

# Draft Hillcrest Housing Policy

September 9, 2020

Housing meets a fundamental need and is in short supply throughout the region, including in the Hillcrest area. According to a 2020 market study commissioned by the Saint Paul Port Authority for this project, there is a substantial amount of Naturally Occurring Affordable Housing (NOAH) in the site's market area, but demand continues to exceed the supply, with rental housing vacancy rates under 3% and the area's supply of for-sale homes well under two months over the past two years. The market study also notes that existing market-rate rents in the area are at a level considered affordable to renters earning 80% Area Median Income (AMI), which is roughly equivalent to \$83,000 for a family of four in 2020. Because median income for Saint Paul renters is approximately \$40,000, there is a strong need for affordable housing in the community, and development of the Hillcrest site should include affordable housing to meet the community needs in the Hillcrest area, consistent with Comprehensive Plan policy goals to improve access to affordable housing citywide. These policy goals set out targets as follows:

- For City/HRA-assisted new rental units, the Comprehensive Plan aspires that at least 30 percent will be affordable to households earning 60 percent of the AMI, of which at least one third will be affordable to households earning 50 percent of the AMI, and at least one third will be affordable to households earning 30 percent of the AMI.
- For City/HRA-assisted new ownership units, the Comprehensive Plan aspires that at least 20 percent will be affordable to households earning up to 80 percent of the AMI, and an additional 10 percent will be affordable to households at 60 percent of AMI.

The above goals are calculated on a citywide basis, though housing developed at Hillcrest provides an important opportunity to strive toward meeting the City's affordability goals.

In addition to the above affordability targets, this master plan offers the below housing type priorities for achieving a broad mix of housing types on the site:

- **Priority one: Rental housing, non-age-restricted**  
This category includes affordable general occupancy apartments and market-rate general occupancy apartments. Affordable rental housing should be integrated throughout higher-density residential areas, and include units to serve large families.
- **Priority two: For-sale homes**  
This category includes for-sale multifamily (e.g., twinhomes, rowhomes, detached townhomes) and for-sale single-family detached homes, with a greater emphasis on the former to provide for a diversity of missing middle ownership housing to the area and Saint Paul. Affordable ownership options should be integrated with market rate ownership options, and include units to serve large families.
- **Priority three: Age-restricted housing (ages 55+ or 62+)**

This category includes independent living for-sale and rental options; and senior housing with various service levels, and at a mix of affordability levels. Demand will continue to increase in the next two decades for this type of housing.