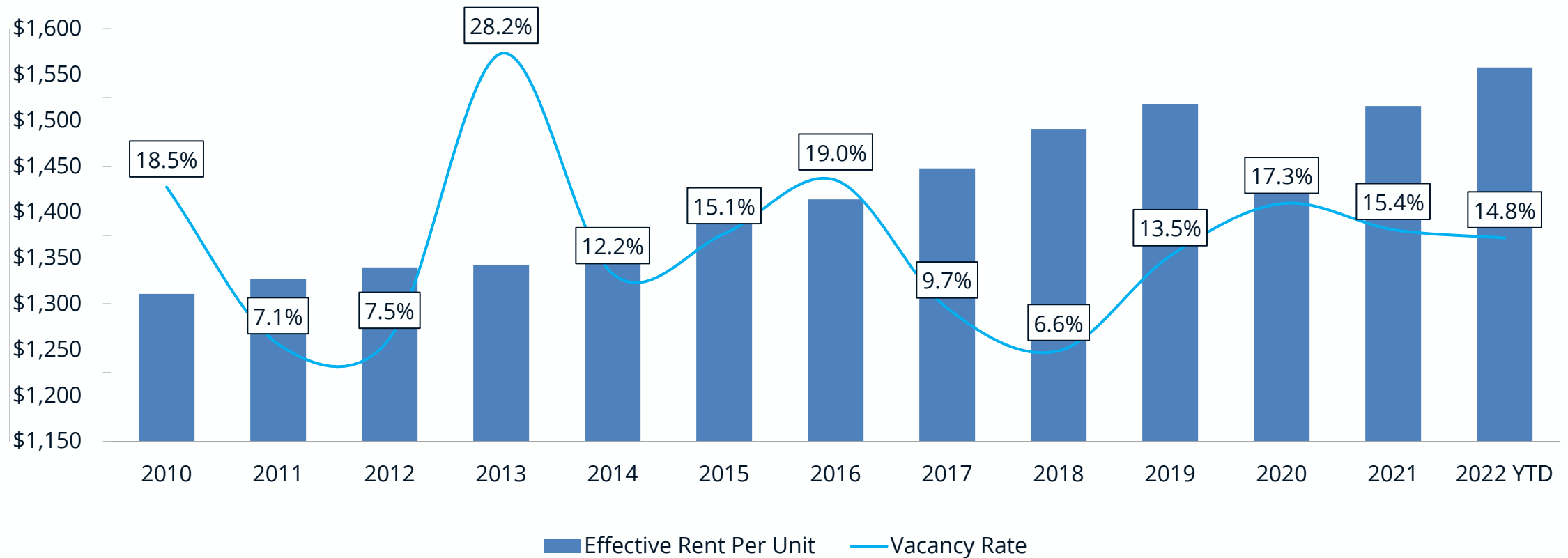
Average Multifamily Rents, Saint Paul, MN (2000-2022)



Housing Stock | Rental Housing Stock

Average rents for multifamily units built since 2010 have seen steady increases, although the vacancy rates have been more varied over the last decade.

Average Rents & Vacancy Rate for Multifamily Units Built Since 2010, Saint Paul, MN (2010-2022)

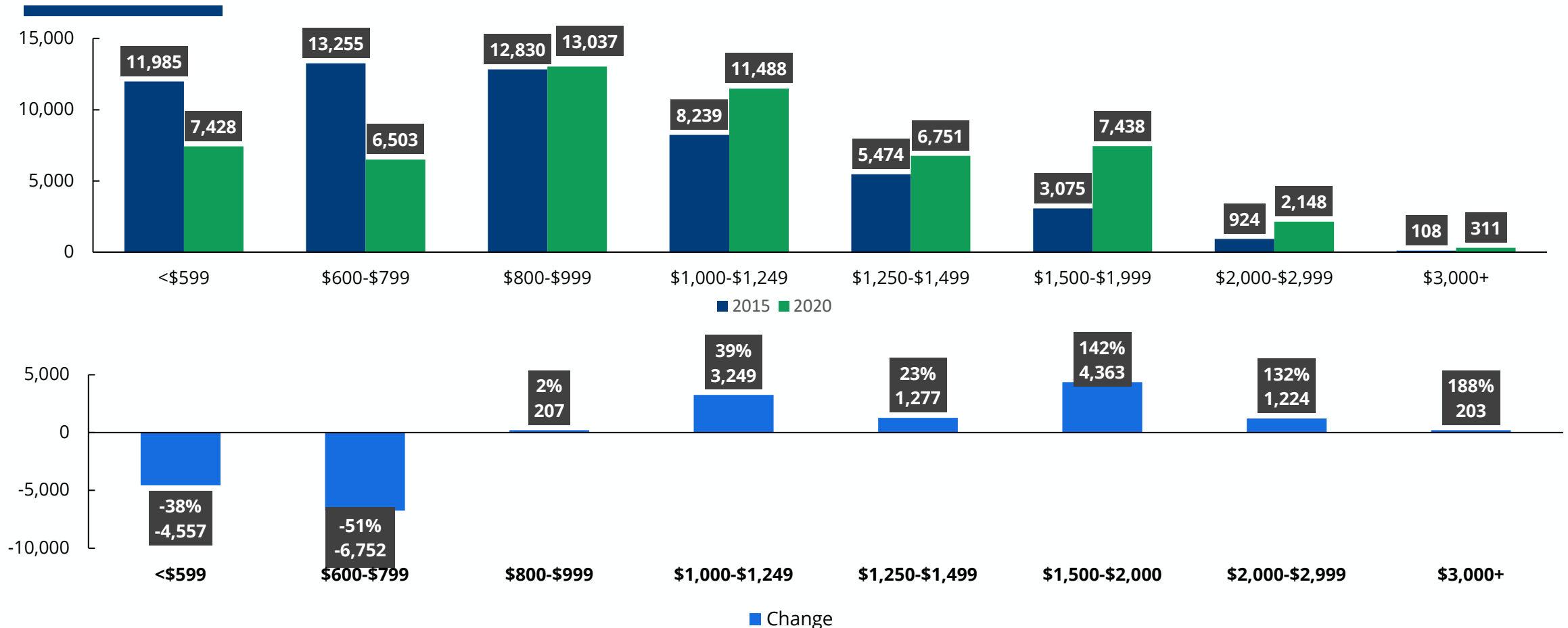


Housing Stock | Rental Housing Stock

Since 2015, Saint Paul has seen a significant decrease in the number of units renting for less than \$800 per month. Meanwhile, the number of units with rents over \$1,000 has increased by 58%.

Units by Rent, Saint Paul, MN

(2015-2020)



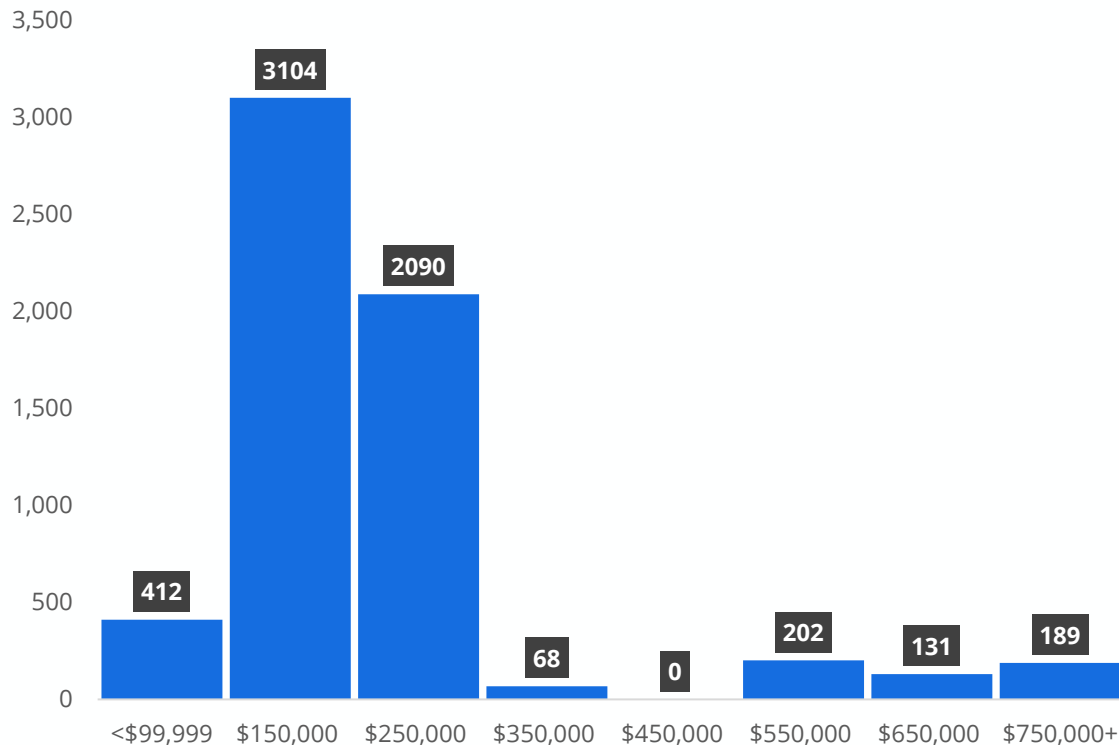
Source(s): ACS 5-Year Estimates

Owner-Occupied Housing Stock

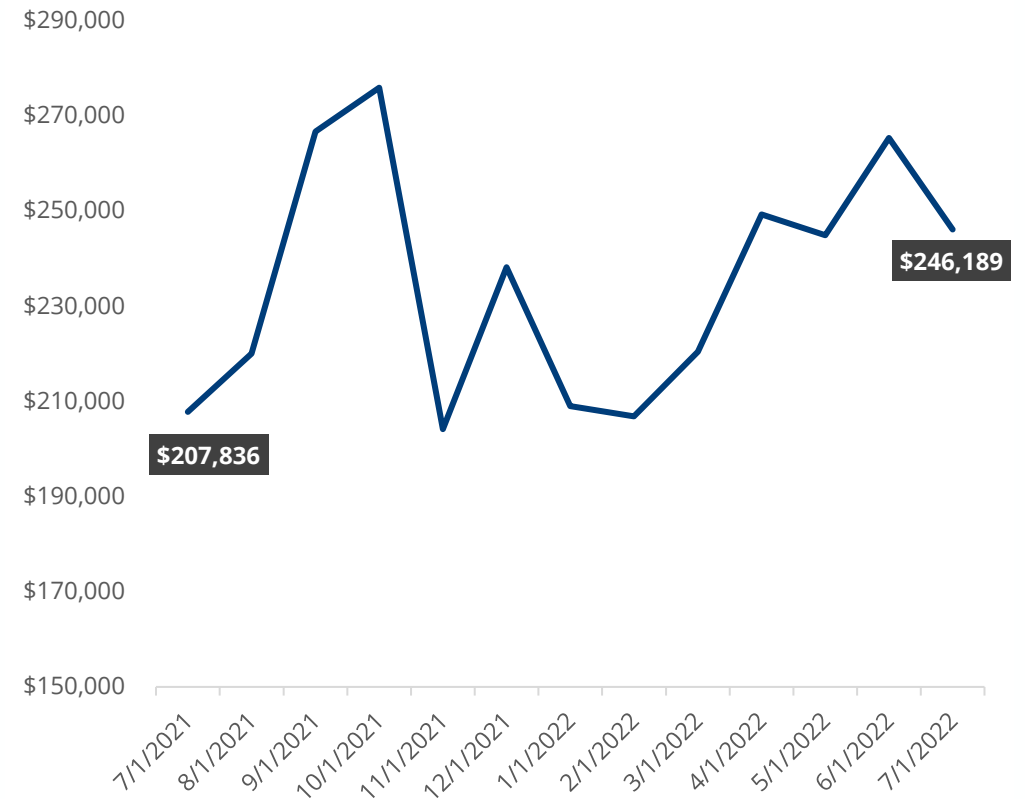
Housing Stock | Owner-Occupied Housing Stock

Since 2020, most homes in Saint Paul sold for \$100,000-\$250,000, with an average sales price of \$236,000 in 2021.

Recent Home Sales by Sale Price, Saint Paul, MN (2020-2022)



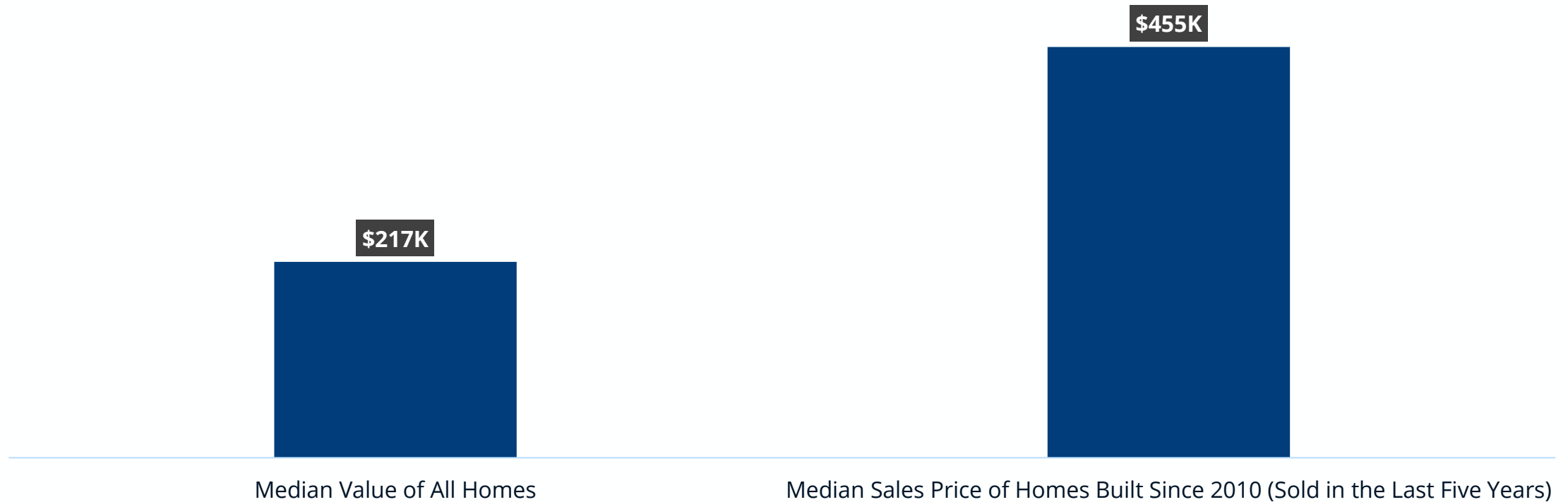
Average Price of Sold Home, Saint Paul, MN (July 2021-July 2022)



Housing Stock | Owner-Occupied Housing Stock

In the last five years, homes built after 2010 have had a median sales price of \$455,000 in Saint Paul.

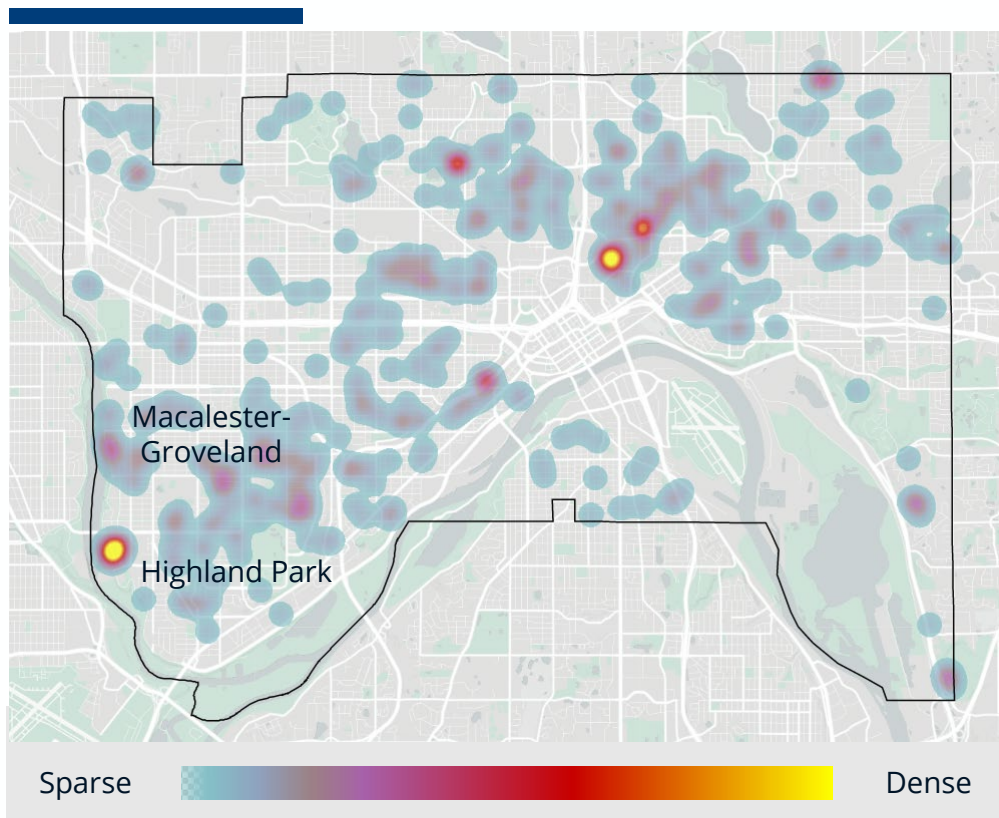
Comparative Median Home Prices, Saint Paul, MN



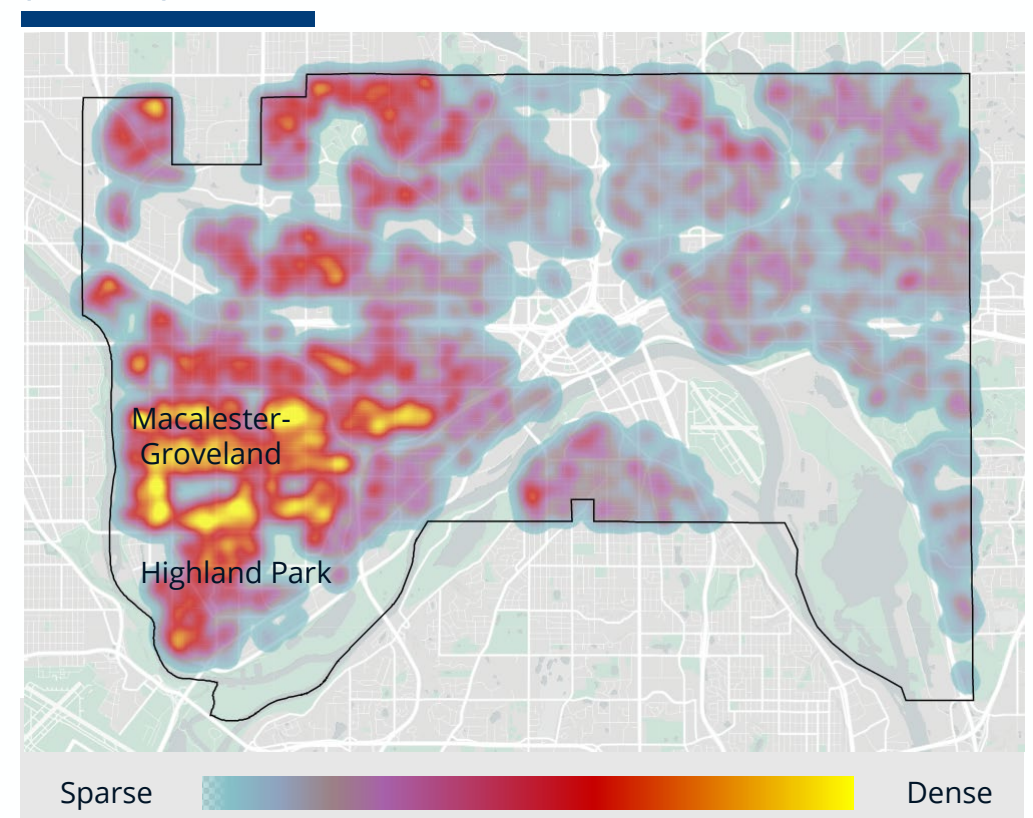
Housing Stock | Owner-Occupied Housing Stock

New single-family building permits have been widely distributed throughout the city. Single-Family remodel and addition permits, though also widely distributed, are distinctly concentrated in Highland Park and Macalester-Groveland.

Single-Family New Construction Building Permits (2015 - 2022)



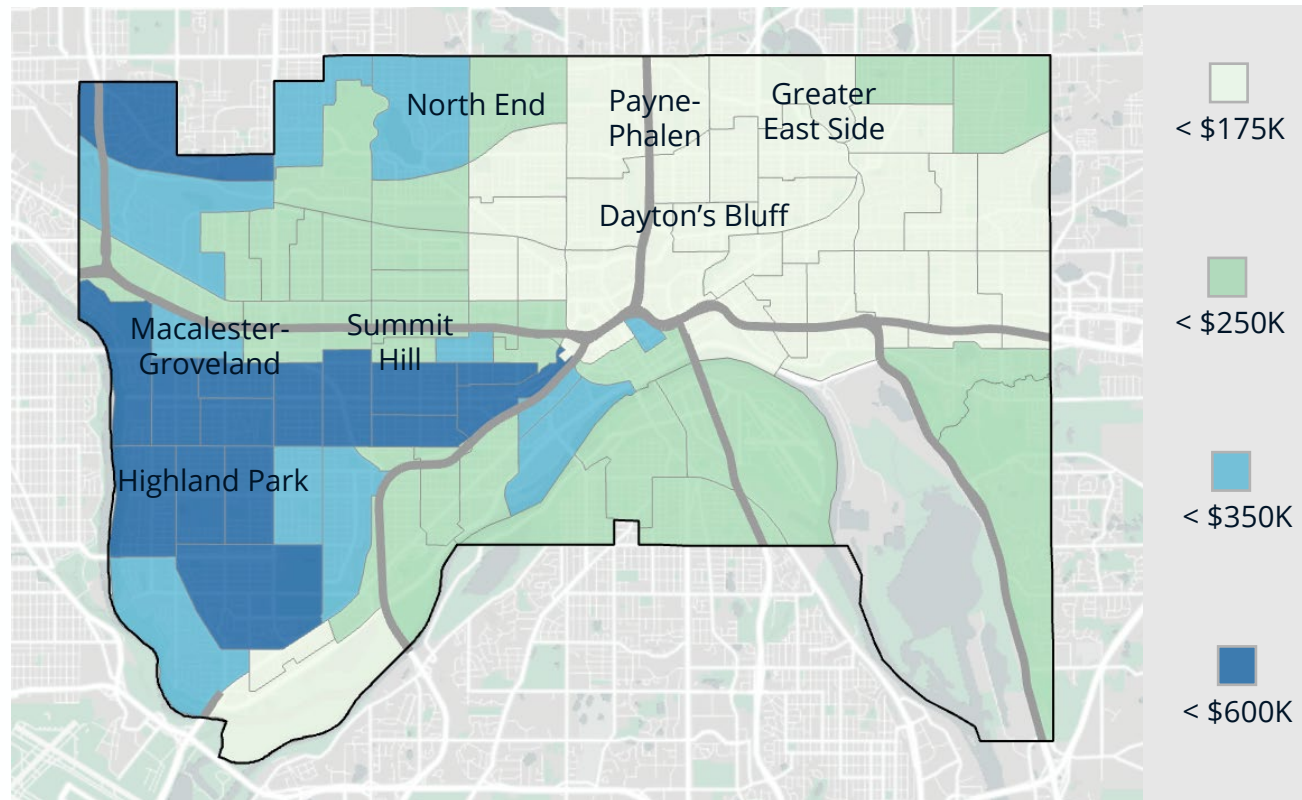
Single-Family Remodel/Addition Building Permits (2015-2022)



Housing Stock | Owner-Occupied Housing Stock

Home values on the west side of the city are highest, and home values on the east side of the city are lowest.







Median Home Value by Tract
(2020)



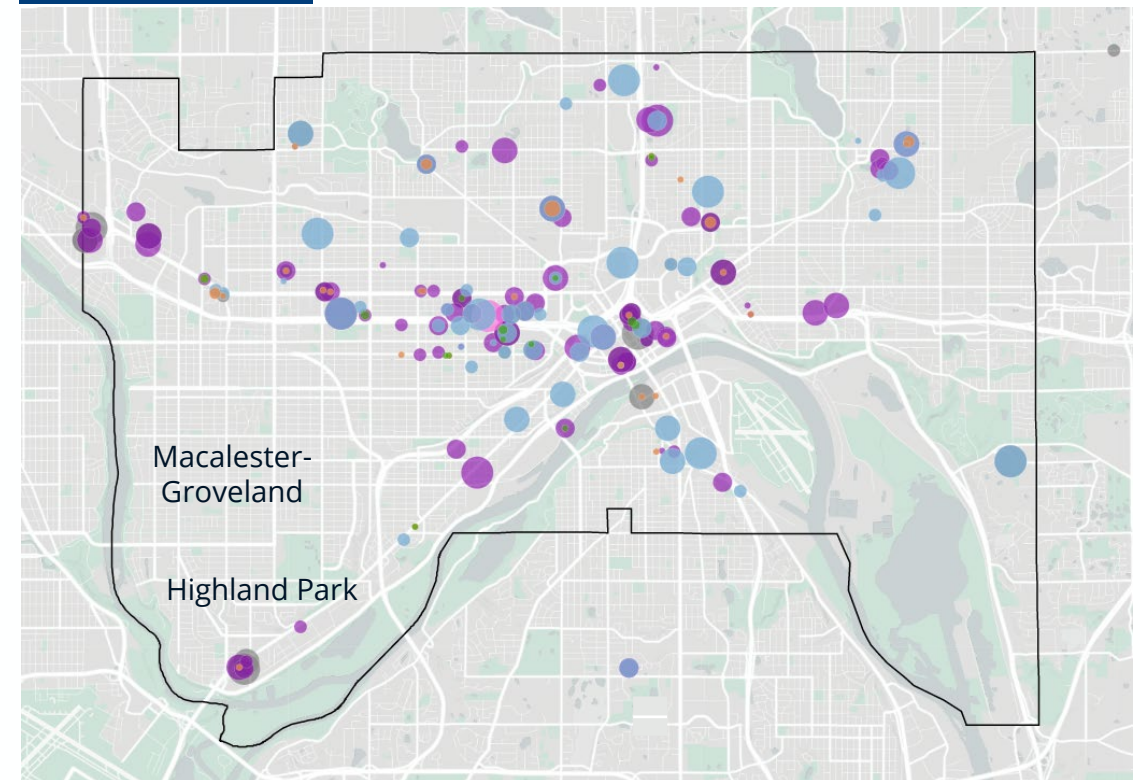
Subsidized Affordable Housing Needs

Housing Stock | Affordable Housing Stock

No subsidized affordable developments have been built in the wealthiest, mostly white neighborhoods, though the Highland Bridge development will bring new affordable units to the Highland Park area.

Program Type	Units	Buildings	Legend
Total	19,903	224	(Size Corresponds to Number of Units)
LIHTC	6,910	83	
Section VIII	7,363	57	
HUD Insured	4,519	36	
Public Housing	418	1	
HOME	400	32	
Project Based Vouchers	293	15	

Affordable Housing Properties, Saint Paul, MN (2020)



■ 19,903 Total Units

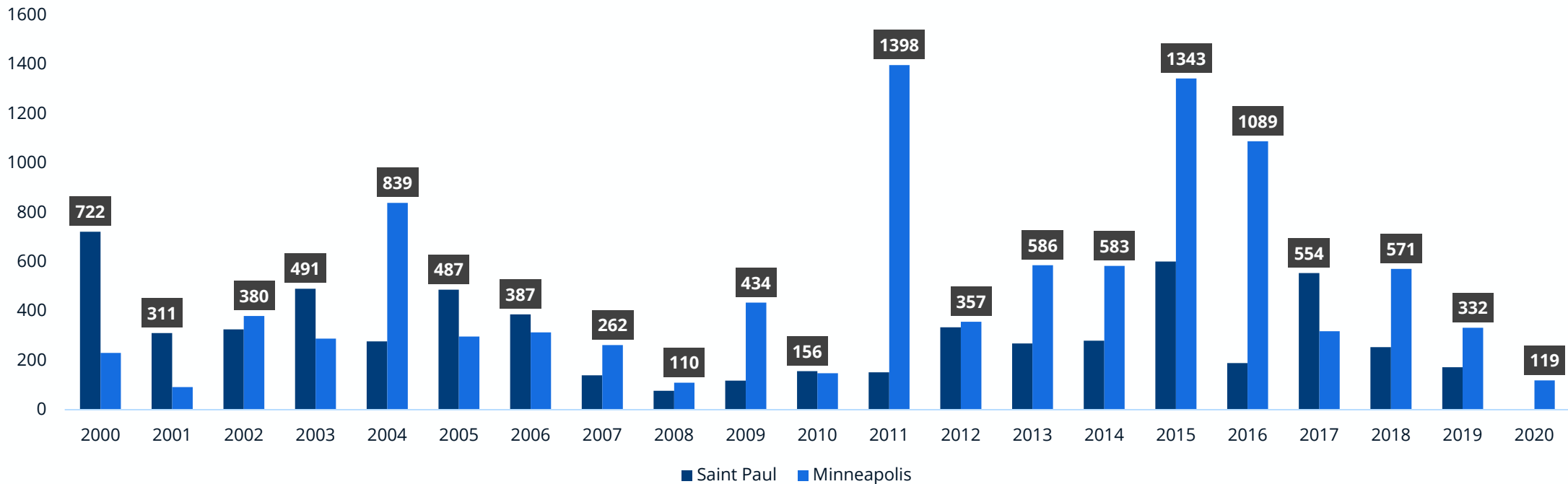
Note: Buildings can have multiple subsidies; Three buildings with active subsidies did not have location data available.

Source(s): National Housing Preservation Database

Housing Stock | Affordable Housing Stock

Most LIHTC units in the Twin Cities have been designated as such within the past two decades, with much of the supply going to Minneapolis.

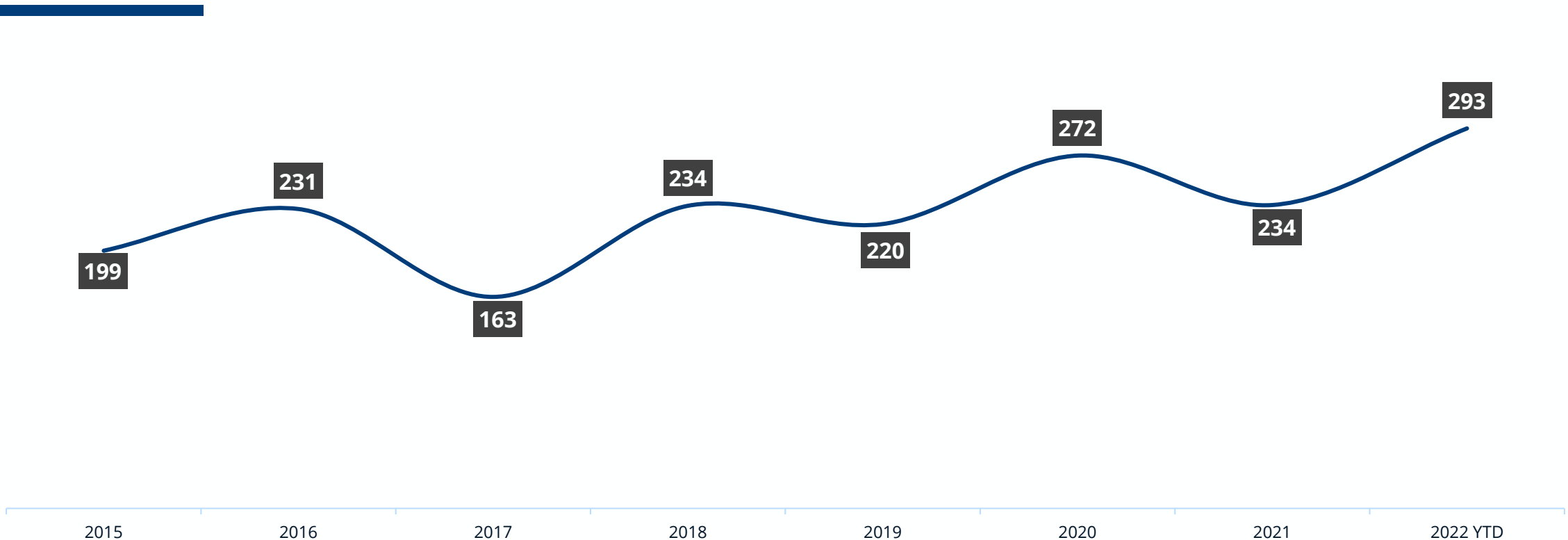
Comparative LIHTC Units Awarded per Year (2000-2020)



Housing Stock | Affordable Housing Stock

The average number of housing vouchers on the street in Saint Paul has varied since 2015 but has generally been on an upward trend. People in need of housing assistance are having a harder time finding it.

Average Number of Vouchers on the Street per Year, Saint Paul, MN (2015-2022)



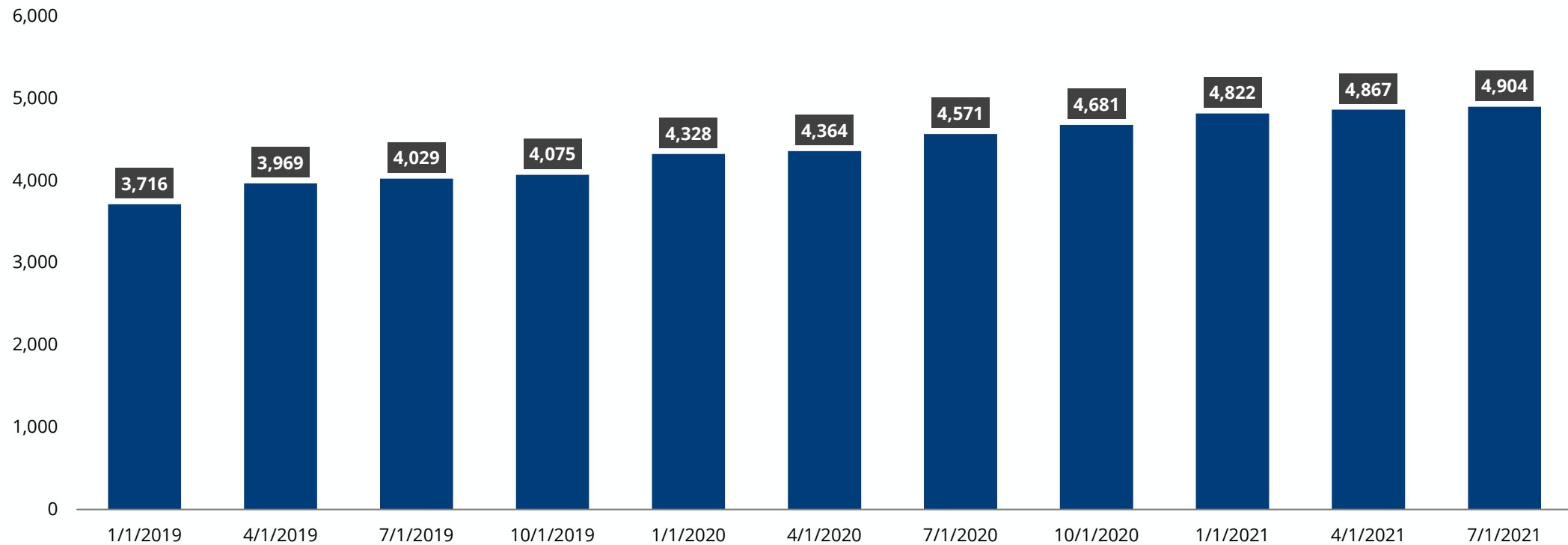
Note: A voucher “on the street” refers to a family that was issued a voucher by a PHA and has yet to find a unit and execute a housing assistance contract.

Source(s): HUD Housing Choice Voucher Data Dashboard

Housing Stock | Homelessness

Between the beginning of 2019 and the summer of 2021, the homeless population in Ramsey County increased by 32%.

Homeless Population, Ramsey County, MN (2019-2021)



Note: Above data is for Ramsey County, of which, Saint Paul accounts for 57% of the population

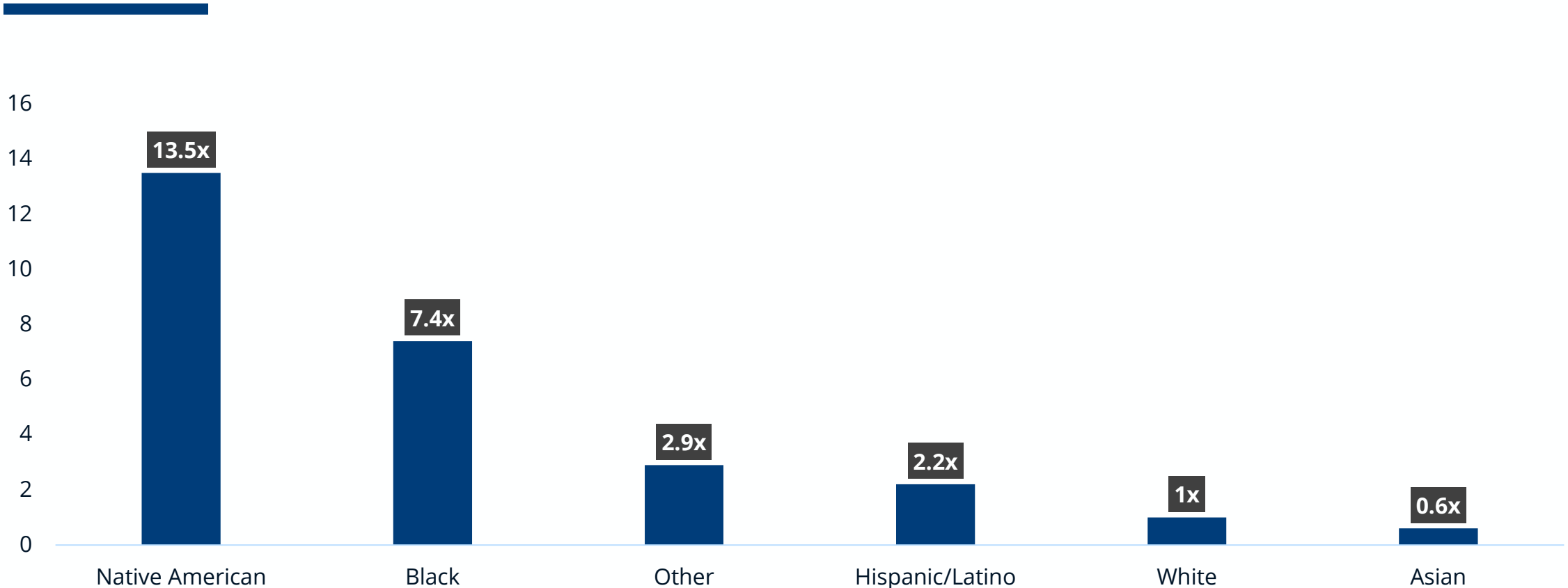
Source(s): Ramsey County Homeless Management Information System (HMIS)

Housing Stock | Homelessness

Indigenous and Black residents in Ramsey County are 13.5 and 7.4 times more likely to experience homelessness than white residents, respectively.

Likelihood of Homelessness by Race, Ramsey County, MN

(July 2021)



Note: Above data is for Ramsey County, of which, Saint Paul accounts for 57% of the population

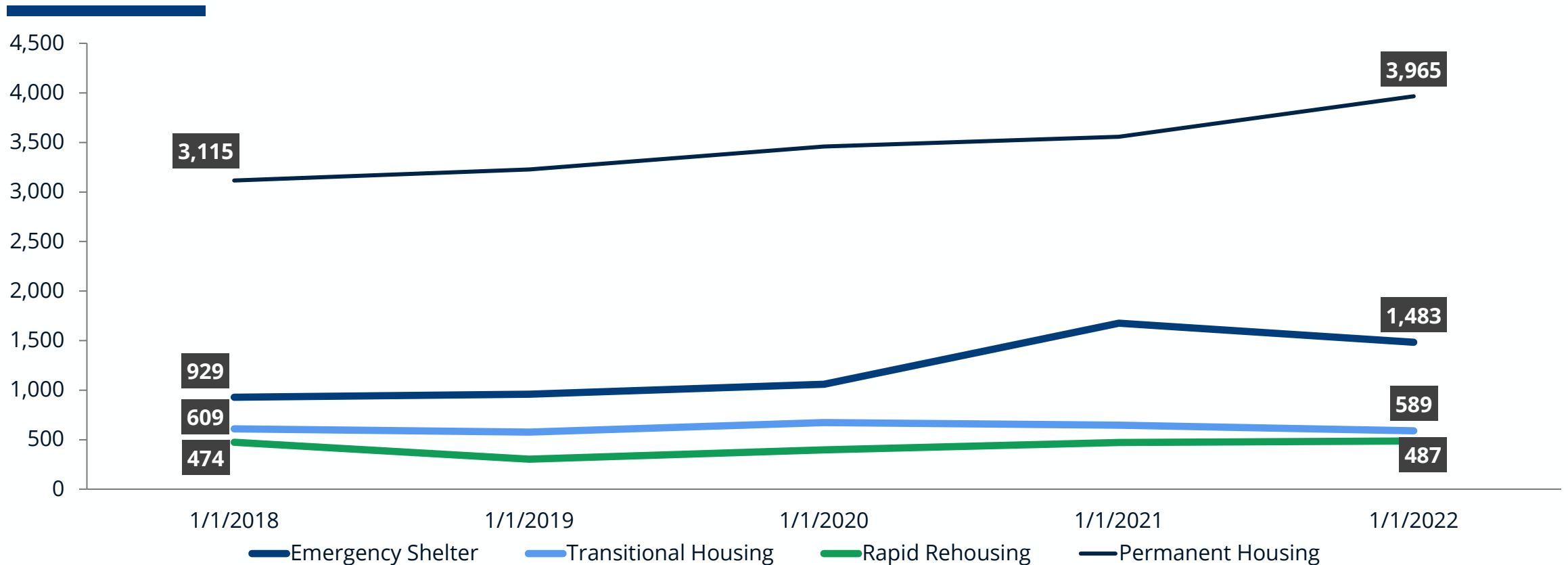
Source(s): Ramsey County Homeless Management Information System (HMIS)

Housing Stock | Homelessness

Permanent housing beds for Ramsey County's homeless population have steadily increased since 2018. However, the numbers are still not sufficient to house the nearly 5,000 people who need it.

Homeless Beds by Housing Type, Ramsey County, MN

(2018-2022)



Note: Above data is for Ramsey County, of which, Saint Paul accounts for 57% of the population

Source(s): Ramsey County Homeless Management Information System (HMIS)



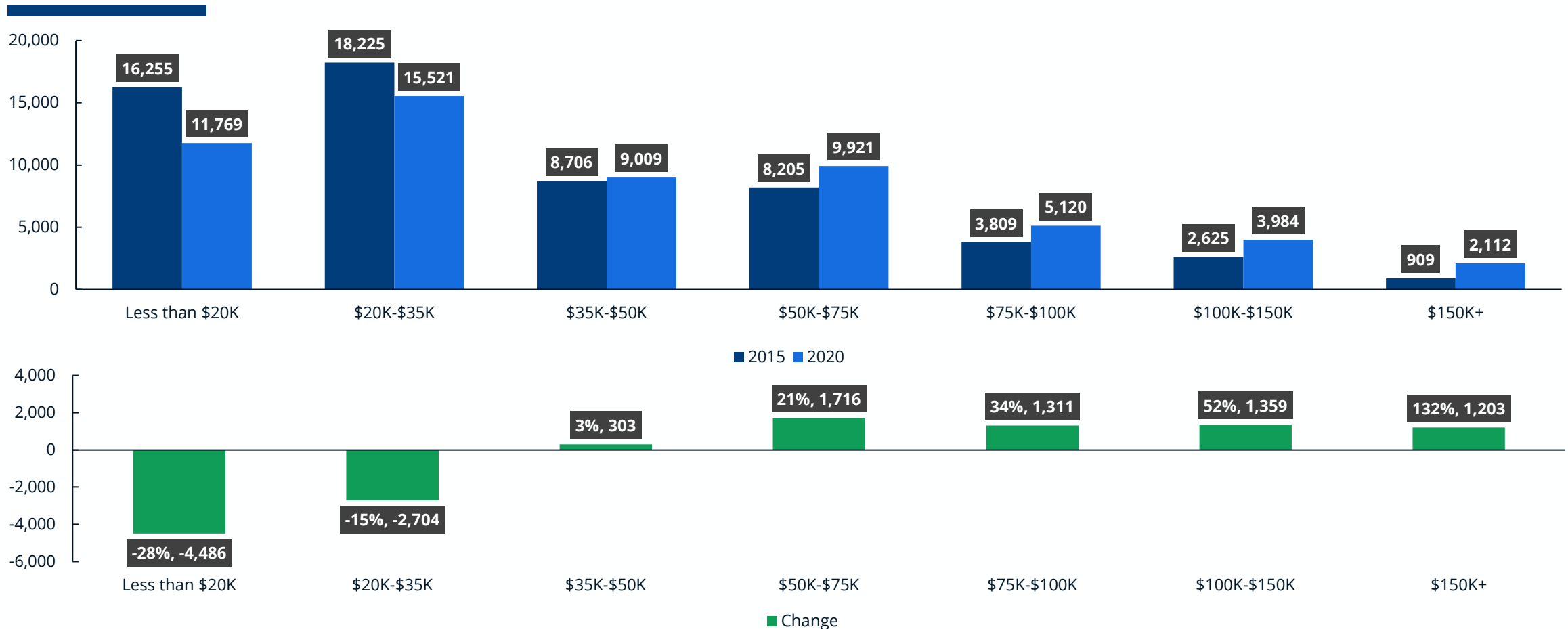
| 05

Housing Need - Renters

Housing Need – Renters | Renters by Income

Renters in Saint Paul making less than \$35,000 have decreased over the last five years. However, the number of renters making over \$35,000 have seen an uptick.

Renters by Income, Saint Paul, MN (2015-2020)

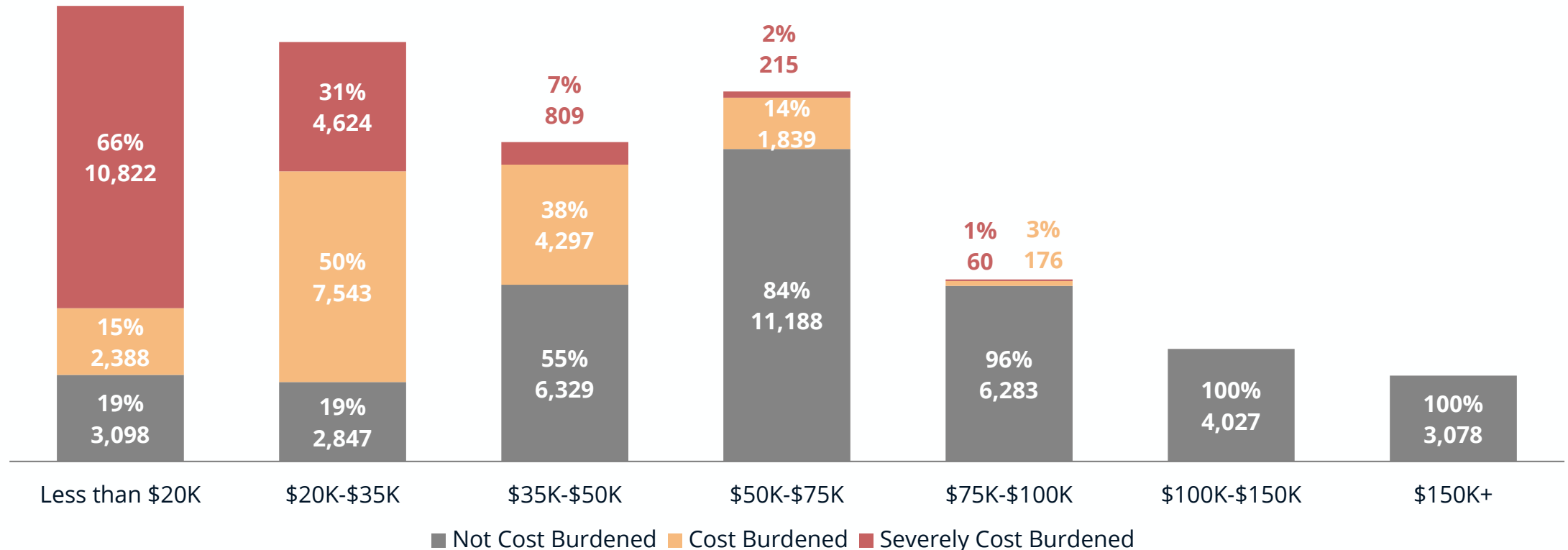


Source(s): ACS 5-Year Estimates

Housing Need – Renters | Cost Burden

Most renters earning less than the median income (\$60,000) are cost burdened. Indeed, 71% of renters earning less than the median income are cost burdened and 38% are severely cost burned.

Cost Burdened Renter Households by Income, Saint Paul, MN (2020)



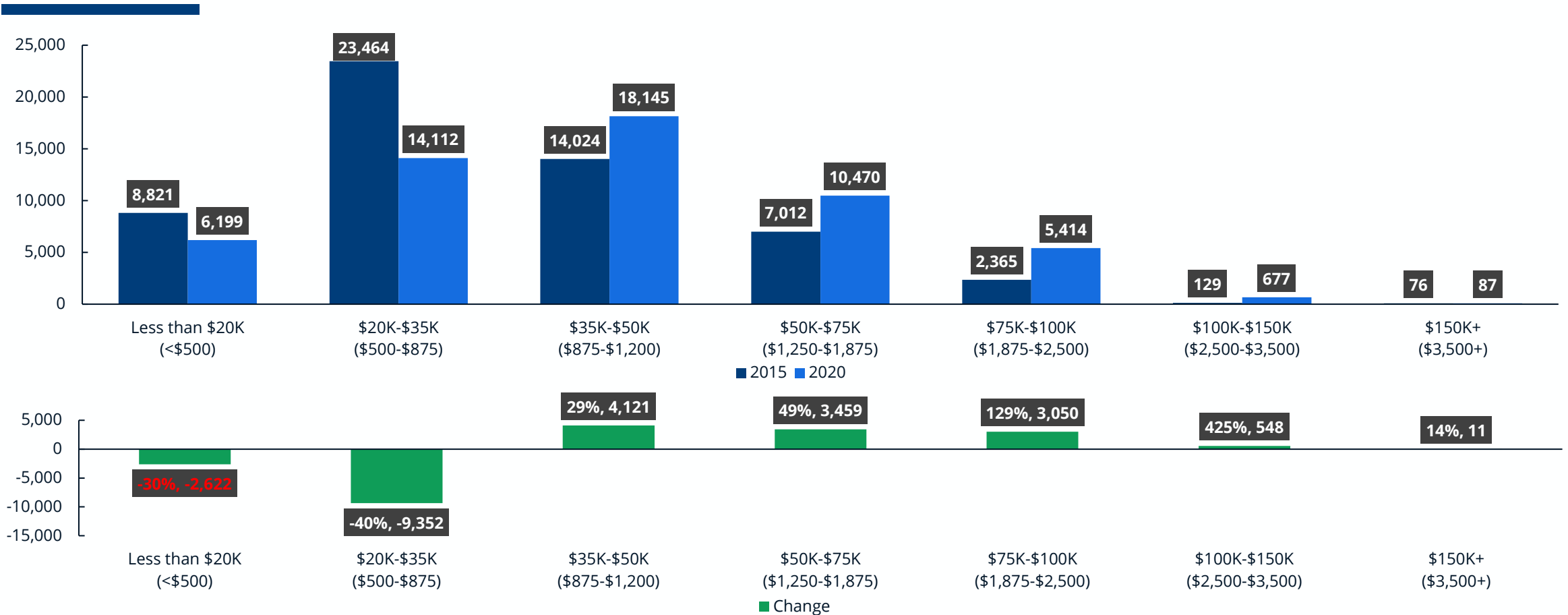
Note: A household is considered to be "cost burdened" when it spends more than 30% of its gross income on housing costs. "Severely cost burdened" households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Renters | Cost Burden

Although there are fewer households in Saint Paul making less than \$35,000, the number of units in the city that are affordable for them have significantly decreased over the last five years.

Rental Units Affordable to Households by Income, Saint Paul, MN (2015-2020)

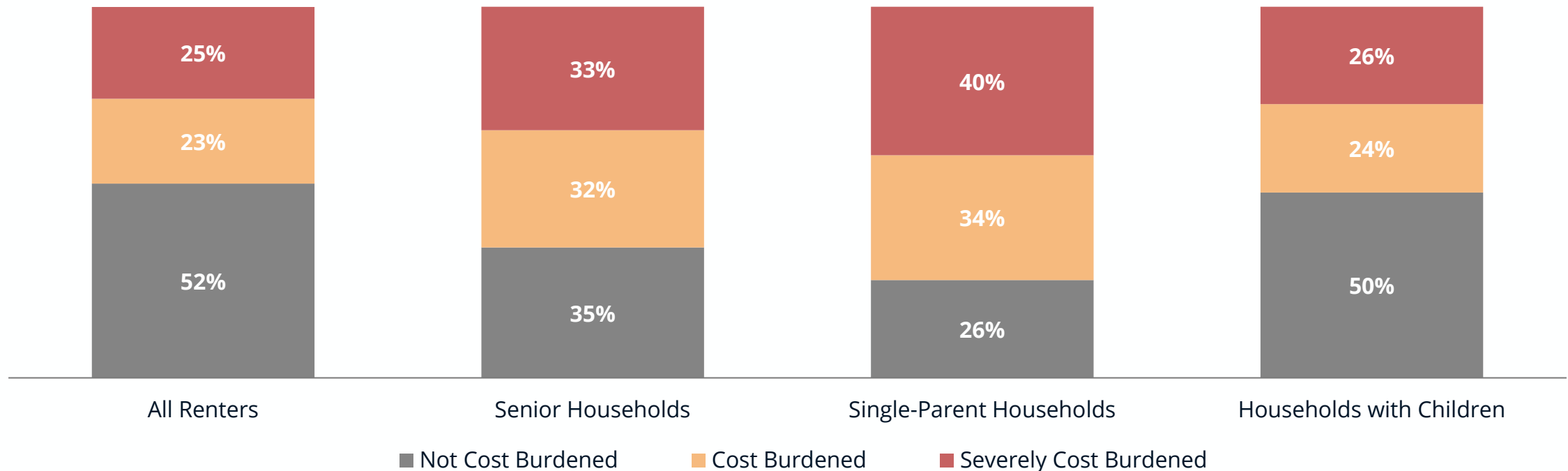


Source(s): ACS 5-Year Estimates

Housing Need – Renters | Cost Burden

Single-parent households in Saint Paul are the most cost burdened. Households with children – and with two parents present – align most closely with average levels.

Share of Cost Burdened Renter Households by Type, Saint Paul, MN (2020)



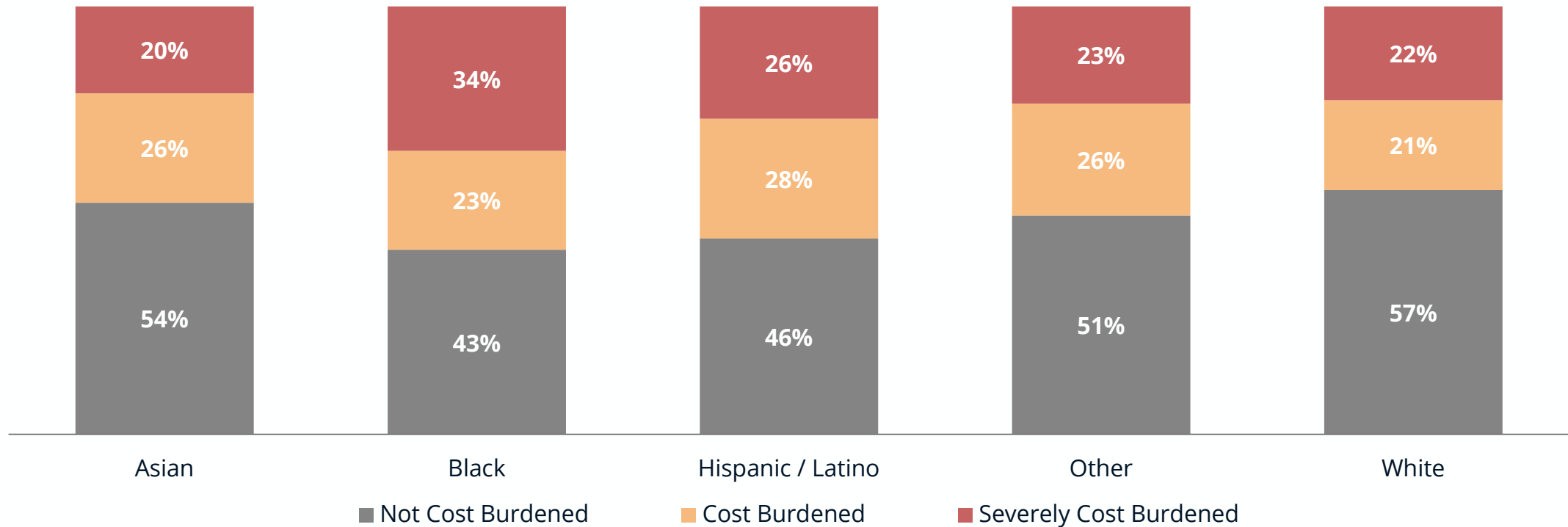
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Renters | Cost Burden

Black and Latino renters are the most cost burdened.

Share of Cost Burdened Renter Households by Race, Saint Paul, MN (2020)



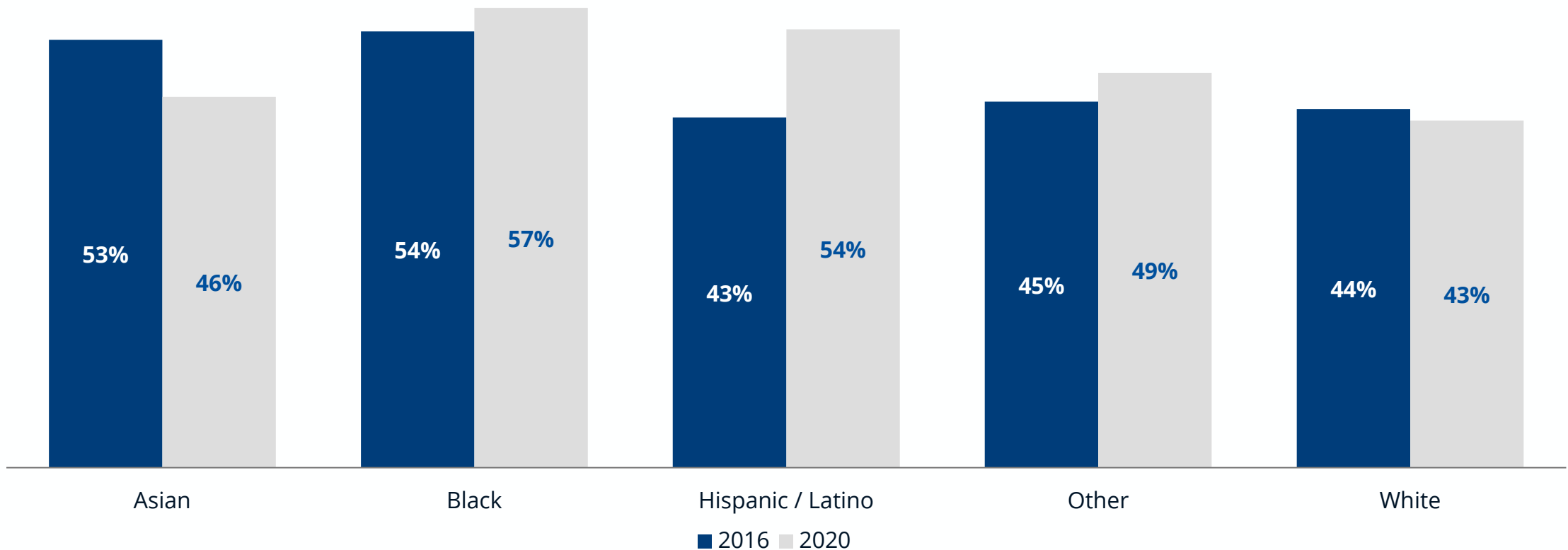
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Renters | Cost Burden

Since 2016, Asian and white renters have become less cost burdened, while Black, Latino, and other racial groups have become more so.

Share of Cost Burdened Renter Households by Race, Saint Paul, MN
(2016-2020)



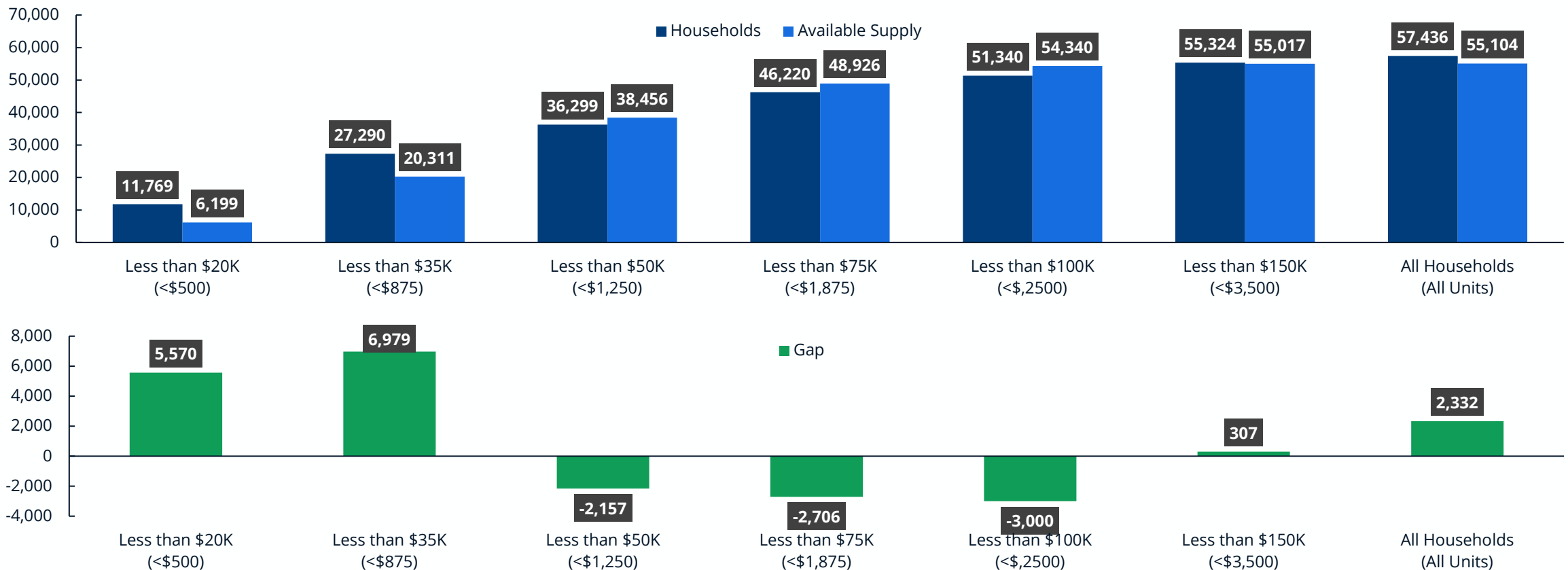
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Renters | Lack of Affordable Rental Housing

There is an insufficient supply of rental housing affordable to households making less than \$35,000.

Housing Supply Gap, Saint Paul, MN (2020)



Source(s): ACS 5-Year Estimates



| 06

Housing Need - Owners

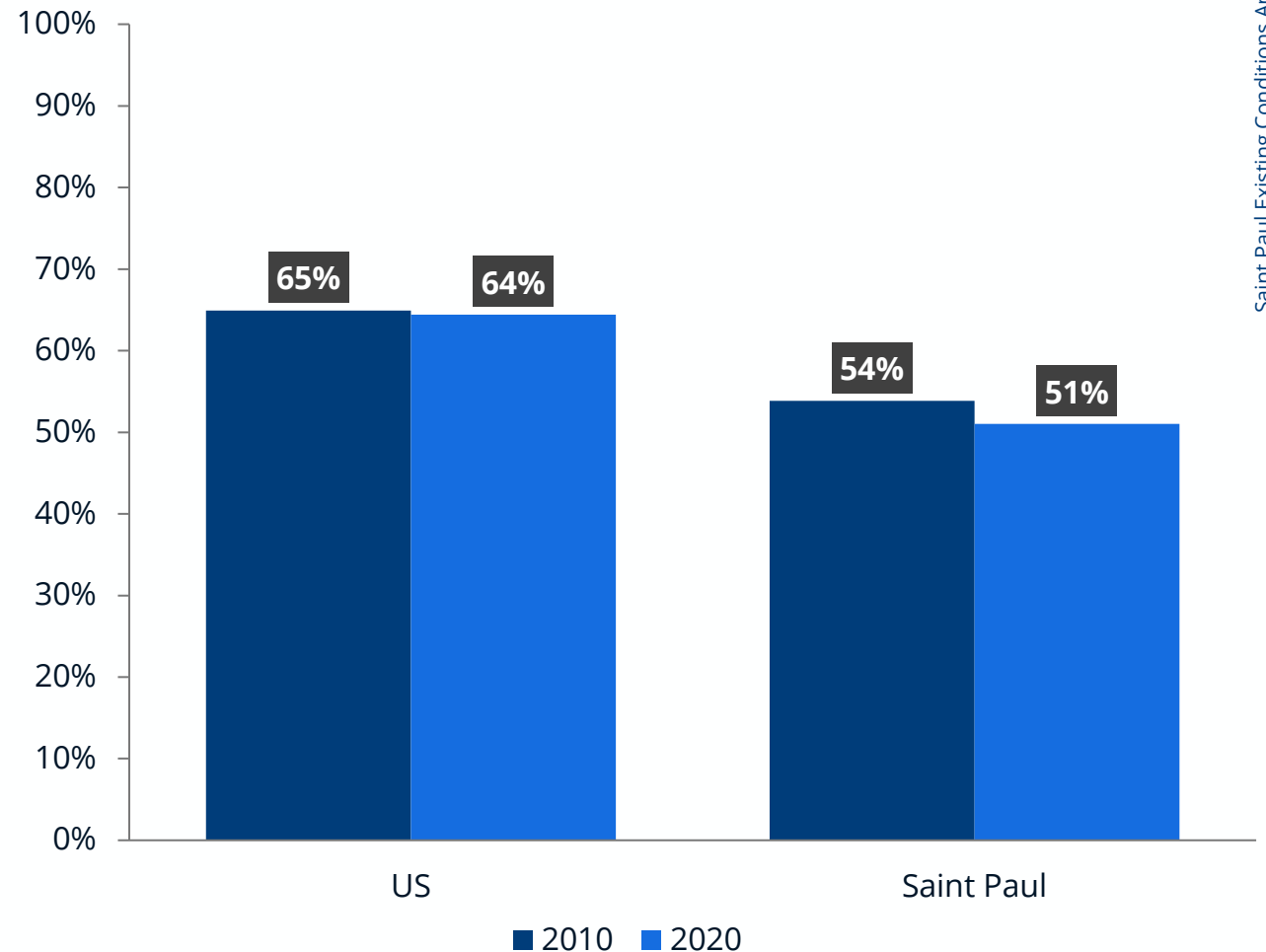
Housing Need – Owners | Declining Homeownership

Saint Paul's homeownership rate is lower than the national average and has decreased over the past decade.

Homeownership in Saint Paul has become increasingly out of reach. In 2022, an average home sale **required a household income of \$86,000** to avoid being overburdened by its cost.

Source(s): ACS 5-Year Estimates

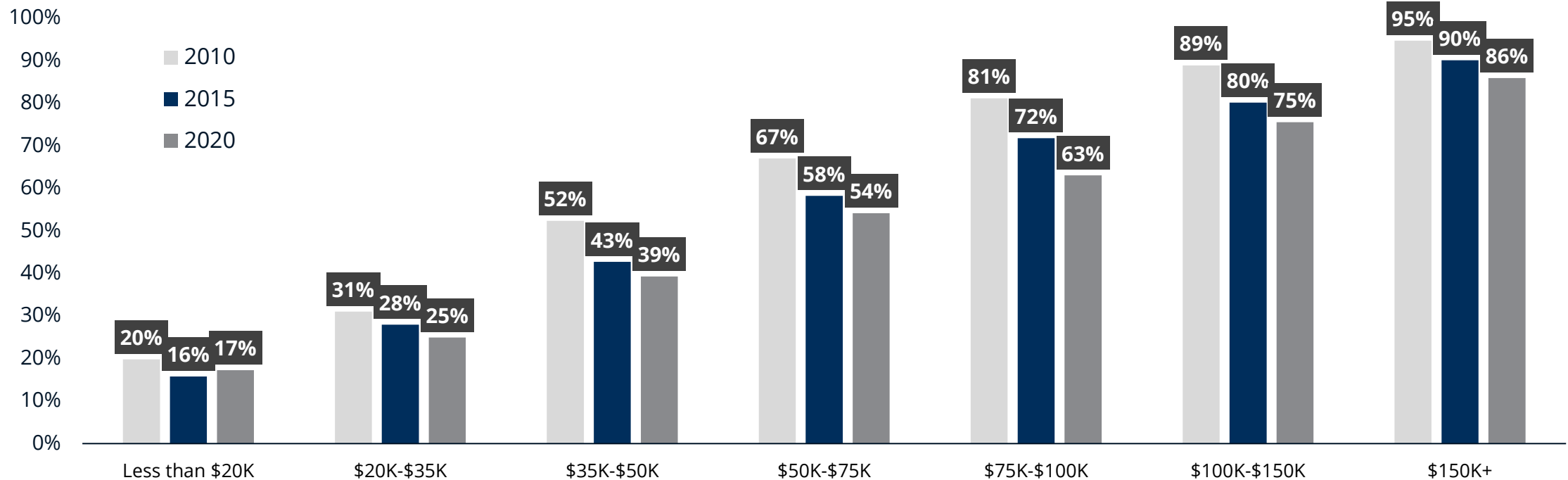
Comparative Homeownership Rates (2010-2020)



Housing Need – Owners | Declining Homeownership

Over the last decade, homeownership rates have steadily decreased for all income bands in the city.

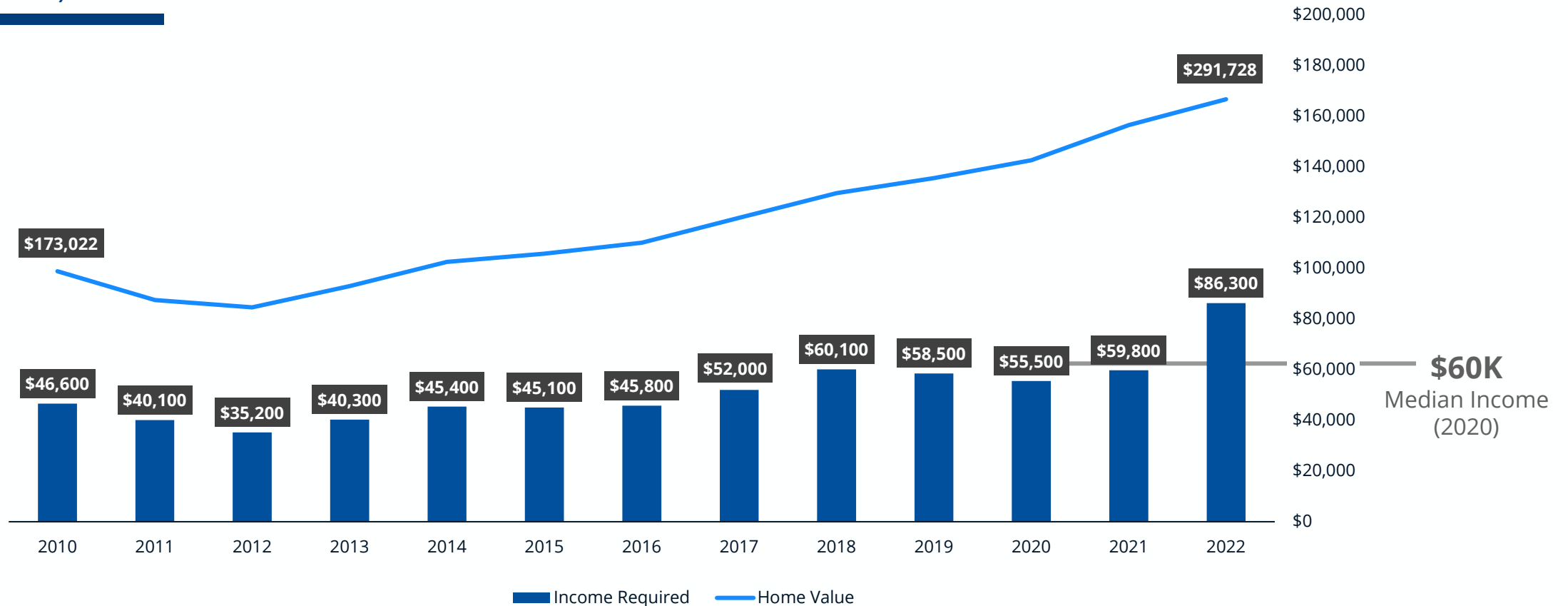
Homeownership Rate by Income, Saint Paul, MN (2010-2020)



Housing Need – Owners | Declining Homeownership

Meanwhile, average home values in Saint Paul have increased by 68%. Within the last year, the income required for households to remain unburdened by cost has increased by 44%.

Home Values, Saint Paul, MN (2010-2020)



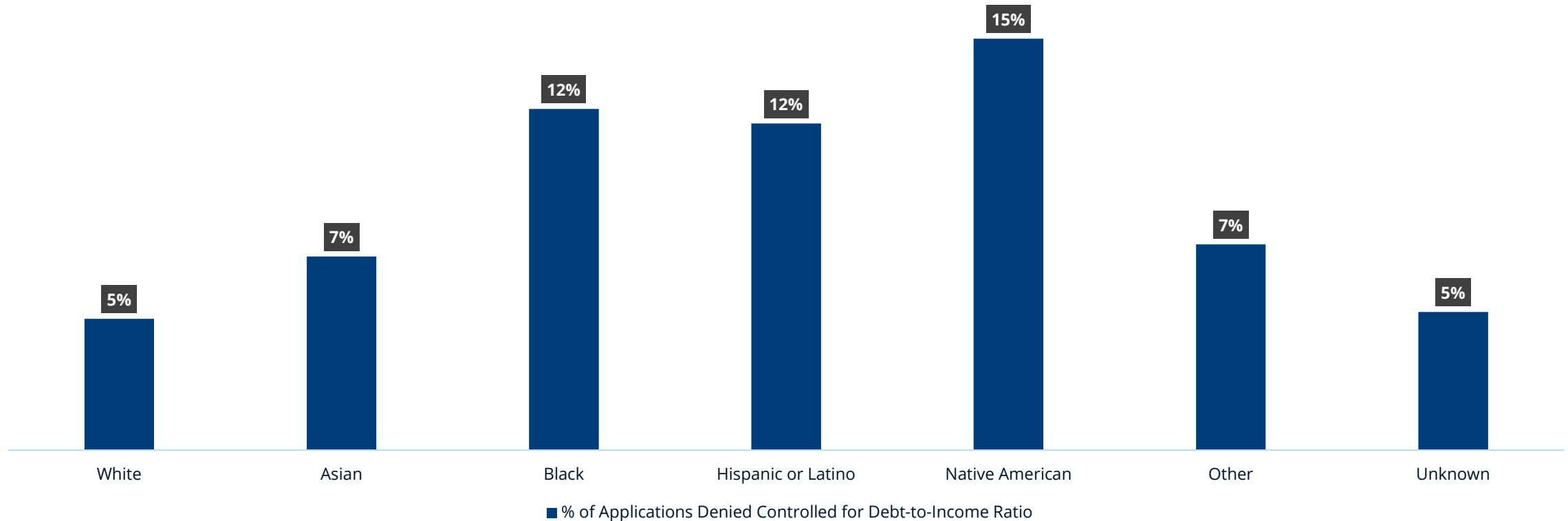
Note: The “income required” calculation incorporates mortgage rates. The jump significant jump from 2021 to 2022 is in part due to increases in mortgage rates.

Source(s): Zillow; ACS 5-Year Estimates

Housing Need – Owners | Homeownership

Controlling for Debt-to-Income Ratio, Black and Latino applicants are over two times as likely to have their mortgage application denied when compared to white applicants. Native American applicants are three times as likely to be denied.

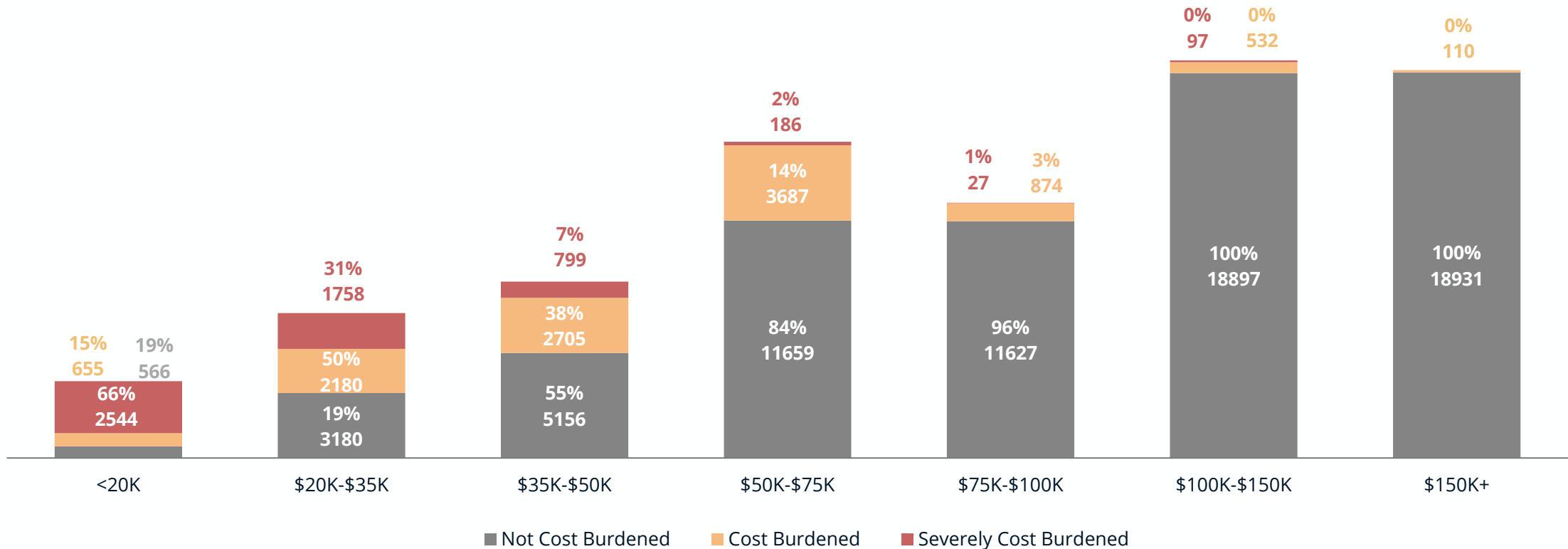
Mortgage Denials by Race, Saint Paul, MN (2021)



Housing Need – Owners | Cost Burden

For Saint Paul homeowners making less than the median income of \$60,000, 54% experience some degree of cost burden. 26% of them are severely cost burdened.

Cost Burdened Owner Households by Income, Saint Paul, MN (2020)



Note: A household is considered to be "cost burdened" when it spends more than 30% of its gross income on housing costs. "Severely cost burdened" households spend more than 50%.

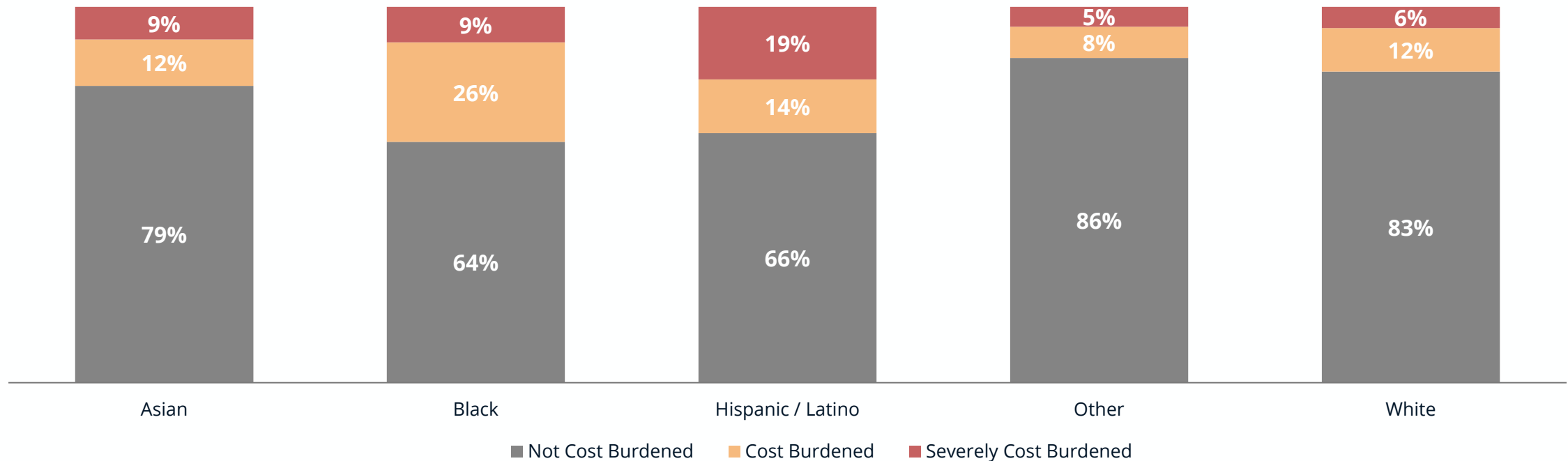
Source(s): ACS 5-Year Estimates

Housing Need – Owners | Cost Burden

Black homeowners in Saint Paul are the most cost burdened overall compared to other races. However, Latino homeowners hold the highest proportion of severely cost burdened households.

Share of Cost Burdened Owner Households by Race, Saint Paul, MN

(2020)



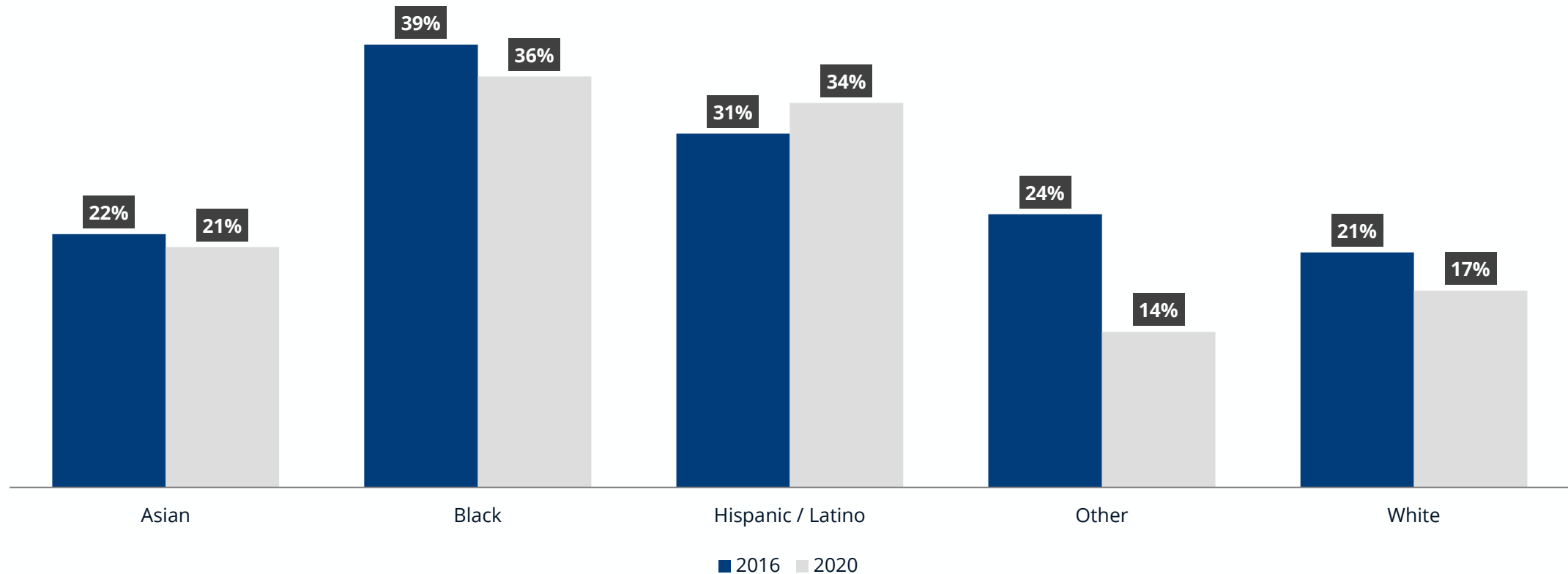
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Owners | Cost Burden

Since 2016, Latino homeowners have been the only racial group in Saint Paul to experience an increase in cost burden.

Share of Cost Burdened Owner Households by Race, Saint Paul, MN (2016-2020)



Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Owners | Cost Burden

Senior households are more cost burdened than the rest of Saint Paul’s homeowners.

Owner Cost Burden by Age, Saint Paul, MN (2020)



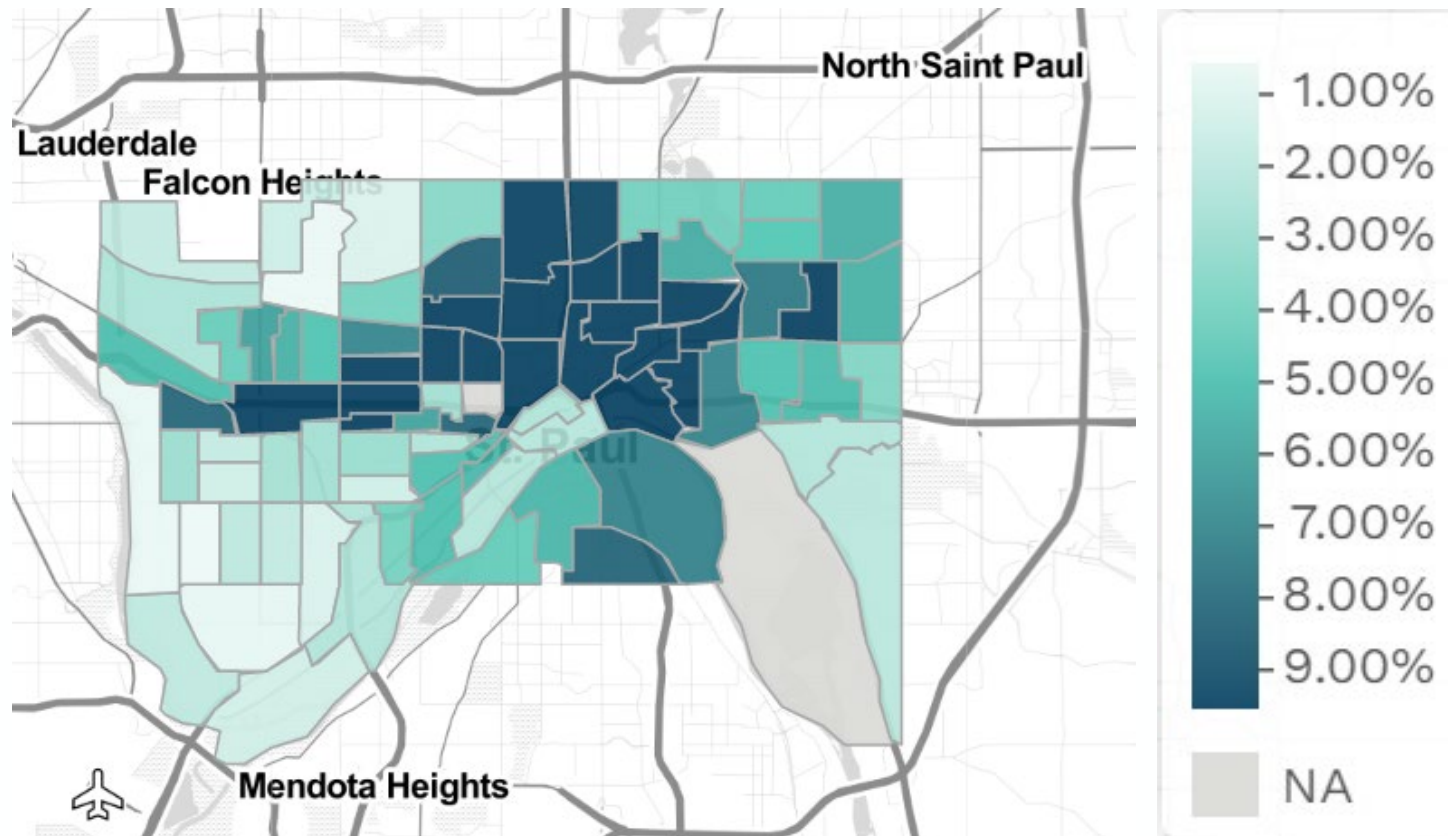
Note: A household is considered to be “cost burdened” when it spends more than 30% of its gross income on housing costs. “Severely cost burdened” households spend more than 50%.

Source(s): ACS 5-Year Estimates

Housing Need – Owners | Investor Properties

The highest concentrations of investor-owned residential properties exist in Saint Paul's communities of color, namely the North End and Dayton's Bluff neighborhoods.

Investor Ownership of Residential Properties, Saint Paul, MN (2021)



Note: Investor ownership defined as owning three or more residential properties, including single-family homes, townhomes, and condominiums.

Source(s): Federal Reserve Bank of Minneapolis

Housing Need – Owners | Investor Properties

The overall share of investor-owned properties in Saint Paul has increased since 2006 but has plateaued over the last five years.

Share of Investor-Owned Residential Properties, Saint Paul, MN (2006-2021)



Note: Investor ownership defined as owning three or more residential properties, including single-family homes, townhomes, and condominiums.

Source(s): Federal Reserve Bank of Minneapolis

A wide-angle photograph of a city skyline reflected in a river. The sky is a deep blue with scattered white clouds. The city buildings are silhouetted against the sky. A large bridge with multiple arches spans the river. The water is calm, creating clear reflections of the buildings and the bridge. In the foreground, there is a grassy bank.

Section II. Small Business Analysis



| 01

Small Business Findings

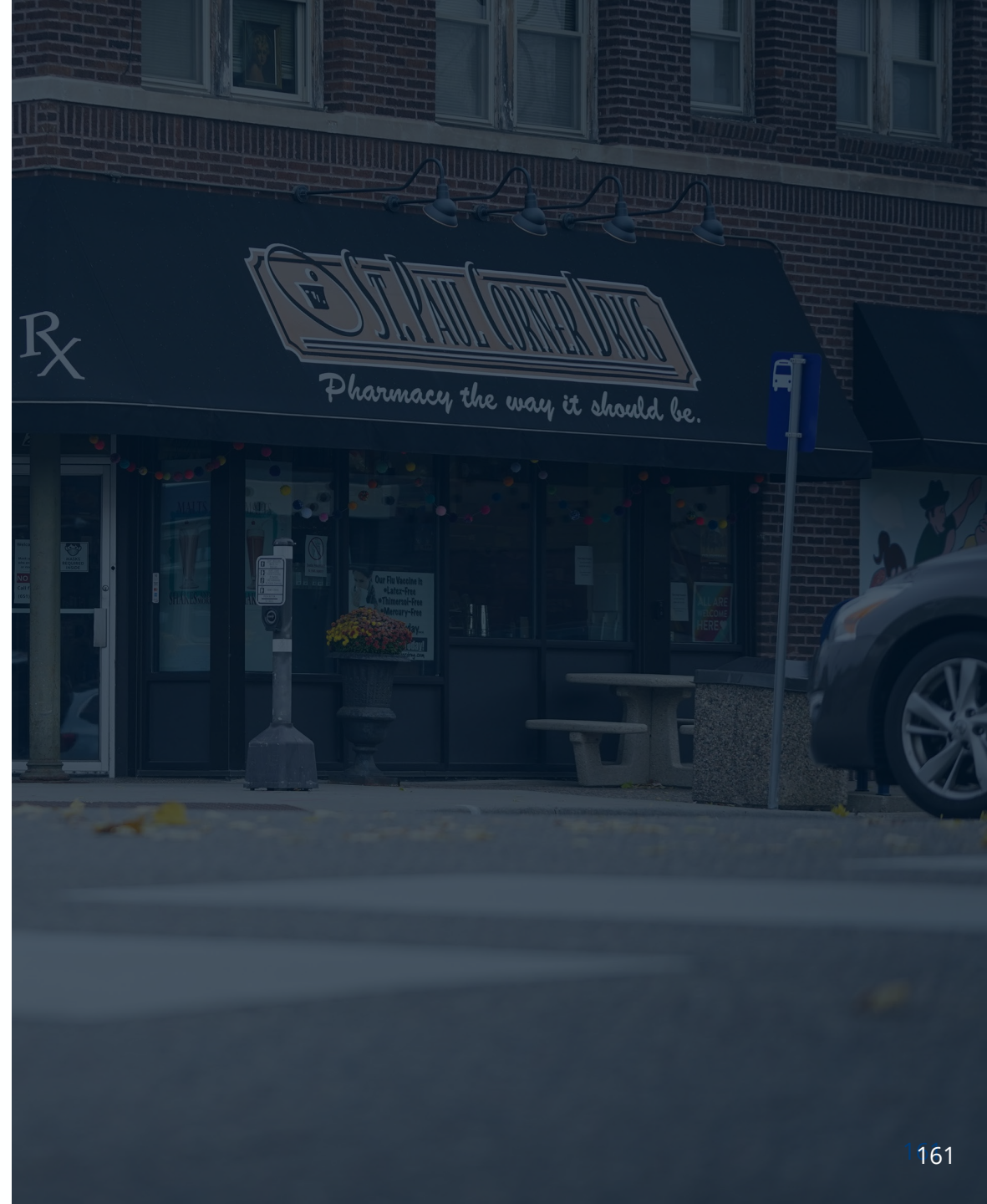
Small Businesses | Overview

Small businesses are critical to the economy and culture of Saint Paul and, like residents, experience displacement pressures as the city grows and changes.

Small businesses are more than just places of commerce – they serve as gathering spaces, tools for wealth creation, sources of information, and points of pride for communities.

When neighborhood demographics shift and existing residents leave, small businesses – particularly those of cultural significance – lose valued patrons and the consistent revenue they bring.

Unfortunately, there are few protections for business owners against displacement. Lost income, combined with rising commercial rents as a result of the neighborhood becoming more desirable, strains these businesses.



Small Businesses | Overview

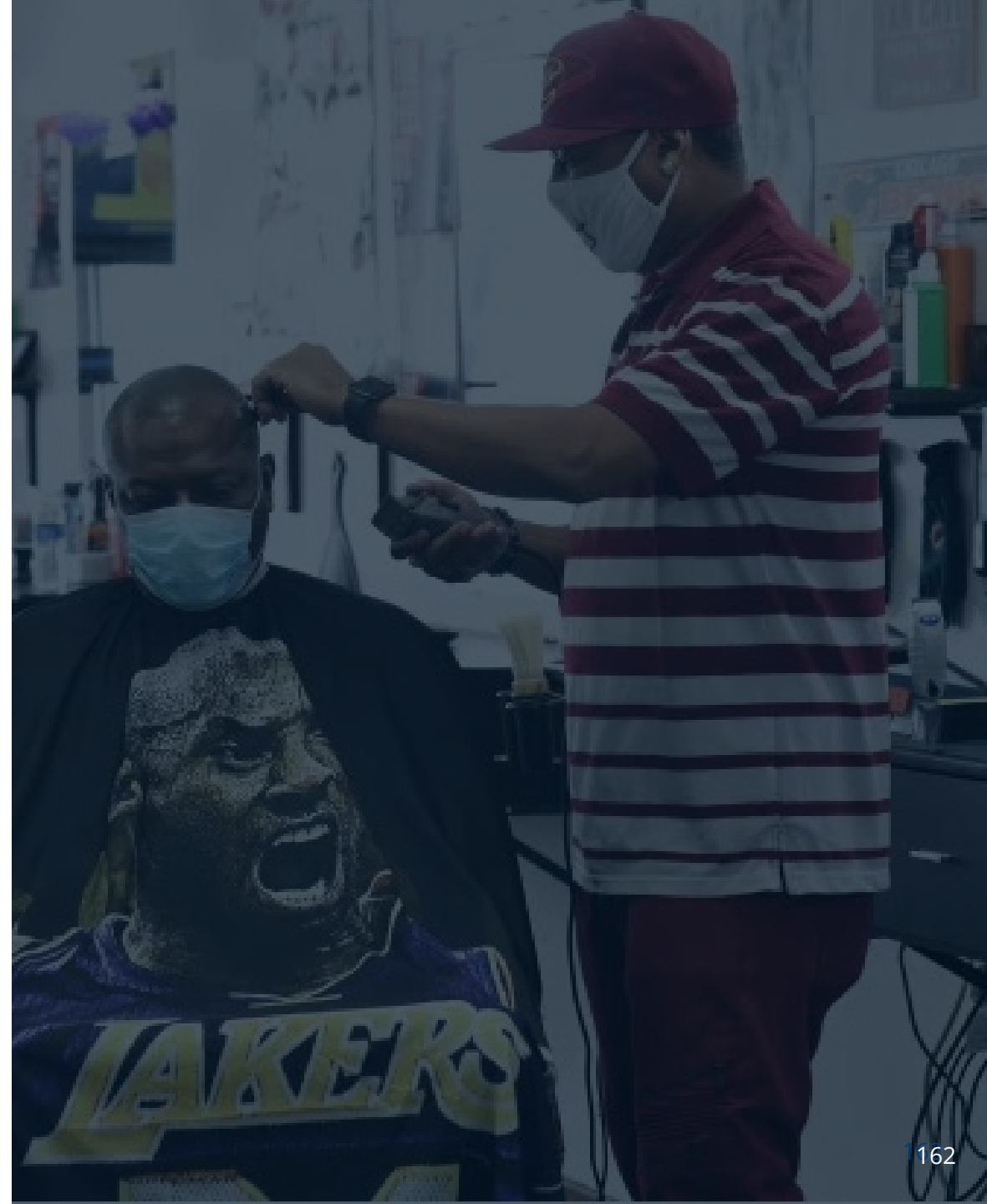
Reference USA provides rich data on small businesses, but data limitations hamper the analysis that can be completed.

According to the Small Business Association, small businesses are broadly defined as **privately owned businesses with fewer than 500 employees.**

This study uses Reference USA to inventory all of Saint Paul's businesses that meet these criteria. That said, Reference USA data has limitations, including incomplete data on:

- Gender of owners
- Race of owners
- Year established

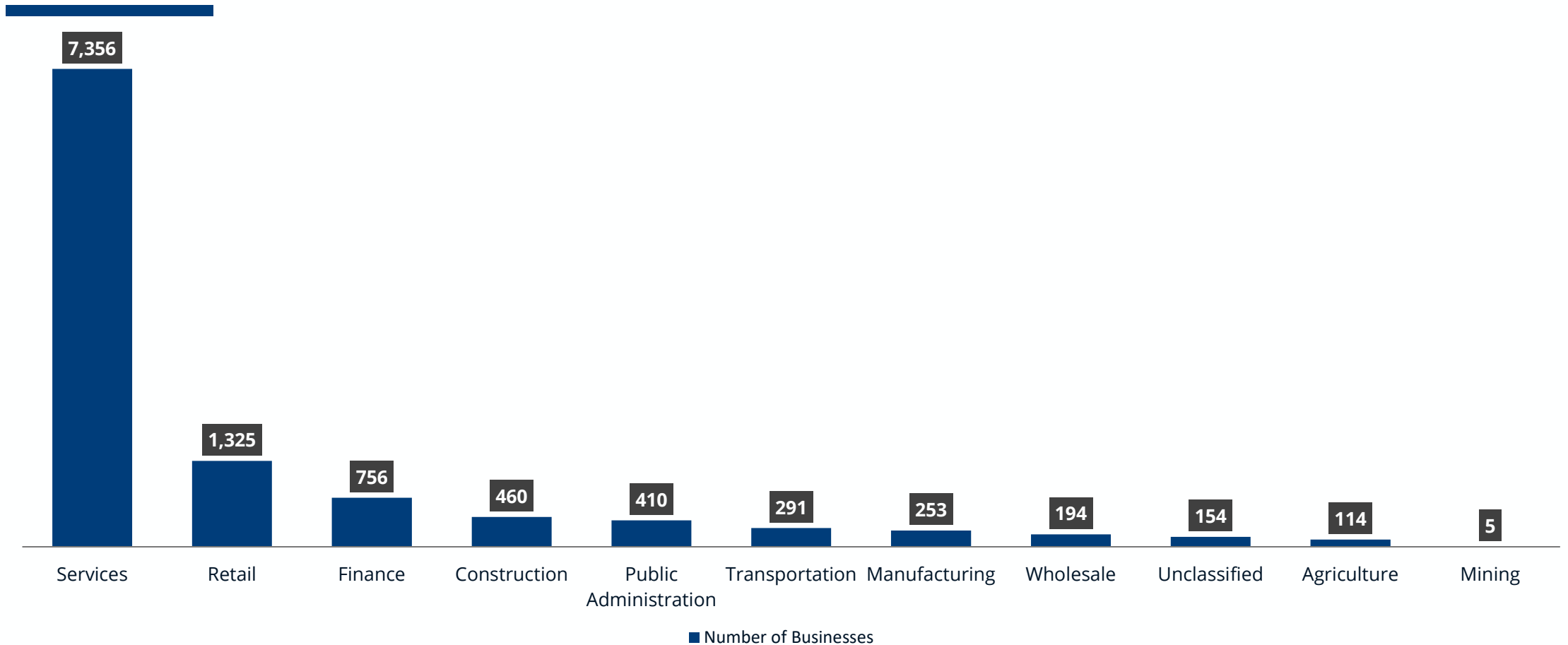
This data also does not include information on businesses that have closed, moved within Saint Paul, or moved out of Saint Paul. As such, **data will be heavily supplemented through focus groups with small businesses to understand their perspectives on displacement and displacement risk.**



Small Businesses | Industries

Most of Saint Paul's small businesses—around 65%—operate in the Services sector, which includes establishments that offer health services, legal services, personal services, and recreational services.

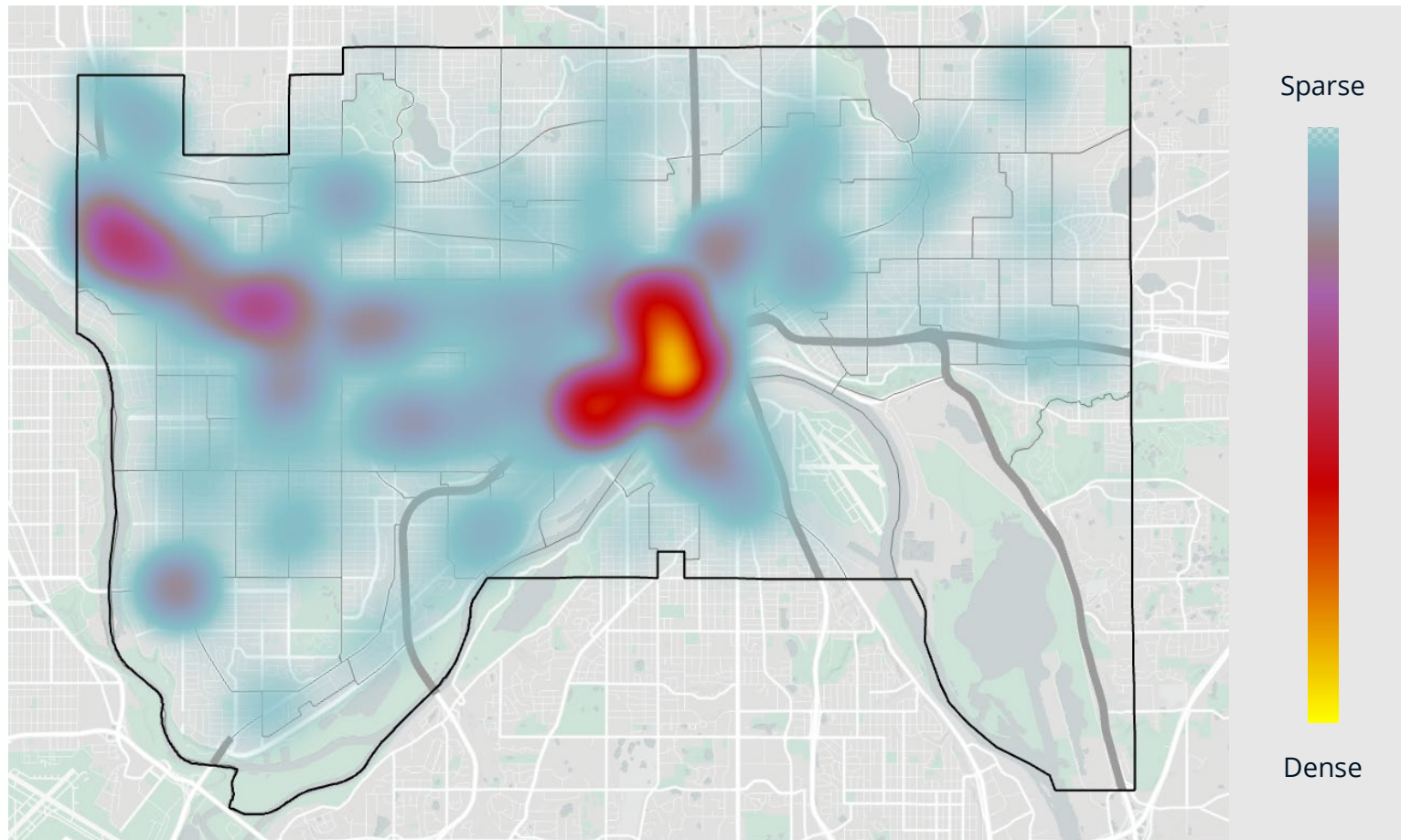
Small Businesses by Industry Cluster, Saint Paul, MN
(2022)



Small Businesses | Location

Saint Paul's small businesses are mostly concentrated in Downtown and along University Avenue.

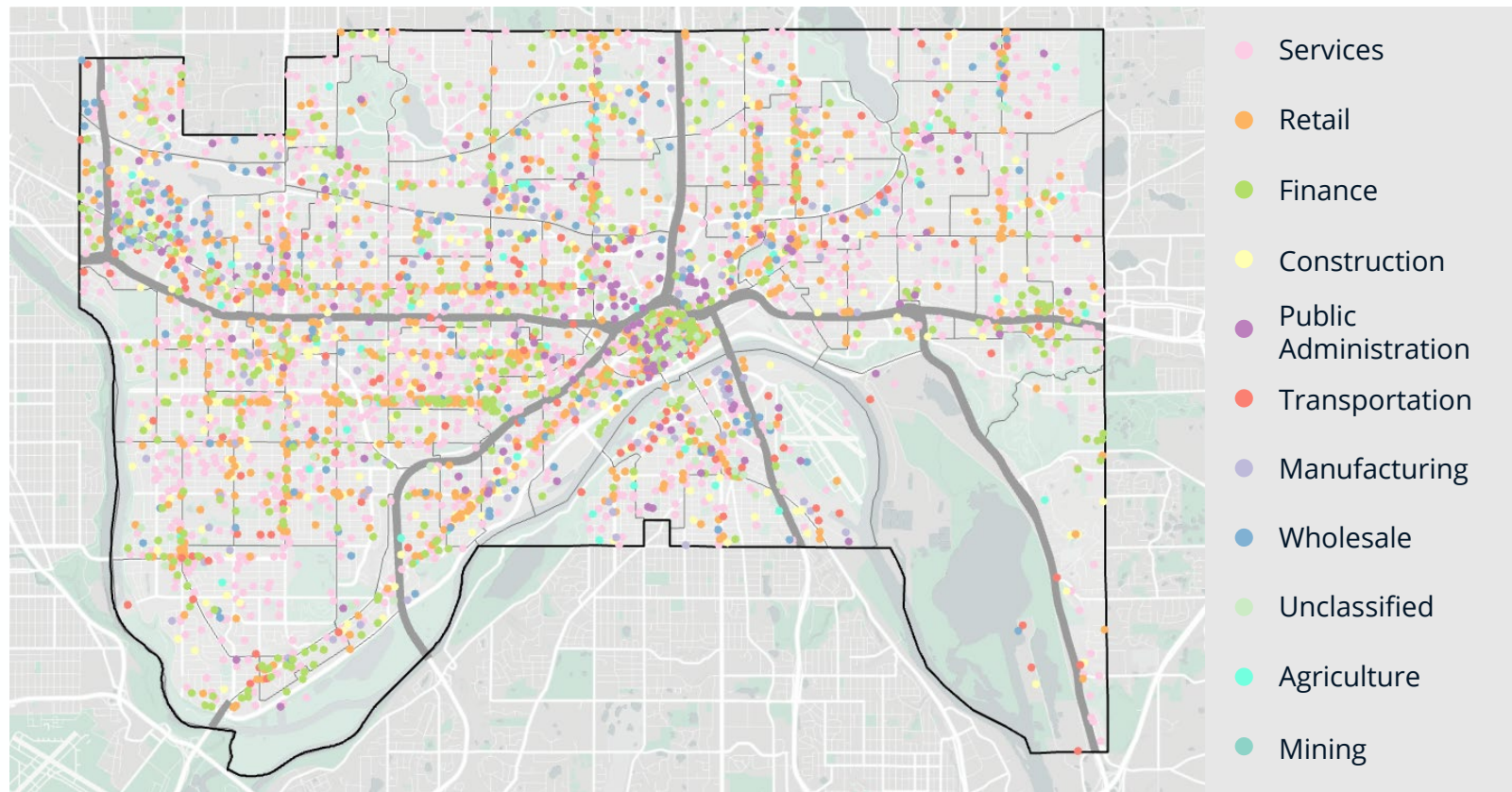
Small Businesses Concentration, Saint Paul, MN
(2022)



Small Businesses | Location

Finance and Public Administration businesses are concentrated in Downtown, while Retail businesses are concentrated along major roadways like University Ave and 7th St W. Services businesses are spread throughout the city.

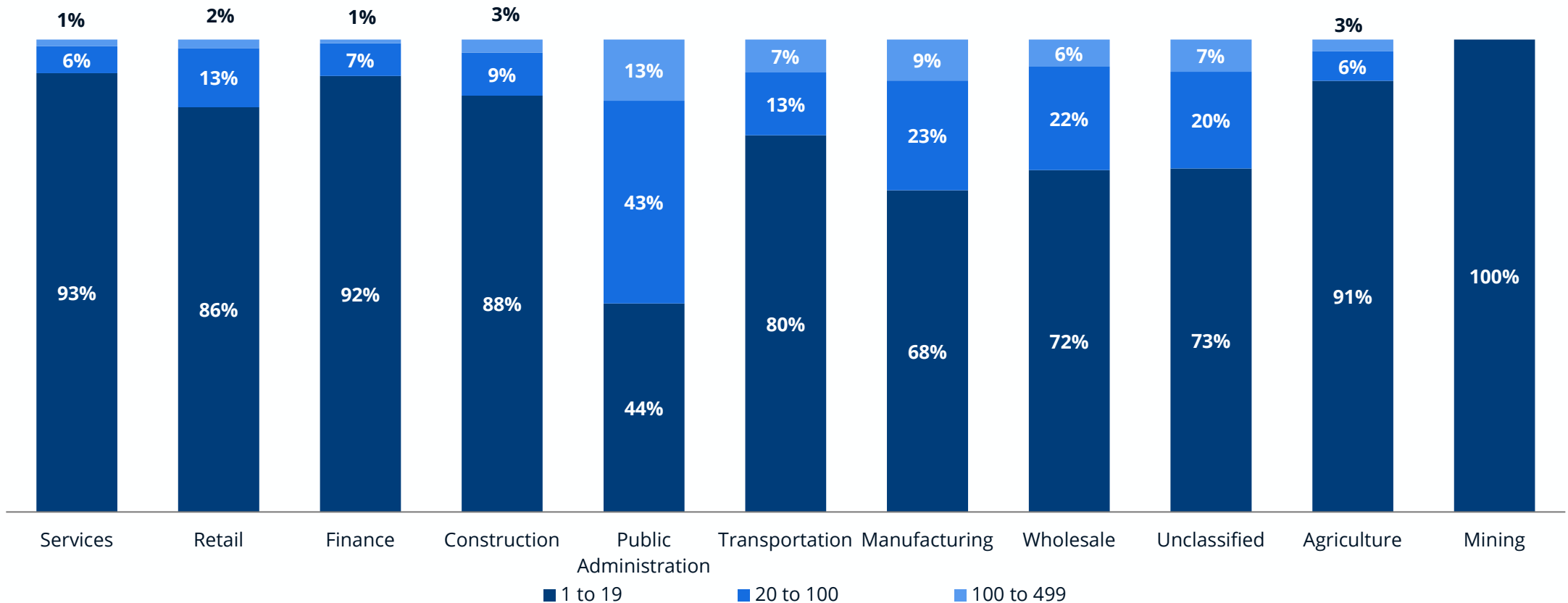
Small Businesses by Sector, Saint Paul, MN
(2022)



Small Businesses | Employment

In all sectors aside from Public Administration, businesses with fewer than 20 employees account for most of Saint Paul's small businesses.

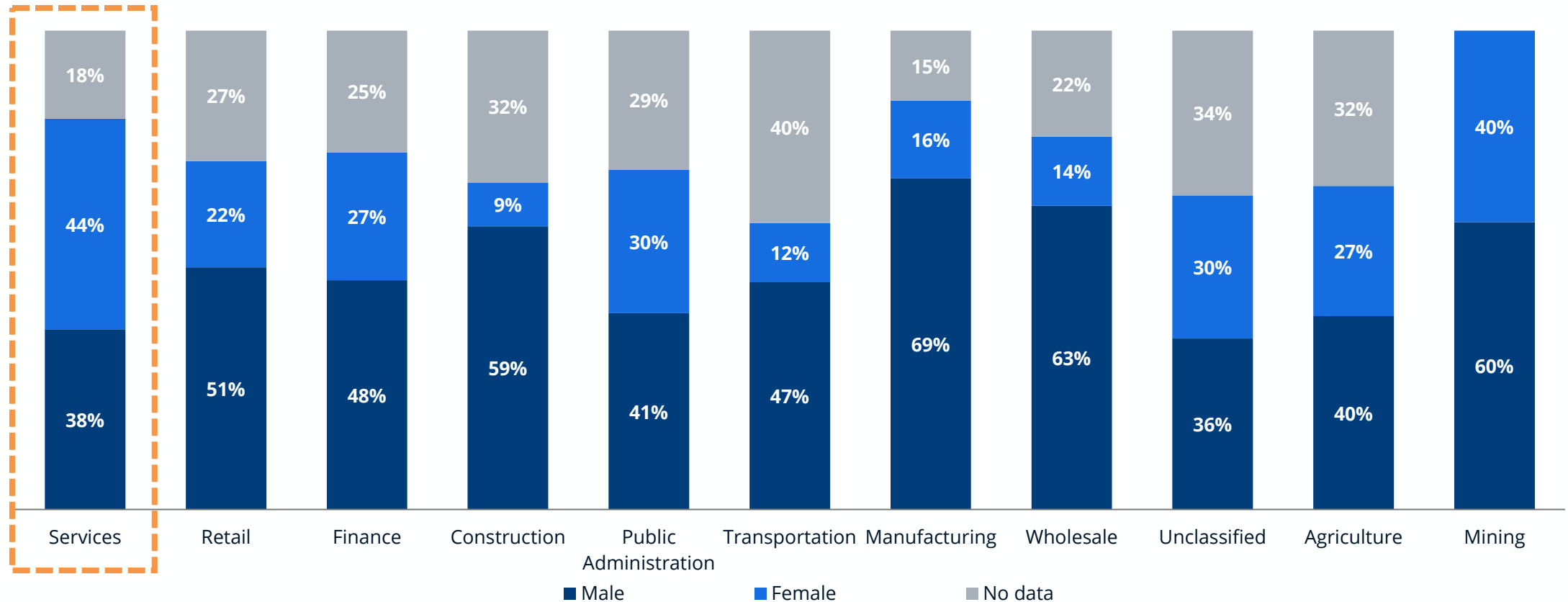
Small Businesses by Number of Employees, Saint Paul, MN
(2022)



Small Businesses | Ownership

Data on owner demographics is incomplete. However, the Services sector is the only sector with more small businesses owned by women than men.

Small Businesses by Gender of Owner, Saint Paul, MN
(2022)



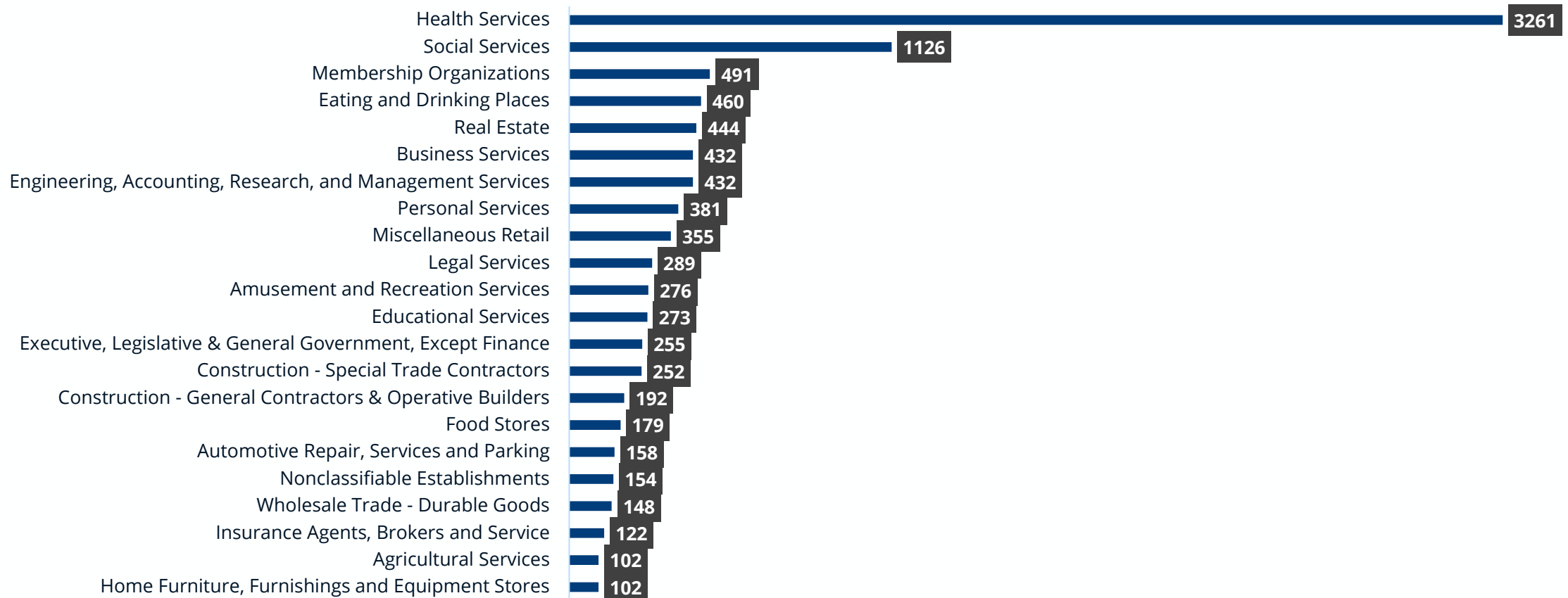
Note: Services businesses include personal services (like laundry services and barbers), automotive repair services, social services, legal services, health services, and recreation services.

Source(s): Reference USA

Small Businesses | Industries

Within these broad sectors, Health Services, Social Services, Membership Organizations, Eating and Drinking Places, and Real Estate are the top industries. Most are in the Services or Retail Sectors.

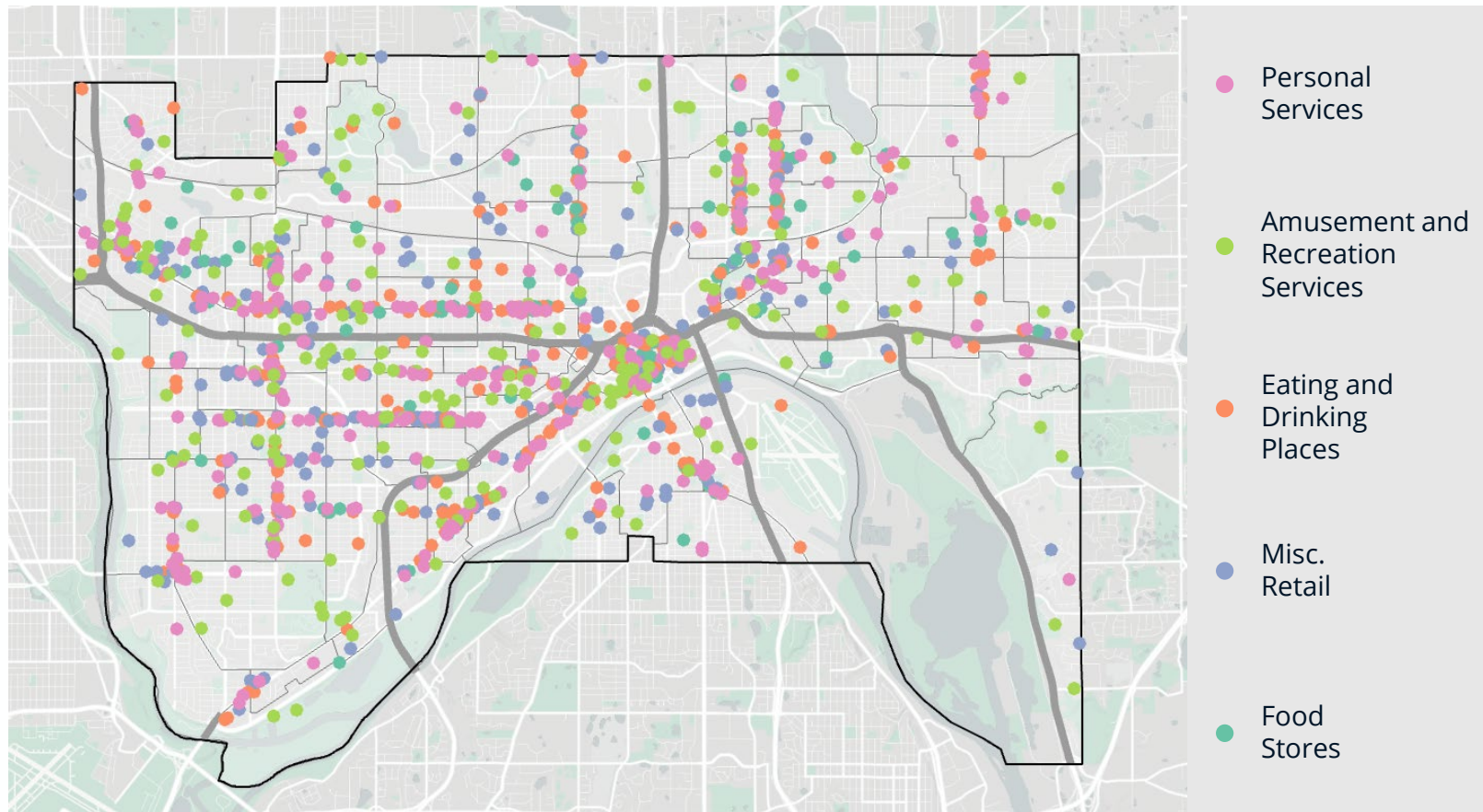
Small Businesses by Most Common Two-Digit SIC Code, Saint Paul, MN (2022)



Small Businesses | Displacement Risk

Some small businesses enliven ground floors and create a sense of place in their neighborhoods. Displacement of these businesses can lead to a sense of neighborhood cultural displacement.

Small Businesses with Cultural Displacement Risk, Saint Paul, MN (2022)

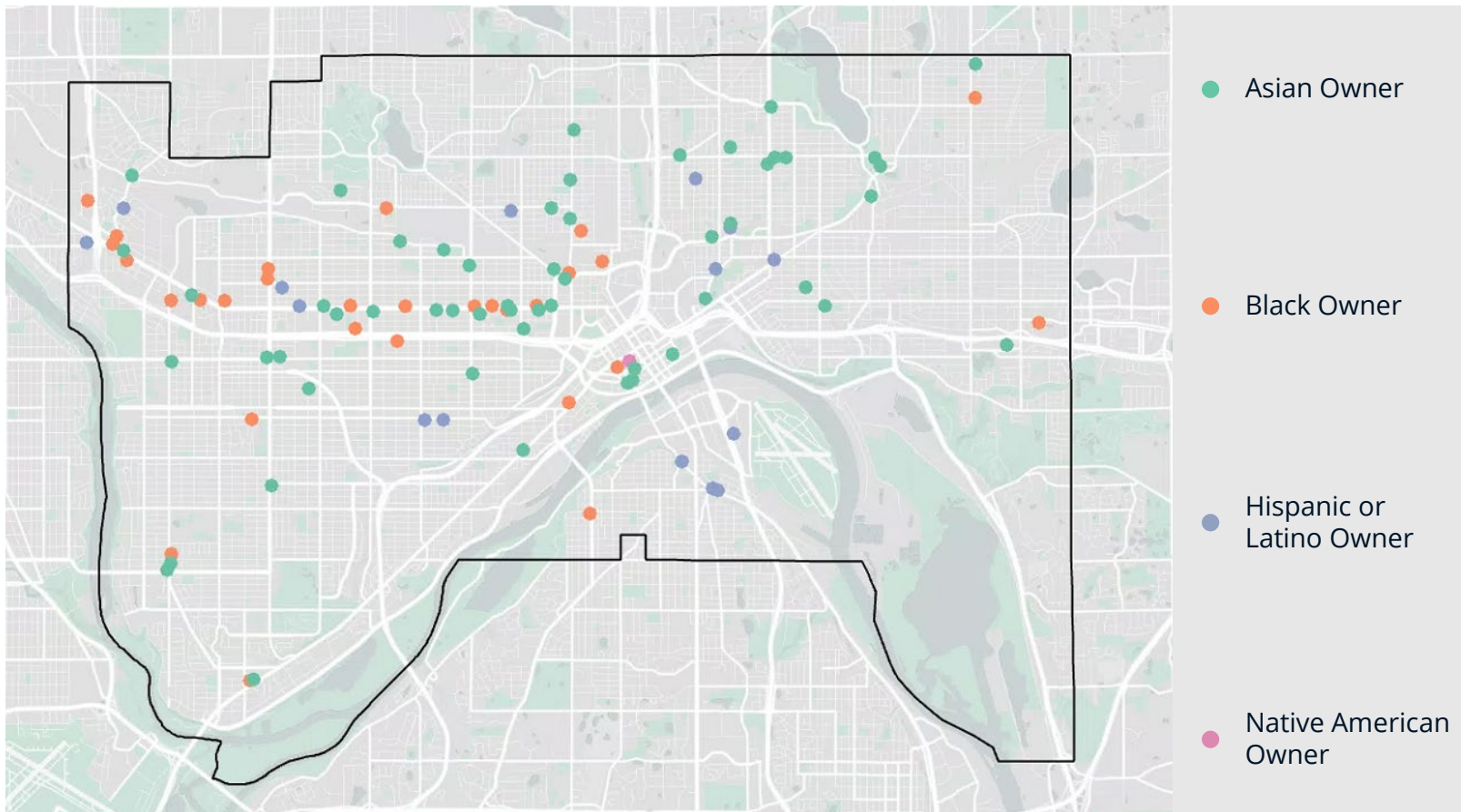


Small Businesses | BIPOC Owned Businesses

Though data is incomplete, BIPOC owned businesses in the Reference USA database are most concentrated along University Avenue.

BIPOC Owned Small Businesses, Saint Paul, MN

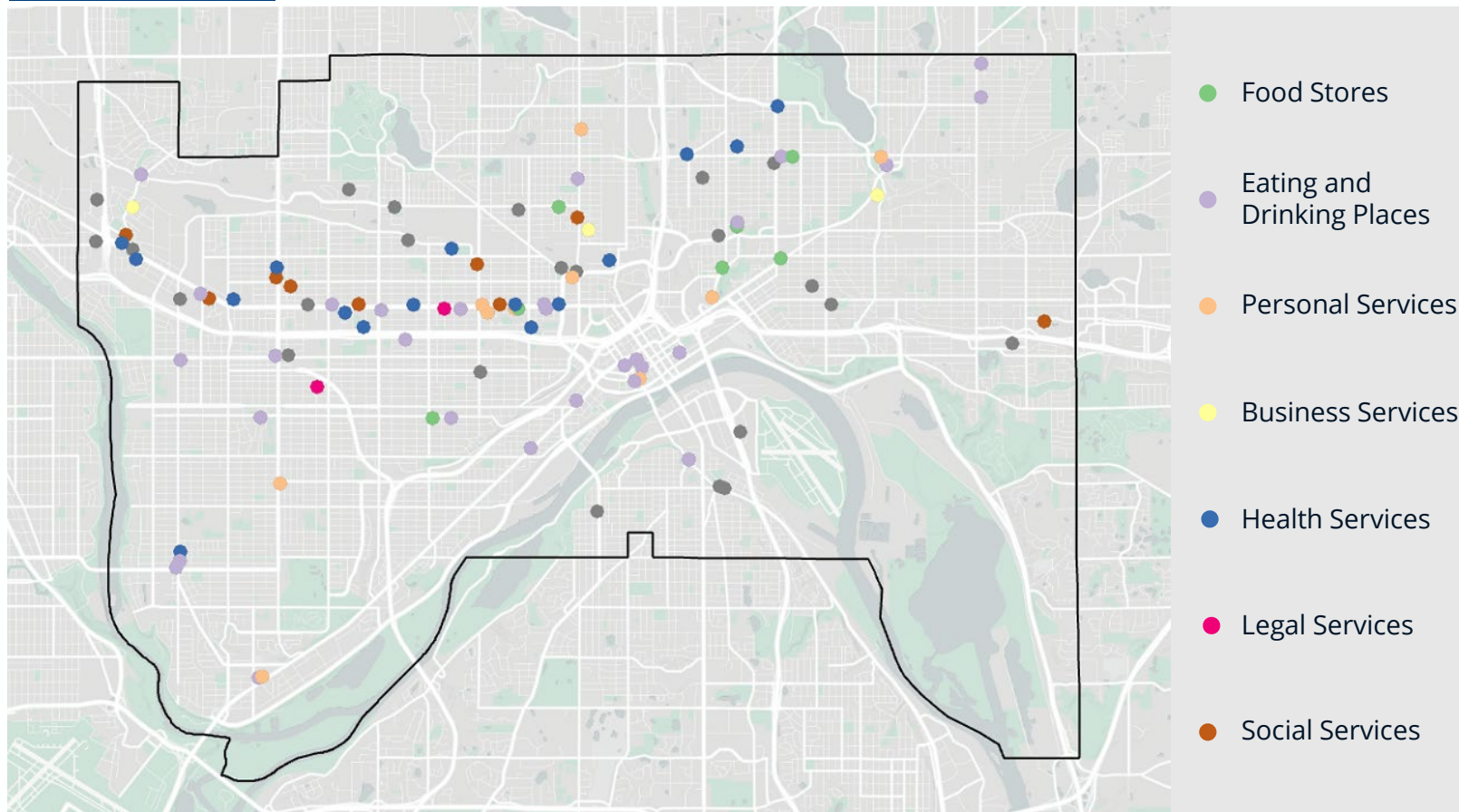
(2022)



Small Businesses | BIPOC Owned Businesses

Eating and Drinking Places, Health Services, and Personal Services are the most common BIPOC-owned small Businesses in Saint Paul.

Most Common BIPOC Owned Businesses, Saint Paul, MN
(2022)



Small Businesses | Displacement Risk

There are common reasons small businesses close or relocate.



RESIDENTIAL DISPLACEMENT

- When a business' customer base is displaced, new residents **may not have the same ties to local business.**



LANDLORD CHALLENGES

- **Rents, fees, and lease terms can change** as a neighborhood changes, often becoming more burdensome to small businesses.



PUBLIC SECTOR CHALLENGES

- **Permitting, fees, property taxes, and/or licensing** can increase the cost of doing business.



ACCESS TO CAPITAL

- Small businesses may close or relocate due to **struggles accessing capital.**



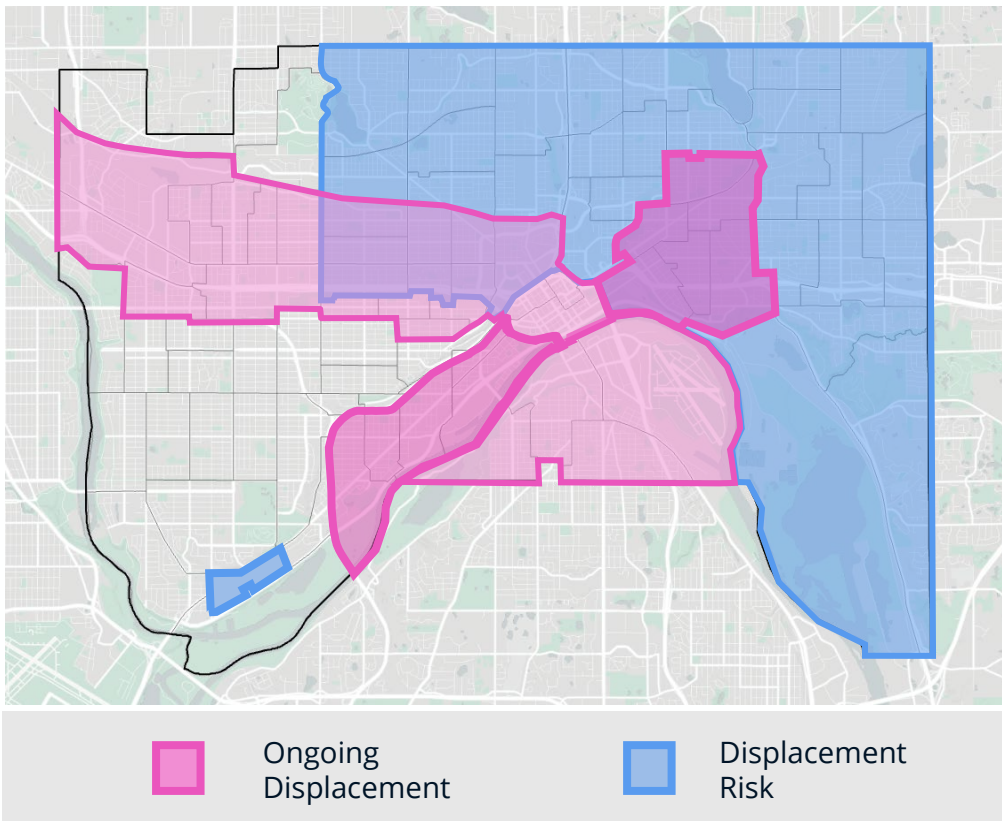
TECHNICAL SUPPORT

- **Insufficient technical support** for operations and growth can hinder small business success.

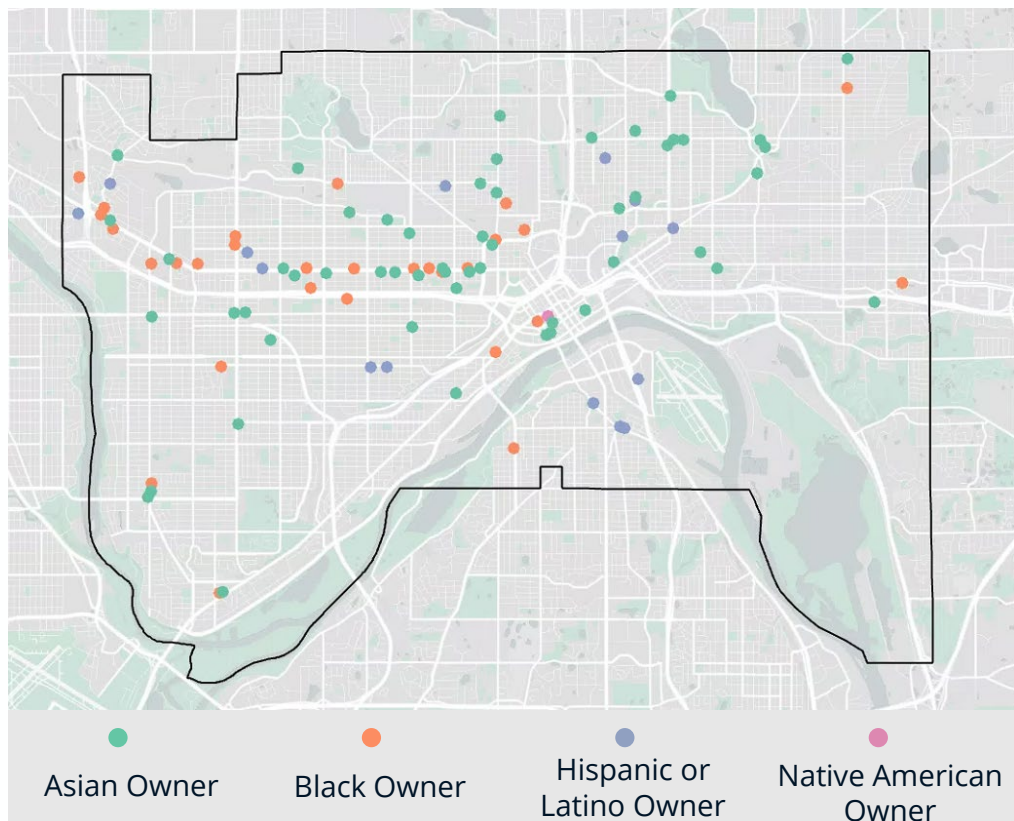
Small Businesses | Displacement Risk

As residential populations are displaced, so too are small businesses' customer bases. Even if residents with more spending power move in, they may not have the same neighborhood ties to local businesses.

BIPOC Owned Small Businesses, Saint Paul, MN
(2022)



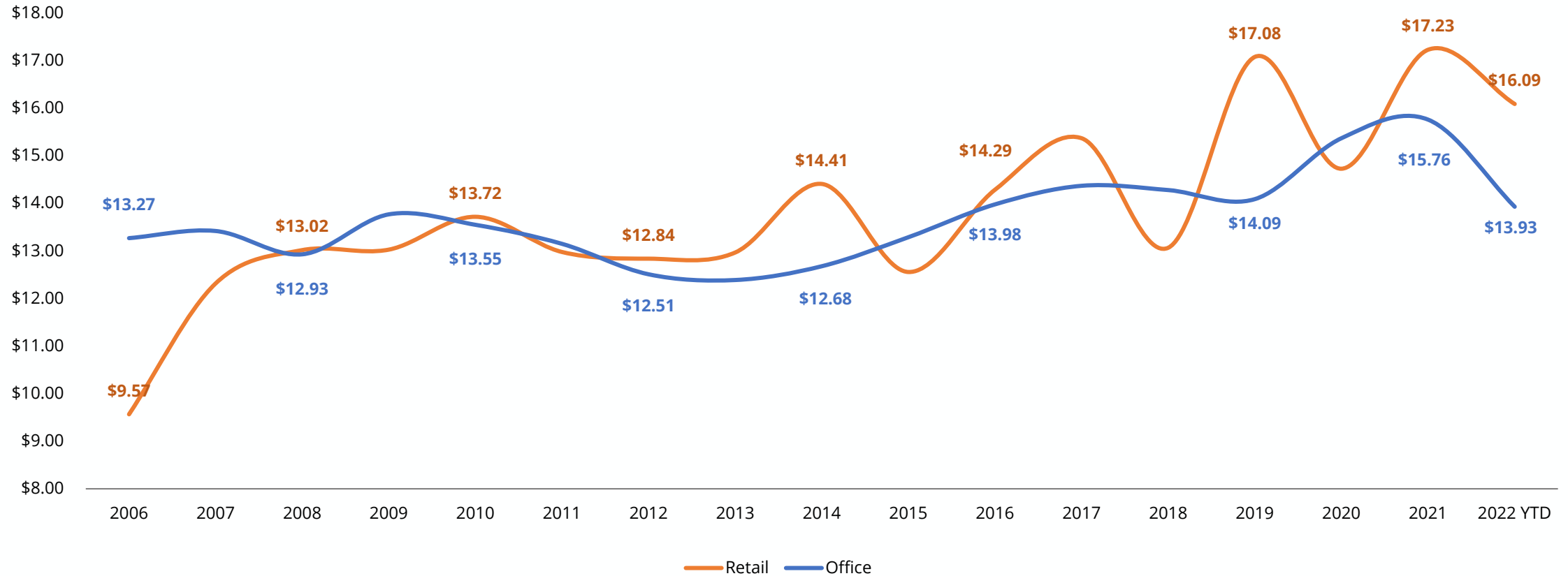
BIPOC Owned Small Businesses, Saint Paul, MN
(2022)



Small Businesses | Costs & Rents

Despite year-to-year variation, retail rents in Saint Paul have increased 3.1% annually on average. Office rents have increased much more slowly at just 0.3%, dipping sharply in the past year.

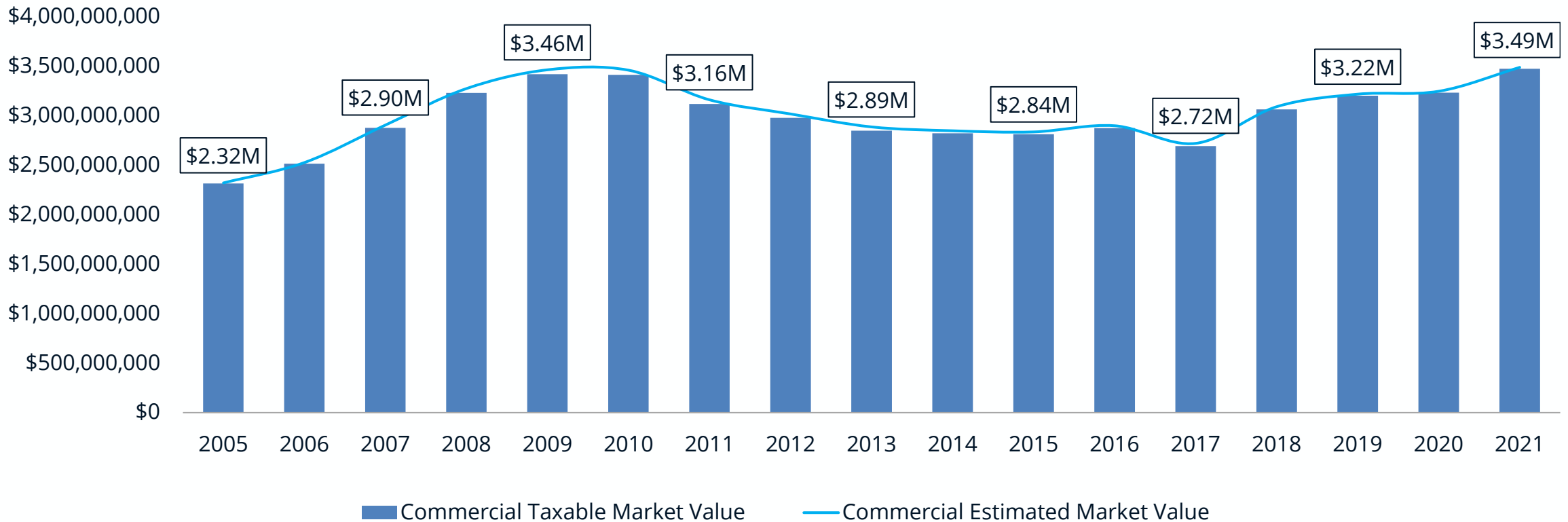
Citywide Commercial Rents, Saint Paul, MN (2006-2022)



Small Businesses | Costs & Rents

As property values increase, so do property taxes. This can contribute to rent increases, which are especially burdensome for small business owners.

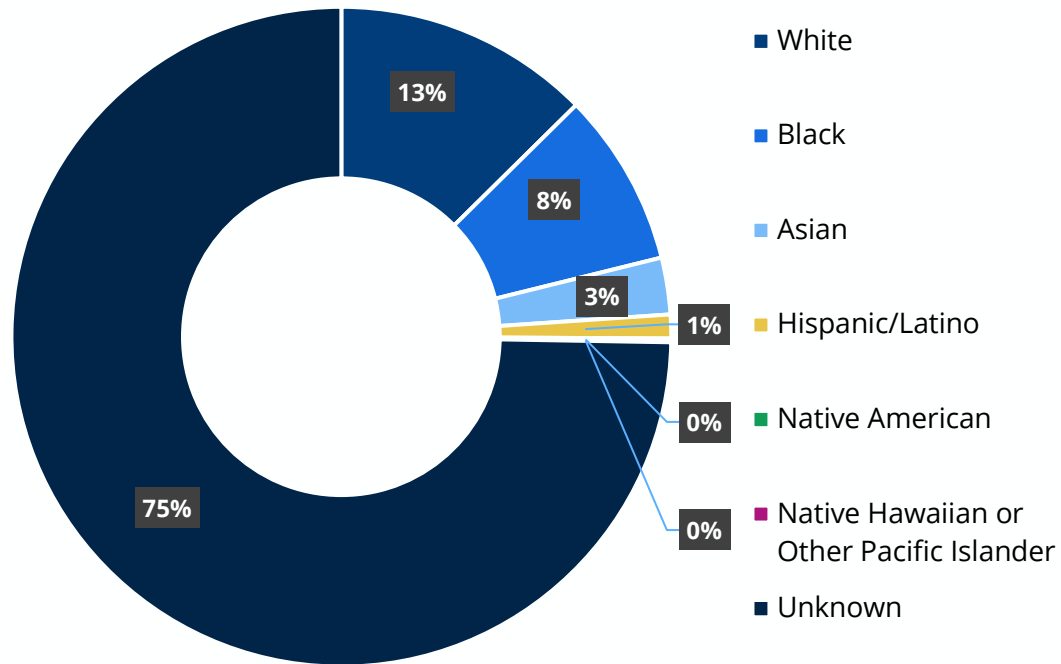
Commercial Property Taxes, Saint Paul, MN (2006-2022)



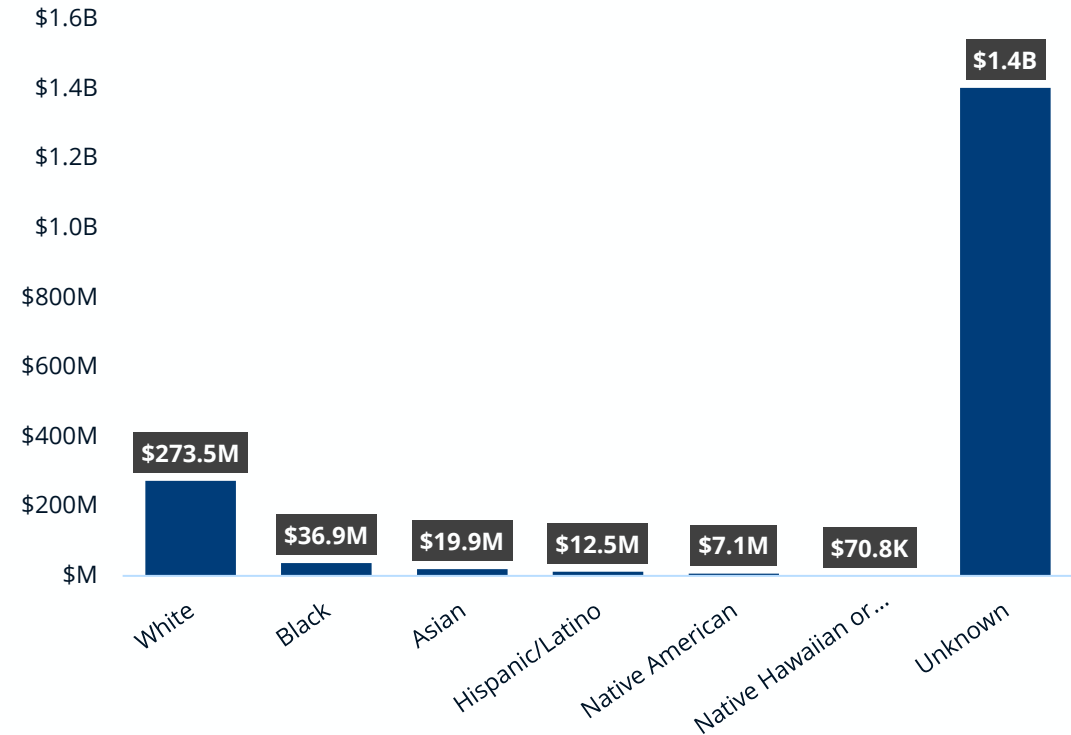
Small Businesses | PPP Loans

According to the limited racial demographic data around Paycheck Protection Program (PPP) loans, white-owned businesses received significantly more relief funds than minority-owned businesses.

PPP Loan Recipients by Race, Saint Paul, MN (2021-2022)



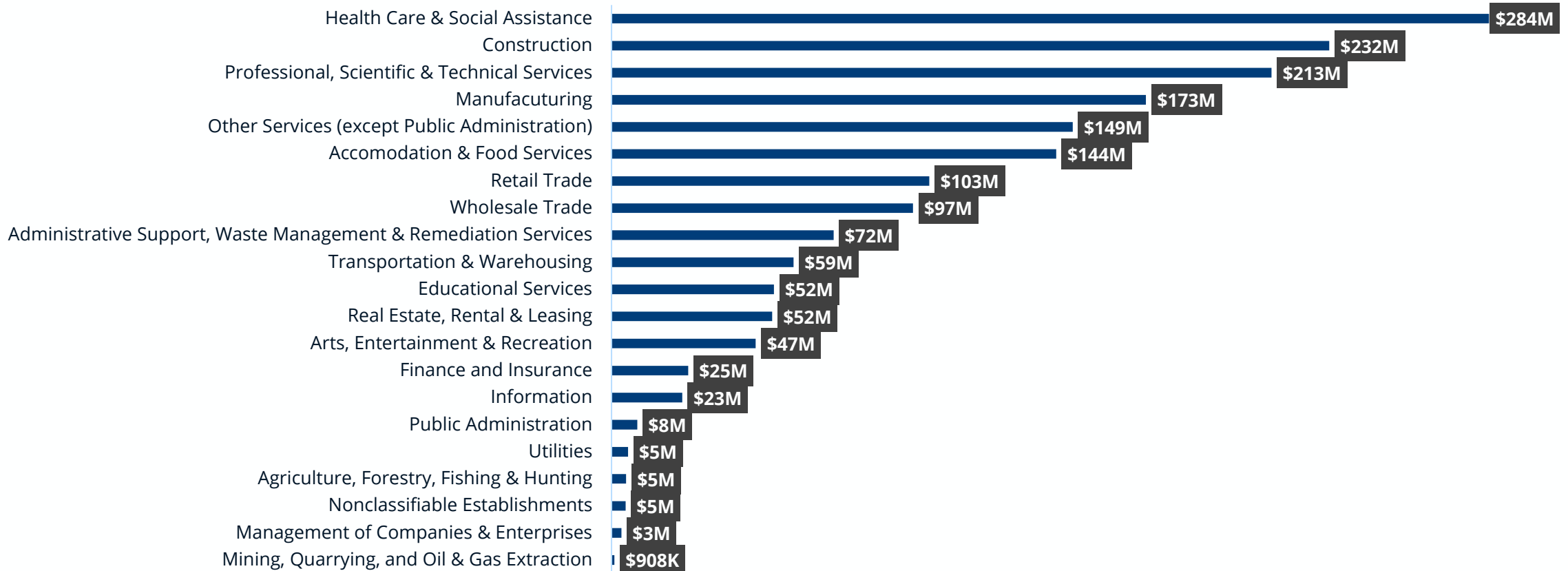
PPP Loan Distribution by Race, Saint Paul, MN (2021-2022)



Small Businesses | PPP Loans

Businesses centered around healthcare and social assistance received the greatest share of PPP loans, followed by construction businesses. Mining and oil was the only industry to receive less than \$1M.

PPP Loan Distribution by Industry, Saint Paul, MN (2021-2022)



Small Businesses | The Five Cs

Through their engagement with small businesses in Saint Paul, NEOO Partners identified the “Five Cs” which describe the critical elements that determine the success and viability for small businesses.



COMPANY

- What is a company's competitive edge? What unique products or services does it offer?



CUSTOMERS

- Potential customers can be broken down into three main sizes – Total Available Market, Serviceable Available Market, and Serviceable Obtainable Market



COMPETITION

- Found in the form of other companies operating in the same industry as the focal company



COLLABORATORS

- Entities that enhance a company's ability to provide its good or service
- Primarily revolves around supply chains and can range from spot contracts to quasi-vertical integration



CONTEXT

- The context in which a business operates is most often analyzed with the use of a PESTEL analysis (political, economic, sociological, technological, environmental, and legal)

Small Businesses | Methods of Engagement

Our team engaged with small businesses in Saint Paul and gather information on their experiences and concerns related to operating in the city.



4 FOCUS GROUPS



CANVASSING



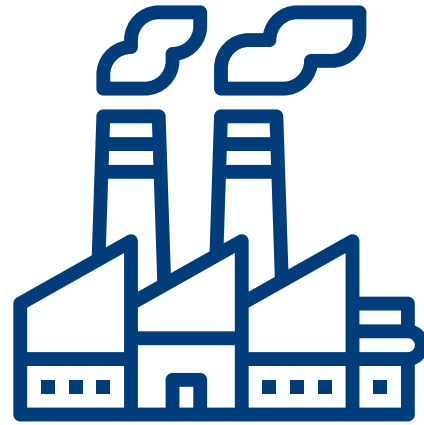
1 SURVEY



13 INTERVIEWS

Small Businesses | Sectors

Engagement efforts focused on the below commercial sectors, with primary attention on retail small businesses.



Small Businesses | Key Engagement Takeaways

Below are key quotes from engagement with small businesses in Saint Paul.



"Saint Paul has a great opportunity to market itself as the safe, stable alternative to Minneapolis. We have a location in Minneapolis and the ease of doing business and working with the city is so much better in Saint Paul. Small Minneapolis business owners need to know how much easier it is to open/license a business in Saint Paul."

"The city needs to understand the nuances of business operations. For example, gross income does not equal net income. Get to know the real experience."

"My plan when I bought this business was to be here until retirement. Now all I do is think about relocating. This neighborhood has changed a lot in the last five years, and not in a good way. Every night, when I walk to my car after closing, I wonder if I'm going to be shot. I'm tired of it. Nobody in the city seems to care."

"We need a lot of community support and advertisement for our area. The building electricity is not up to code and it will cost a lot of money to wire the building. We want to get a nice sign in front of the store. We need assistance and funding in order to do that. It would be an investment for the city to come and clean up the businesses that are closed in the area."





Small Businesses | Key Engagement Takeaways

Small businesses need **help addressing marketing and operations concerns.**

Small businesses received COVID funding assistance **with no follow-up support.**

Small businesses **need well-lit and plowed main and side streets and parking.** The Green Line has not benefitted all businesses.

Small businesses have **concerns about crime and gun violence.**

There are high commercial vacancies, but **small businesses are not able to secure space.**



SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

Saint Paul Anti-Displacement Strategy

Existing Conditions Analysis and Engagement Findings

May 2023

HR&A



Appendix | Census Tract Crosswalk Methodology

To compare 2020 and 2010 data at the census tract level, this study uses NHGIS data to crosswalk 2010 block groups to 2020 census tracts.

Household-Weighted Crosswalk

1. HR&A pulled 2010 block group data for the City of Saint Paul.
2. HR&A used NHGIS household weights to multiply 2010 block group data by the percent of its households in its corresponding 2020 census tract(s).
3. HR&A summed the weighted data for each 2020 tract.

2010 BG	2010 BG Pop.	2020 Tract	HH Weight	2020 Tract Pop.
271230306021	785	27123030703	0.149	116.9
271230307031	568	27123030703	1.0	568
271230307032	1,063	27123030703	1.0	1,063
Total				1,748

Addressing Medians

1. Because NHGIS weights were percentages and multiple 2010 block groups could be 100% within a single 2020 tract, multiplying median values by these household weights and adding the products did not work.
2. Instead, HR&A used NHGIS household weights to find weighted block group population. From there, HR&A used the population of each block group in a census tract to weight median values. This avoided the overweighting issue that occurred with multiply block groups fully inside a census tract.

2010 BG	2010 Median Age	2020 Tract	HH Weight	2020 Tract Pop.	2020 Tract Median Age
271230306021	45.3	27123030703	0.149	116.9	34
271230307031	41.8	27123030703	1.0	568	
271230307032	28.8	27123030703	1.0	1,063	