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Appendix A

Housing Conditions and Trends Inventory

Striving for safe, dignified and affordable housing for all residents is a core value for the City of Saint Paul. To develop meaningful policy towards this, the City needs to understand existing conditions and identify key trends that affect housing today and impact the provision of housing in the future. This housing assessment examines four key components to the City's housing infrastructure—housing units, affordability of existing housing units, cost-burdened households and homelessness. Each section analyzes current conditions using a variety of data sources, and identifies key trends to monitor over the course of this Plan's implementation.

1. Housing Units

- General housing information, including total number of units, vacancy rates, tenure breakdown and overall unit composition
- Age and condition of units
- Vacant structures
- New construction trends

2. Affordability of Housing

- Affordability of housing broken down by owner and renter units
- Naturally-occurring affordable housing
- Inventory of obligated affordable housing, including public housing, project-based Section 8, and income-restricted affordable housing units

3. Cost-burdened households

- Race
- Age
- Household type

4. Homelessness

1. Housing Units

The City of Saint Paul has approximately 119,625 housing units as reported in the American Community Survey (ACS) 5-year estimates, 2012-2016¹. Over the last 25 years, housing vacancy rates in Saint Paul have been relatively low. Vacancy rates in owner-occupied housing have been stable, ranging from a low of 0.7% to a high of 2.7% (during the recession of the mid-2000s). The rental market has shown some variability, and in 1990 and 2010, rental vacancy rates peaked at 7.7% and 7.2% respectively. Currently, vacancy rates are trending downward, with 1.5% for owner-occupied units and 3.7% for rental units. Rental markets are typically considered stable at 5% vacancy. With low available housing supply and increased housing demand, there is upward pressure on rents.

Tenure of units is nearly equally divided between owner- and renter-occupied units, with a slightly higher percentage of renter-occupied units—1.0% or 1,081 units. This is the first time in modern city history that the number of renter-occupied units has surpassed the number of owner-occupied units. From 1990 to present, there has been a 2% increase in the number of total households, a 9% decrease in the number of owner-occupied households and a 14% increase in the number of renter households. This change can be attributed, in part, to an increased number of single-family homes that have become rentals², as well as the construction of more multifamily rental housing within Saint Paul.

¹ The 2010 Census reported that the City had 120,795 housing units, while the most recent ACS 5-year estimate report 119,625 +/- 869 units. After reviewing demolition and building permits records, the City does not believe there was a decrease in the number of units from 2010 Census to the estimate period.

² Over the last eight years, the percentage of renters living in single-family homes rose from 10.6% to 14.7% (2009 - 2011 and 2012-2016 ACS 5-year estimates).

Table 1: Housing Units, Occupancy and Tenure

	Units	
	Number	Percent
Total Units	119,625	100%

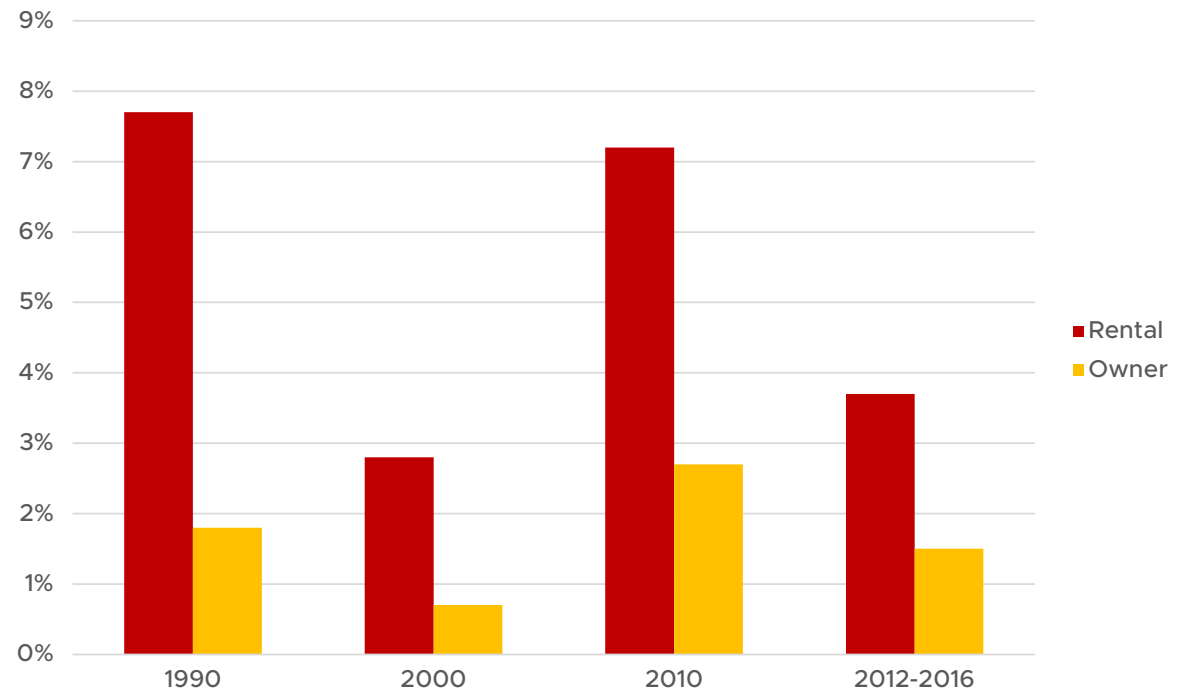
Occupied/Vacant*		
Occupied	112,571	94.1%
Vacant	7,054	5.9%

Tenure of Occupied Units		
Owner-Occupied	55,745	49.5%
Renter-Occupied	56,826	50.5%

*Vacancy rates: Owner-occupied: 1.5%; Renter-occupied: 3.7%

Source: ACS 5-year Estimates, 2012-2016

Chart 1: Percent Owner and Rental Vacancy Rates, 1990 - 2016



The number of housing units is nearly evenly divided between single-family homes and all other housing types; however, according to Ramsey County Property Tax Records (January 2018), the amount of land dedicated to single-family homes (9,200 acres) exceeds that of all other housing types (2,500 acres) by approximately 350%. In comparison, larger multi-family buildings (20 or more units) contain nearly 25% of all units while occupying only 3% of the platted land area. Map 1 shows the distribution of housing unit types throughout the city.

Chart 2: Housing Units, Occupancy and Tenure

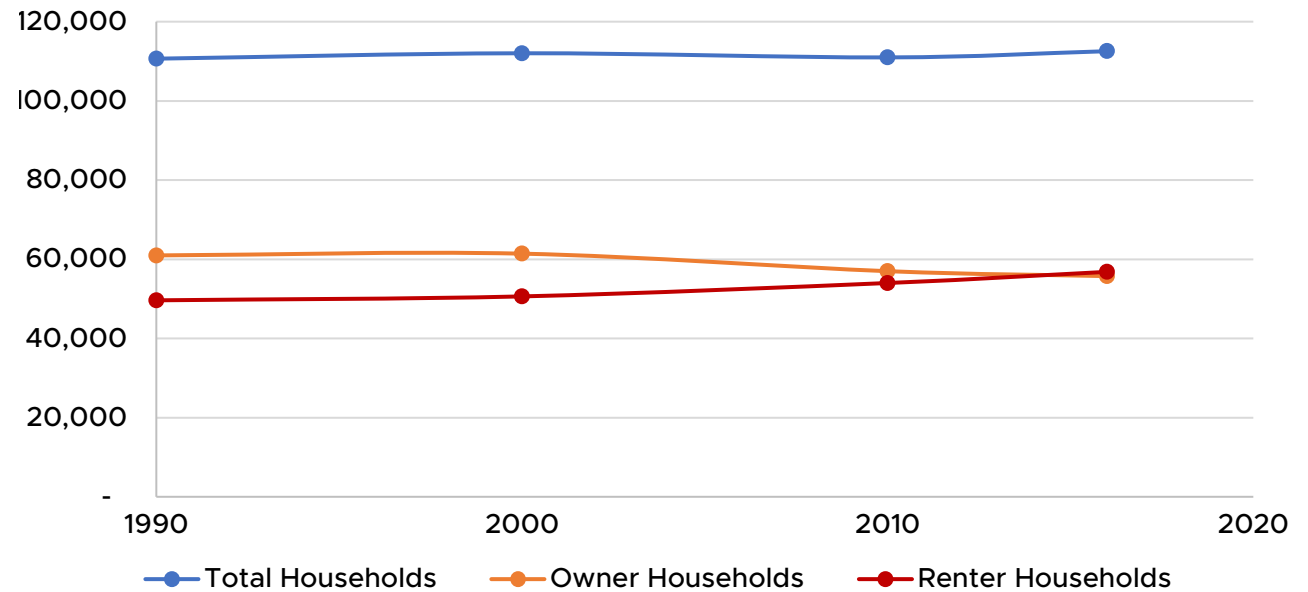
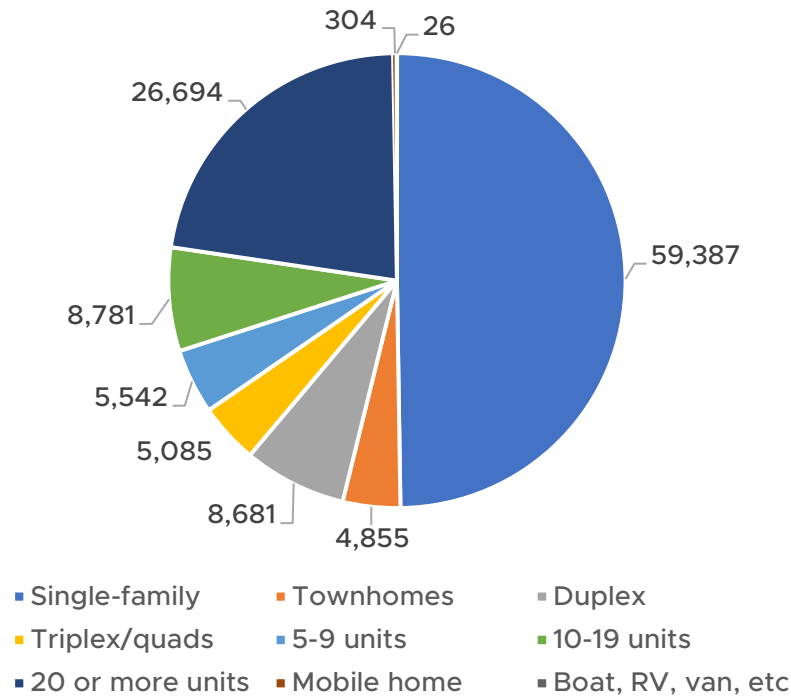
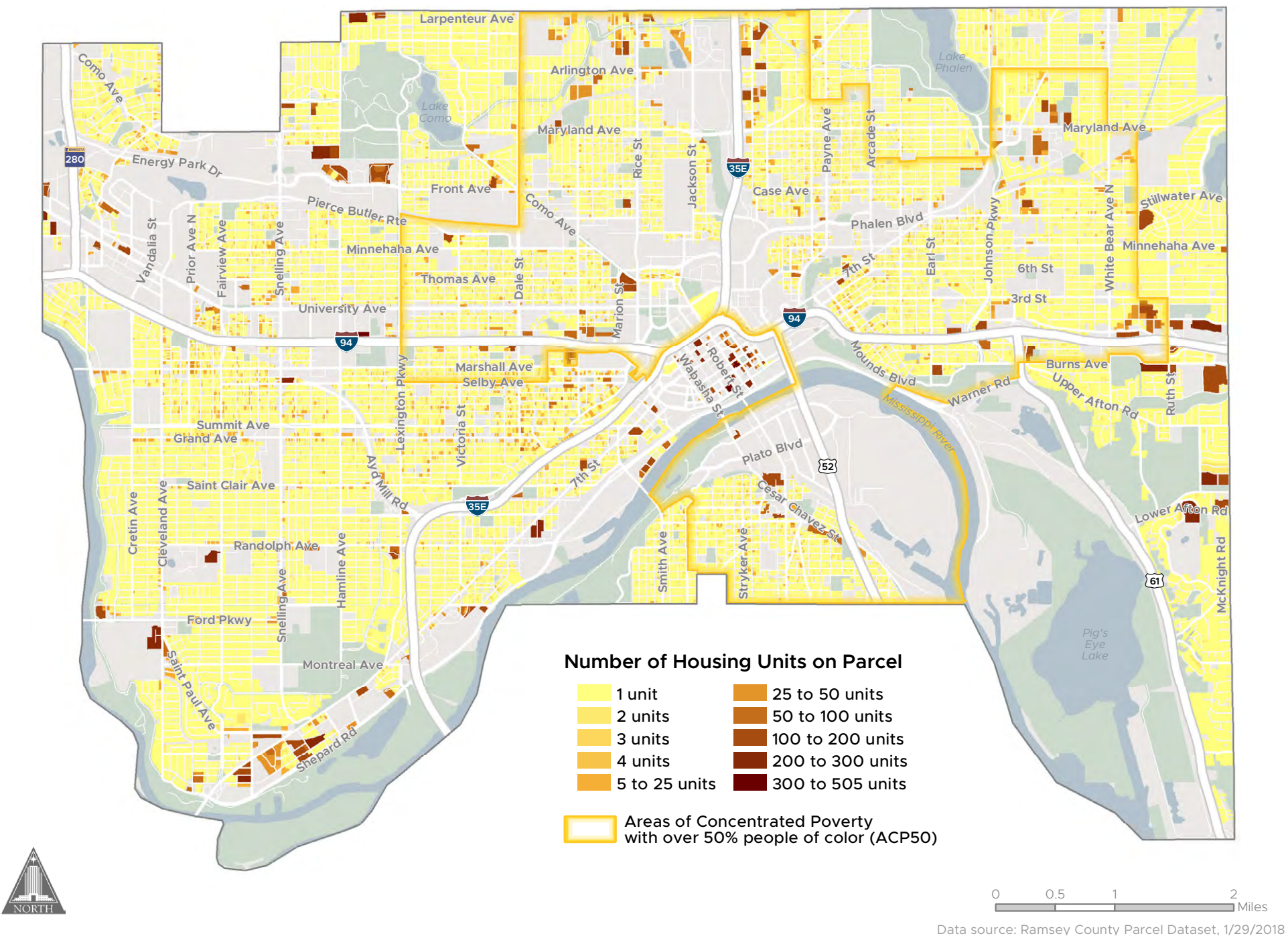


Chart 3: Type of Housing Units



Map 1: Housing Types

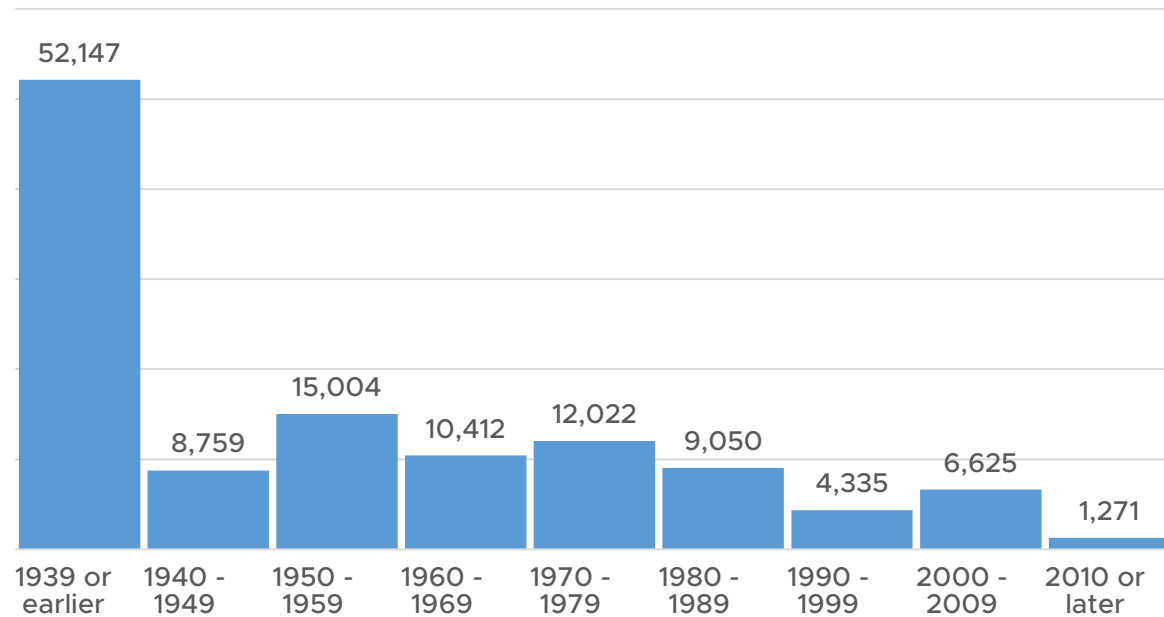


Age and Condition of Housing Units

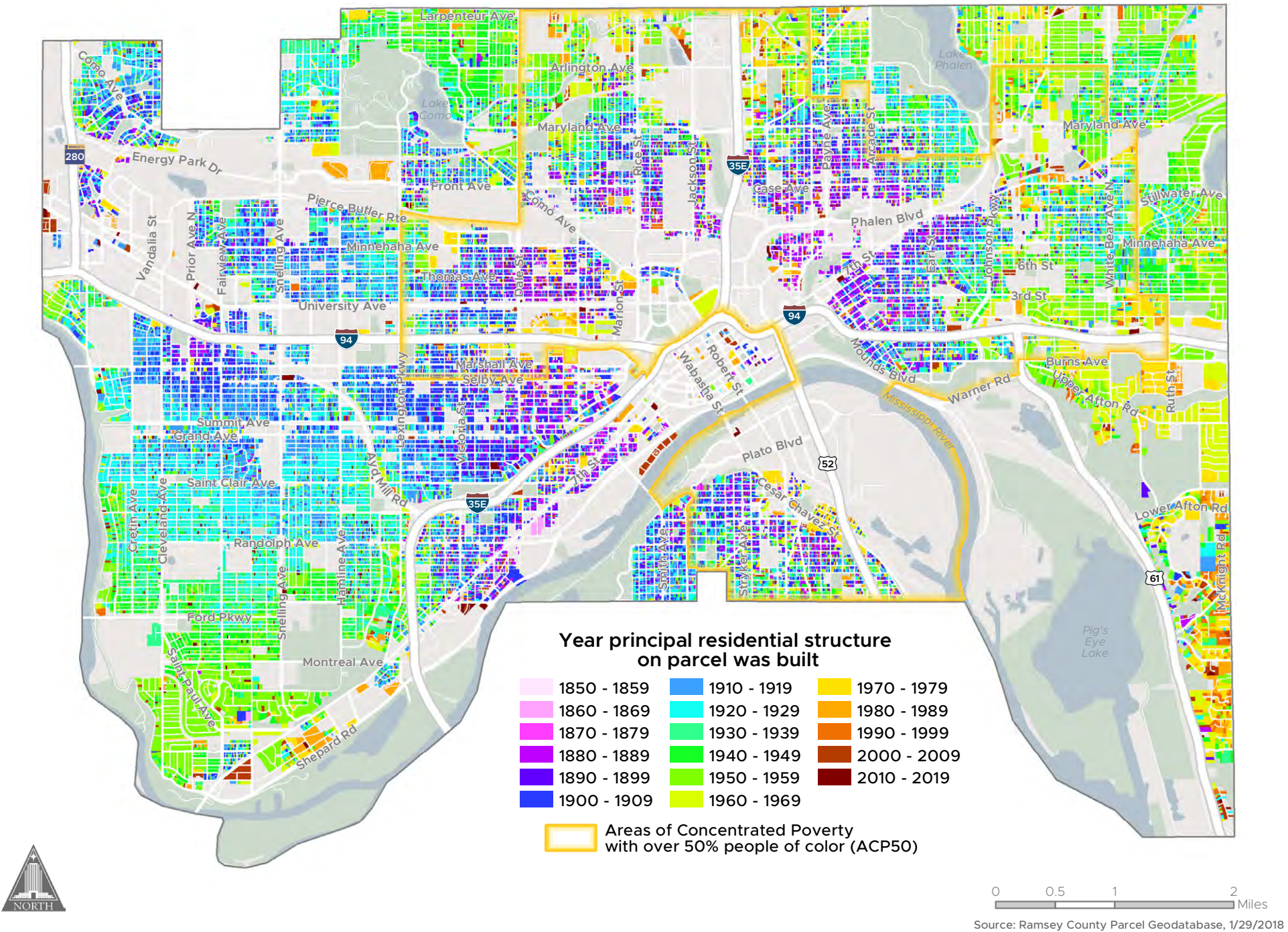
Saint Paul is a fully developed city with an aging housing stock. The median age of residential units is 69 years old. Fifty-seven percent of single-family, duplex and triplex structures were built before 1930; development of those structure types peaked in the 1920s with one-fifth of them built during that decade. Small-scale, multi-family buildings, those with between 4 - 19 units, have a median age of 96 years old (median year built is 1922). Larger apartment complexes (20 or more units) were generally developed later with a median year built of 1965 (median age 53 years old) (Ramsey County Property Tax Records).

Map 2 shows the age distribution of residential structures throughout the city. The oldest of these structures form a ring around downtown and the Capitol area, and are found near other important historic commercial and industrial nodes. The early 1900s brought rapid expansion of single-family and small-scale multi-family development, particularly in areas that were well-served by the streetcar lines. The end of World War II brought the third wave of housing expansion that resulted in the city being “built out” to its northern and eastern borders, as well as in Highland Park. Since the 1990s, new housing has been “infill development” on scattered undeveloped land and redevelopment of previously developed properties. As will be discussed later in this assessment, age of structure is one indicator of unit affordability.

Chart 4: Age of Housing Units



Map 2: Decade Built



With a housing stock predominated by structures nearing a century in age, working with property owners to ensure they are safe and well-maintained is critical to the health and safety of city neighborhoods and residents. The City and HRA have several programs to work with property owners to maintain structures and housing units. Two existing City programs help to identify housing conditions issue, the Truth-in-Sale-of-Housing Program and Fire Certificate of Occupancy program. Four programs help property owners finance improvements.

Truth-in-Sale-of-Housing

The Saint Paul Truth-in-Sale of Housing disclosure report is a visual overview of the building components and fixtures. This required report is to inform prospective buyers of the observed condition of a dwelling at the time of the evaluation. The disclosure report is intended to provide basic information to the home buyer and the seller prior to the time of sale.

Fire Certificate of Occupancy Program

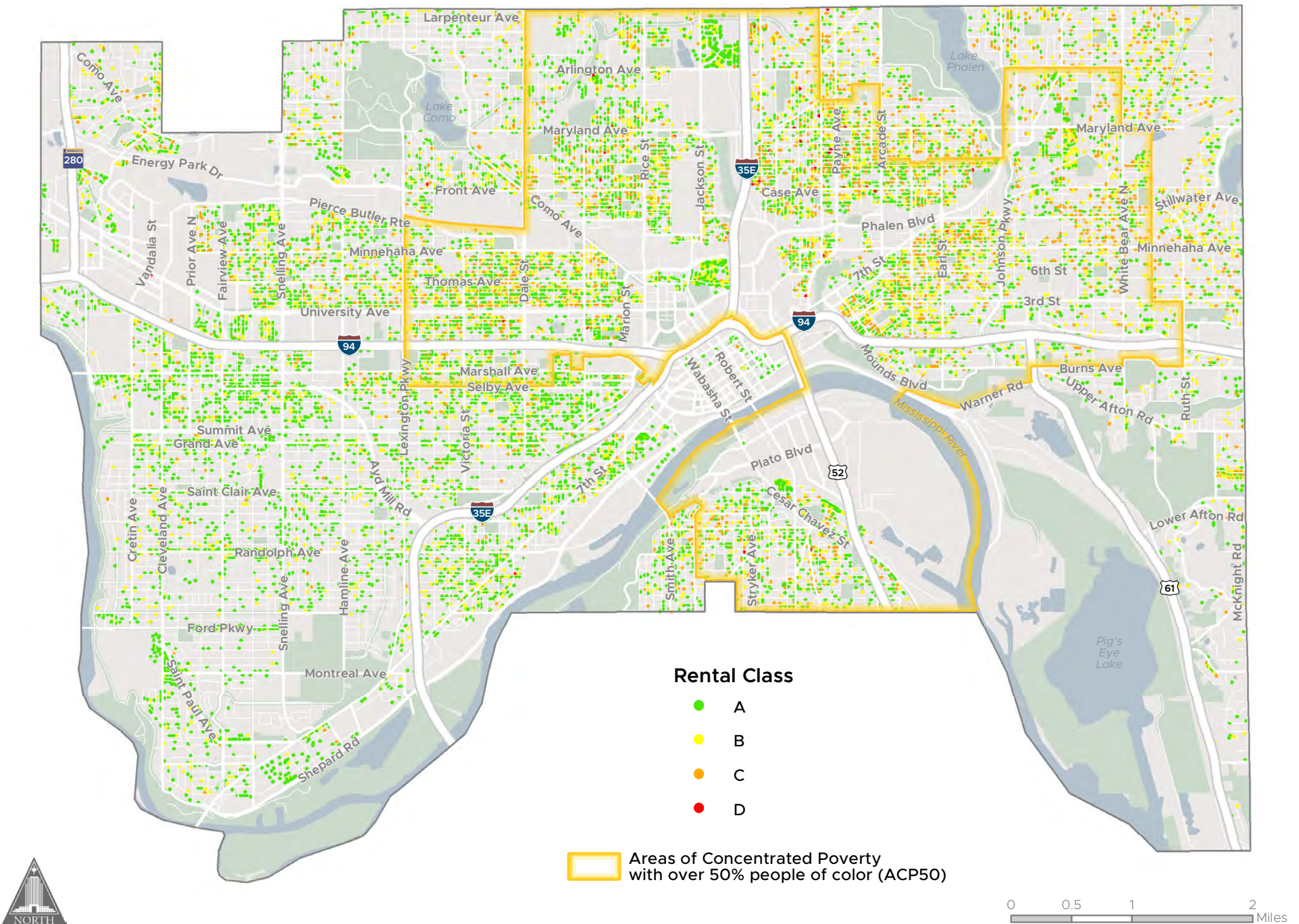
To ensure that residential rental buildings comply with applicable fire, building, housing and other relevant codes, non-owner-occupied one- and two-unit buildings, and all buildings with three or more units, must receive a fire Certificate of Occupancy (C of O). If violations are found during an inspection, orders will be issued to correct the violations. The C of O can be revoked for severe violations that are not corrected. A building cannot be occupied or used if the C of O has been revoked. The properties are graded A through D, based on the number and severity of code compliance issues identified at the time of the inspection. See Map 3 to see the location and grades of rental units throughout the city.

Property owners are incented to keep their properties code compliant and to receive and maintain a high score as the frequency of inspection is based on the score. Inspection frequency based on rating is: A, every six years; B, every four years; C, every two years and D, annually.

Table 2: Building C of O Ratings

Rating	Number of Buildings
A	8,335
B	4,063
C	2,781
D	72

Map 3: Certificate of Occupancy Rental Ratings



Citywide Deferred Rehabilitation Loan

A 0% interest loan up to a maximum of \$25,000 is available to homesteaded and owner-occupied dwellings (4-unit maximum) with incomes at or below 60% of area median income (AMI) and adjusted for household size. The loan is forgiven after 30 years unless the owner moves from or sells the property, at which point the loan must be repaid.

Citywide Low Interest Rehabilitation Loan

Three percent and 4% interest loans up to a maximum of \$50,000 are available to homesteaded and owner-occupied dwellings (4-unit maximum) with incomes at or below 115% of AMI. The loan provides financial assistance to homeowners who have home repair issues or want to remodel their homes or make their home energy-efficient.

Citywide Deferred Emergency Loan

A 0% interest loan up to a maximum of \$25,000 is available to homesteaded and owner-occupied single-family dwellings for households earning at or below 80% of AMI and adjusted for household size. The loan provides financial assistance to homeowners who have serious home repair issues including, furnace/heating systems, sewer lines, electrical, and health and safety issues. The loan is forgiven after 30 years unless the owner moves from or sells the property, at which point the loan must be repaid.

Rental Rehabilitation Loan Program

A 10-year, 0% interest loan up to a maximum of \$30,000 is available to owners of one- to four-unit rental buildings. Eligible properties must have a valid C of O and be classified as C or D through the C of O program anywhere in the city or be in an ACP50 area. Participating landlords cannot increase rents of assisted units by more than 3% per year while remaining at or below the HUD Fair Market Rent during the rent loan term.

Vacant Residential Structures

The City requires property owners register properties as vacant structures if the building is unoccupied and they meet any of the following conditions:

- unsecured;
- secured by other than normal means;
- a dangerous structure;
- condemned;
- has multiple housing or Building Code violations;
- is condemned and illegally occupied; or
- is unoccupied for a period longer than one year during which time the Enforcement Officer has issued an order to correct nuisance conditions.

The City has three categories of vacant building based on the level of deficiencies or safety hazards. Sale of registered vacant buildings must be reviewed by the City.

As of January 2018, there are 602 registered single-family, duplex, multi-family and mixed-use buildings in the city. Nearly three-quarters of those are single-family structures. As Map 4 shows, registered vacant buildings are located throughout the city, but there is a higher occurrence of vacant buildings within the ACP 50 areas.

Definitions of Categories of Vacant Buildings

Category 1	Category 2	Category 3
<ul style="list-style-type: none"> • Unoccupied and unsecured, or • Unoccupied and boarded, or • Unoccupied for one year with history of nuisance orders (not necessarily boarded) 	Unoccupied and boarded and one of the below:	Unoccupied and declared nuisance building for one of the below:
FIRE EXEMPT Category 1	<ul style="list-style-type: none"> • Condemned as uninhabitable • Condemned or vacated by Fire Certificate of Occupancy • Unoccupied with multiple violations of housing and building code (based on inspection by Vacant Building or Housing Code Enforcement staff) 	<ul style="list-style-type: none"> • Dangerous structure • Condemned with conditions constituting material endangerment • Has multiple violations with conditions constituting material endangerment
<ul style="list-style-type: none"> • Unoccupied (vacated or condemned) due to fire damage 		

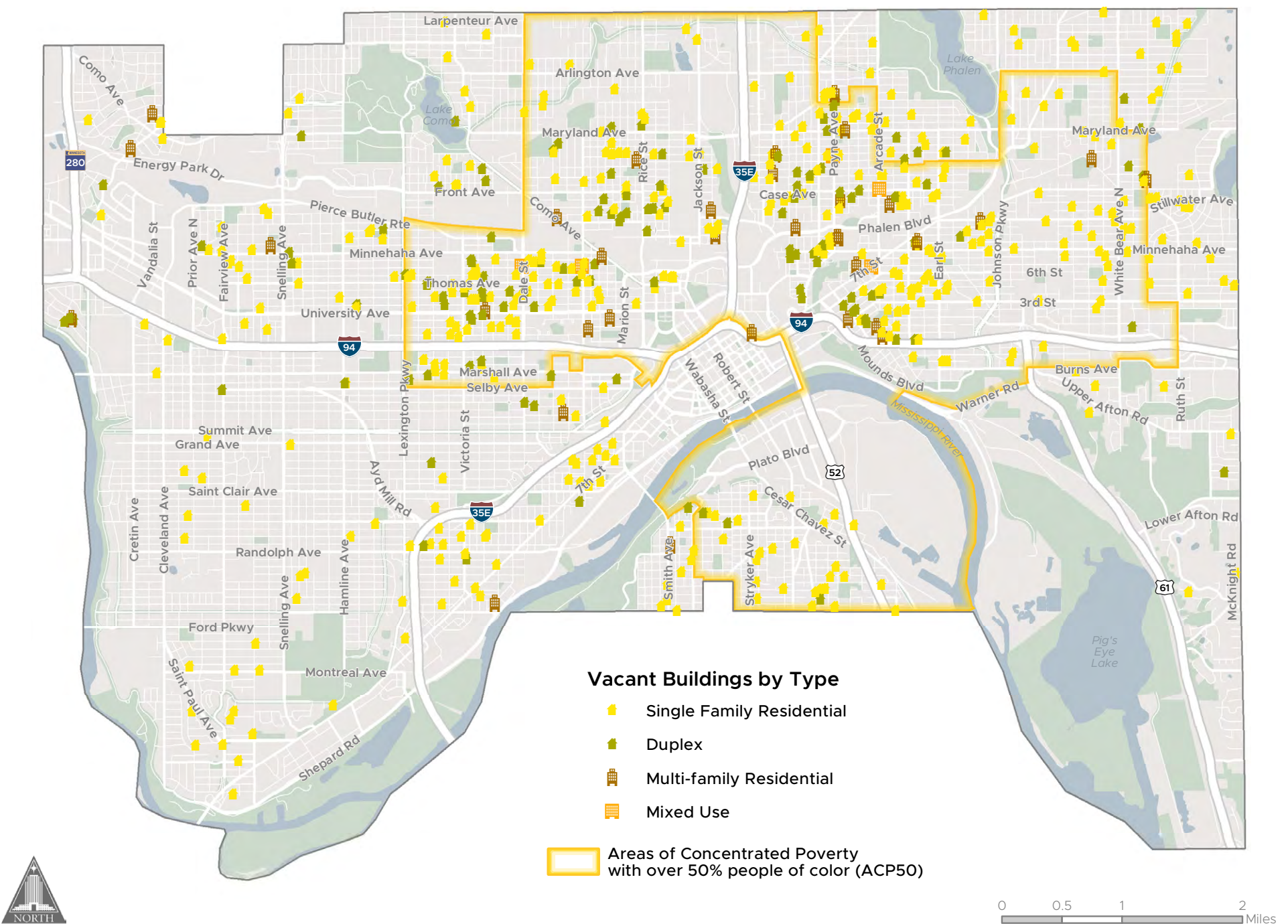
Requirements for the Sale of Registered Vacant Buildings

Category 1		Category 2	Category 3
The seller must:	The buyer (and/or seller) must:	The seller (or prospective buyer) must:	May not be sold unless one of the following are obtained:
Obtain a Truth-in-Sale of Housing report to market the property.*	<ol style="list-style-type: none"> 1. Register or re-register ownership 2. Pay outstanding fees 3. Comply with existing or outstanding orders for legal occupancy 	<ol style="list-style-type: none"> 1. Register or re-register ownership 2. Pay outstanding fees 3. Obtain a code compliance report** 4. Submit for approval: a cost estimate by a licensed contractor for completing the code compliance, AND a schedule for completion of all code compliance work 5. Submit proof of financial capability: e.g. performance bond, escrow account, or other proof accepted and approved by the City 	<ol style="list-style-type: none"> 1. Certificate of Occupancy 2. Certificate of Code Compliance 3. Fire Certificate of Occupancy

* A TISH report is required to market a category 1 vacant building.

** A TISH report is required for marketing purposes if the property is offered for sale prior to obtaining the code compliance.

Map 4: Registered Vacant Buildings by Building Type

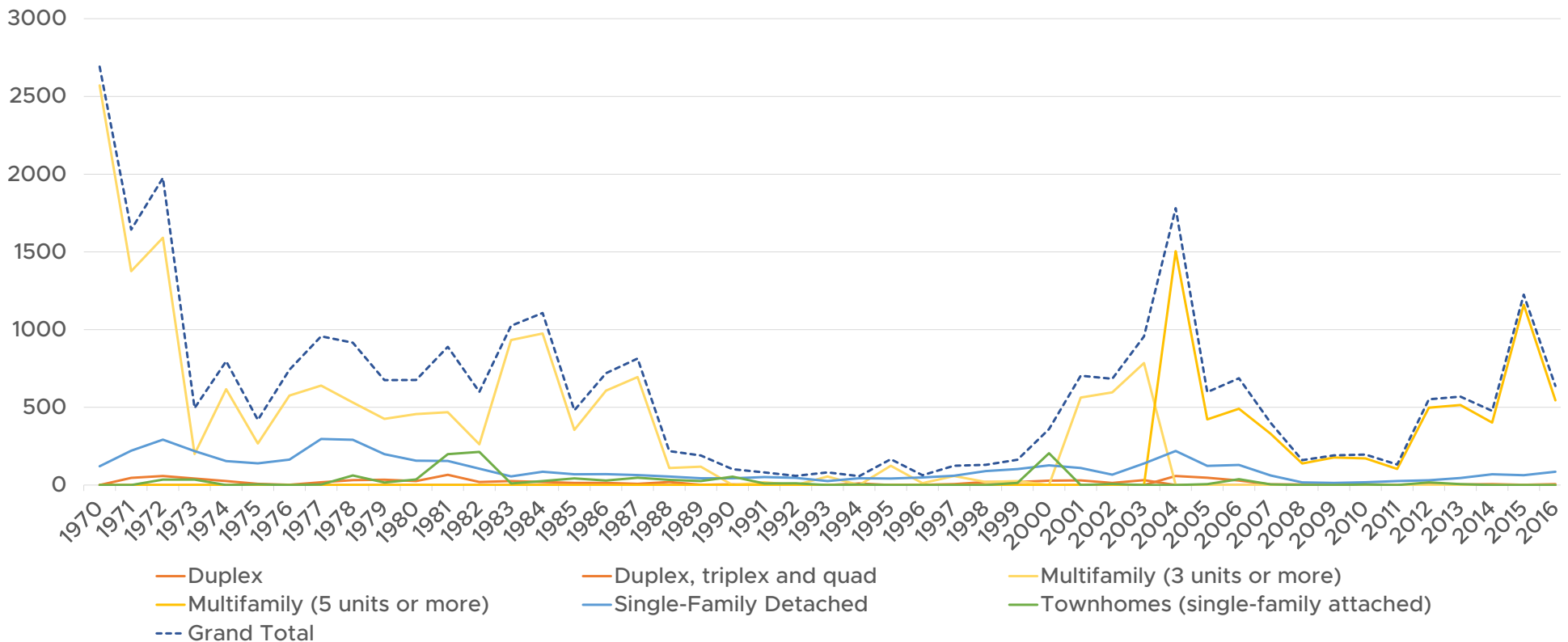


New Residential Construction

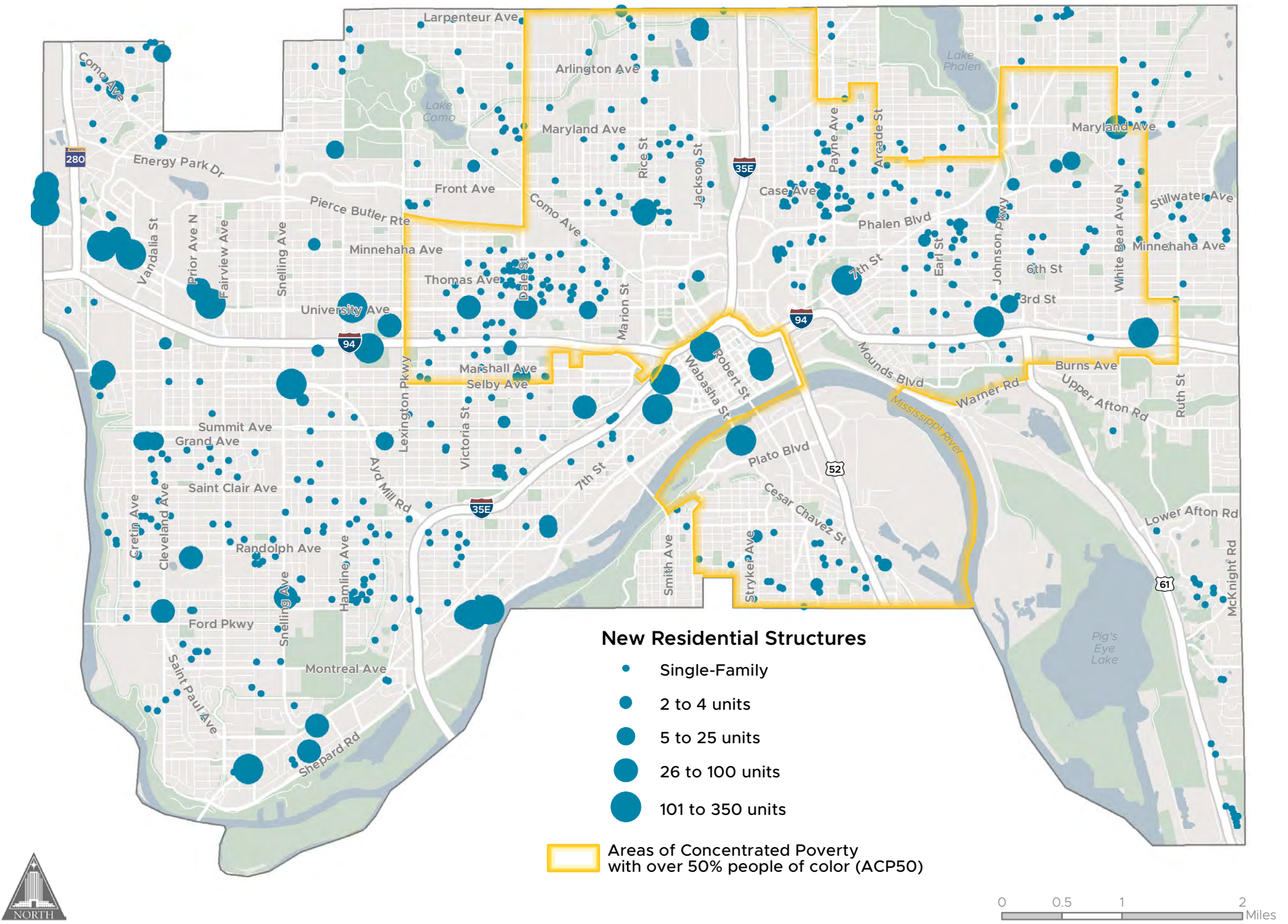
While new unit development has not reached pre-recession levels, construction of new units in Saint Paul began to pick up in 2012 and steadily increased through 2015. Building permits were down in 2016, and in 2017, City data shows 834 new units built. As in the in the 1970s, 1980s and early 2000s, multi-family development is the dominate type of housing being developed. Much of the new multi-family development is being built in area with strong transit connections, including downtown and near the Green Line stations, which opened in June 2014. 3,850 new units are completed or under construction within one-half mile of the Green Line.

There has also been an uptick in new single-family residential and large-scale additions. As the following map shows, this activity has been occurring throughout Saint Paul. The City considers a significant remodel a new home when exterior walls are removed and/or the structure is removed to the first-floor joist system.

Chart 5: Residential Building Permits by Housing Type (1970 - 2016)



Map 5: New Residential Structures, 2010-2017



2. Affordability of Existing Housing

Housing is considered affordable to a household when 30% or less of its gross household income is spent on monthly housing costs. Monthly costs for ownership units are mortgage payments, taxes, insurance and utilities; for renters, monthly costs include rent and utilities paid by the tenant. The following provides an analysis of supply of units—both ownership and rental—that are affordable to households at different income levels.

Ownership Housing

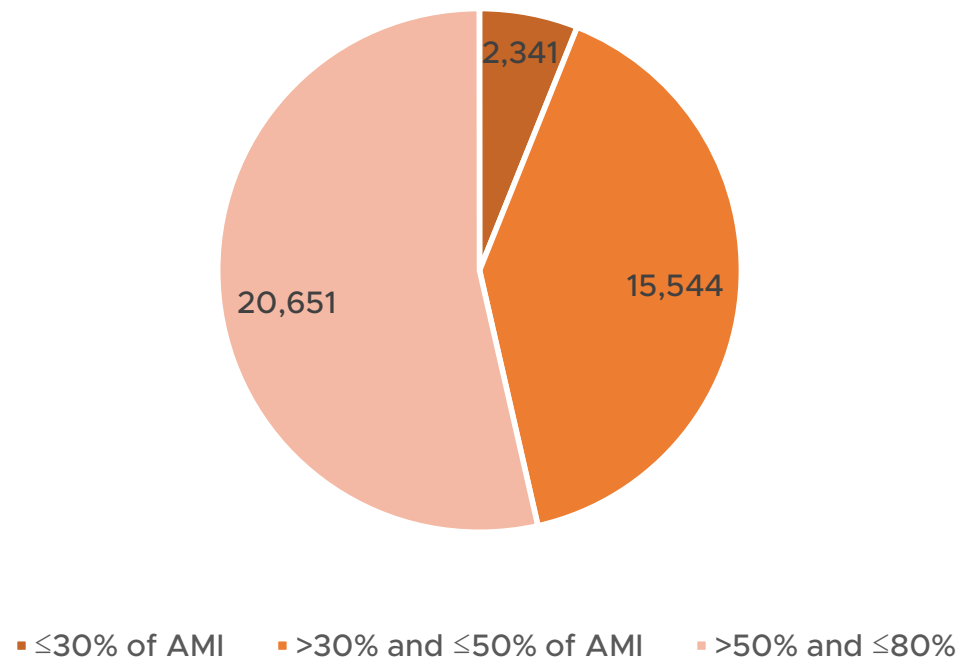
The Metropolitan Council developed a formula to determine the value of a house that is affordable to a household of four earning 80% of AMI. The formula takes into consideration the cost of a fixed-interest, 30-year mortgage; down payment; property taxes; and mortgage and homeowners insurance. In 2017, the value of an ownership unit affordable to a household of four earning 80% of AMI (\$68,000) was \$236,000.

Saint Paul has a significant supply of ownership housing units affordable to four-person households earning up to 80% of AMI. According to Ramsey County's assessment records (January 2018), Saint Paul had 38,536 homesteaded properties affordable to these households (69% of homesteaded properties). Of those, 6% are affordable to households earning 30% of AMI or less, 40% are affordable to those earning between 30% to 50% of AMI, and 54% are affordable to households earning between 50% and 80% of AMI. It should be noted that while this estimate captures affordability of monthly costs often associated with escrowed loan payments based on the

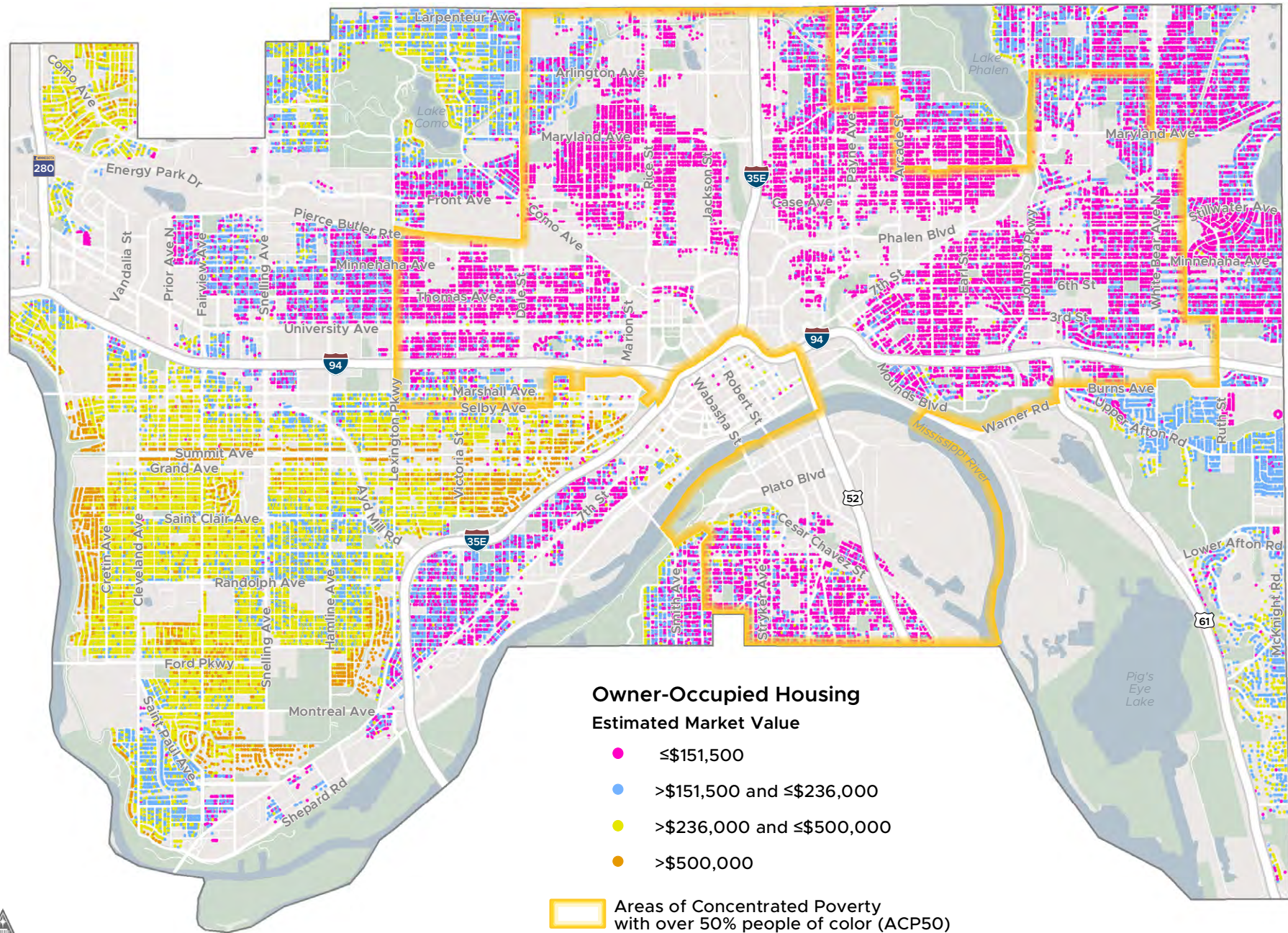
current value of the property, it does not take into consideration any deferred maintenance costs, condominium association fees or utility costs, all of which contribute to a household's ability to afford a unit.

As Map 6 shows, ownership unit values are not uniformly distributed across the city. Units with the highest values are found on the southwestern quadrant of the city generally bound by Interstate 94, Interstate 35E, and West Seventh and the Mississippi River as well as in the northern portion of Saint Anthony Park, around Como Park and Highwood. The ownership units with the greatest affordability are found east and west of Interstate 35E in the north-central and east part of the city, as well as on the city's West Side

Chart 6: Affordability of Units (Owner)



Map 6: Affordability of Owner-Occupied Housing



0 0.5 1 2 Miles

Source: Ramsey County Parcel Database, 2017; ACP50 data from Metropolitan Council via MN Geospatial Commons, from annual release on 2/5/2018

Rental Housing

Affordability of rental housing is more difficult to track than that of ownership housing, as no governmental unit collects rent data by unit and relies on renters to report their rental costs. The Department of Housing and Urban Development (HUD) receives custom tabulations of the American Community Survey(ACS) 5-year estimate data to demonstrate the extent of housing problems and needs, particularly for low-income households. The Comprehensive Housing Affordability Strategy (CHAS) data provides information on the number of rental units affordable to households at various income levels. However, CHAS data should be looked at as a general reflection of patterns and trends, since the data lags the market by at least three years. For example, at the drafting of this document, the most recent CHAS data set is based on the 2010-2014 ACS 5-year estimates.

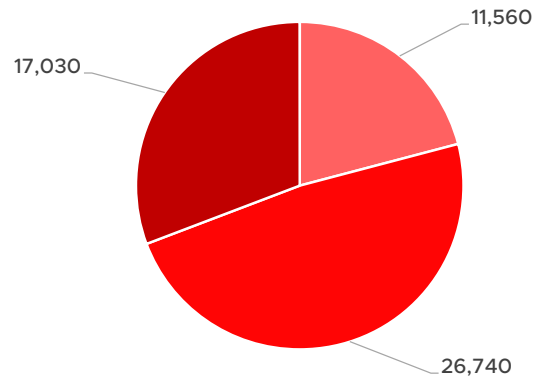
According to CHAS, 2010-2014, approximately 94% of all rental units are affordable to households earning 80% of AMI or less. Of those units, 21% are affordable to households earning 30% of AMI or less, 48% are affordable to households earning more than 30% and less than 50% of AMI, and 31% are affordable to households earning more than 50% and less than 80% of AMI. These counts include public housing and income-restricted and naturally-occurring affordable housing units (NOAH). As there are no income restrictions on NOAH units, households that could potentially spend more on housing often choose to spend less, with one-third of units affordable in the income bands being lived in by households with higher incomes.

Map 7 shows the median gross rents by census tract. The most affordable rental housing is located between University Avenue and Interstate 94, along Rice Street, south of the Mississippi River, and scattered on the city’s East Side. The table below shows rents that can be charged for income-restricted affordable housing based on number of bedrooms. Comparing those rent limits with median rents show the very limited locational choice for households with extremely low incomes. In addition, it also reflects why low-income households within areas of currently low rent cannot afford income-restricted housing. The rents the market is charging in those areas are less than that which is allowed under the affordable housing programs.

Table 3: Housing Tax Credit & Tax-Exempt Bond Income and Rent Limits (2017)

Income - % of AMI	Maximum Gross Rents by Bedroom Size (post 1989)						
	0	1	2	3	4	5	6
30%	\$474	\$508	\$610	\$705	\$786	\$868	\$949
35%	\$553	\$593	\$712	\$822	\$917	\$1,012	\$1,107
40%	\$633	\$678	\$814	\$940	\$1,049	\$1,157	\$1,265
45%	\$712	\$763	\$915	\$1,058	\$1,180	\$1,302	\$1,423
50%	\$791	\$848	\$1,017	\$1,175	\$1,311	\$1,446	\$1,582
55%	\$870	\$932	\$1,119	\$1,293	\$1,442	\$1,591	\$1,740
60%	\$949	\$1,017	\$1,221	\$1,410	\$1,573	\$1,736	\$1,898

Chart 7: Number of Units Affordable by Income (Renter)



■ ≤30% of AMI ■ >30% and ≤50% of AMI ■ >50% and ≤80% of AMI

Chart 8: Number of Unit by Gross Rent

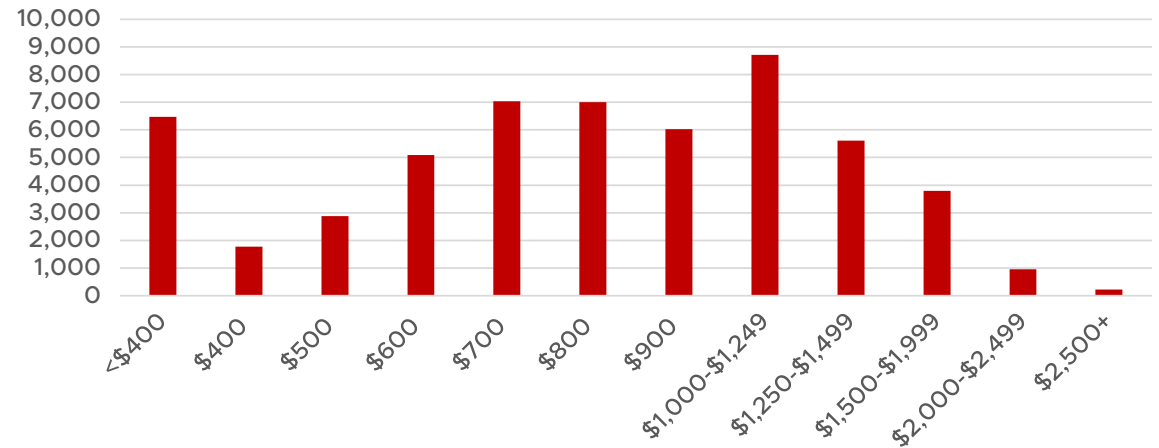
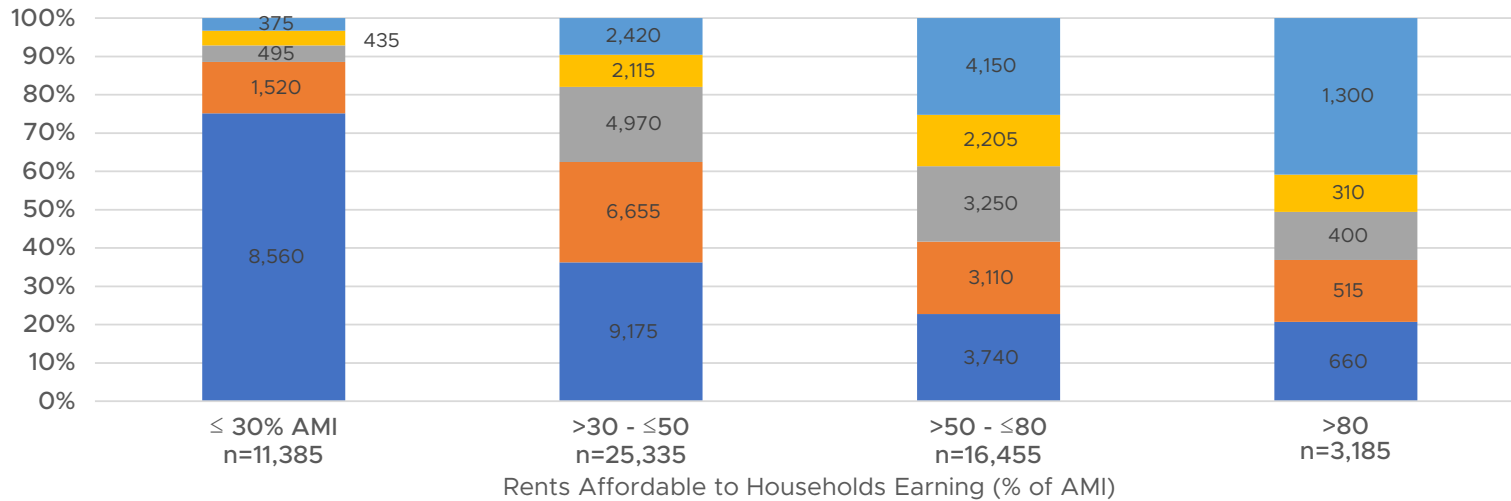


Chart 9: Affordability of Unit by Income of Tenant (percent)



■ < 30% of AMI ■ < 30% - ≤50% of AMI ■ < 50% - ≤80% of AMI ■ < 80% - ≤100% of AMI ■ >100% of AMI

Chart 10: Units by Size by Monthly Rent Paid





Affordable Housing Preservation and Production

The City of Saint Paul and Saint Paul HRA continue to work to preserve existing and produce new affordable housing units.

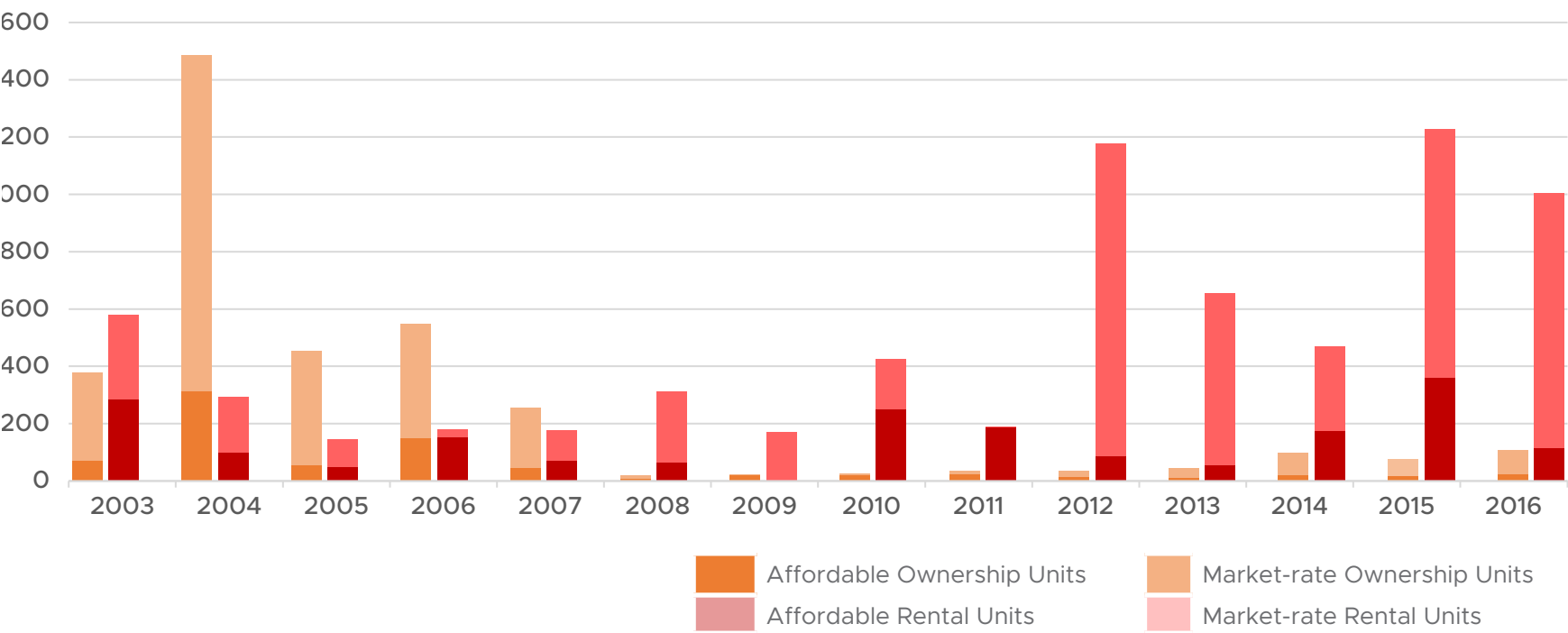
Preservation

Available City data show that between 2004 and 2016, the City/HRA refinanced approximately 2,700 units of affordable housing, which preserved affordability by extending the term of the income restriction. Approximately 34% are affordable to households earning 30% or less of AMI, 14% are affordable to households earning 50% or less of AMI and 52% are affordable to households earning 60% or less of AMI.

Production

According to Metropolitan Council data, between 2003 and 2016, one out of four housing units produced in Saint Paul were units affordable to households at or below 60% AMI. There were approximately 10,585 units built, of which 2,730 were affordable units—785 ownership units and 1,945 rental units.

Chart 11: Total Housing Production - Market Rate and Affordable (2003-2016)



Source: Metropolitan Council

Income-to-Housing Cost

The following charts show the income to housing cost trends for owner and renter households over the last 25 years.

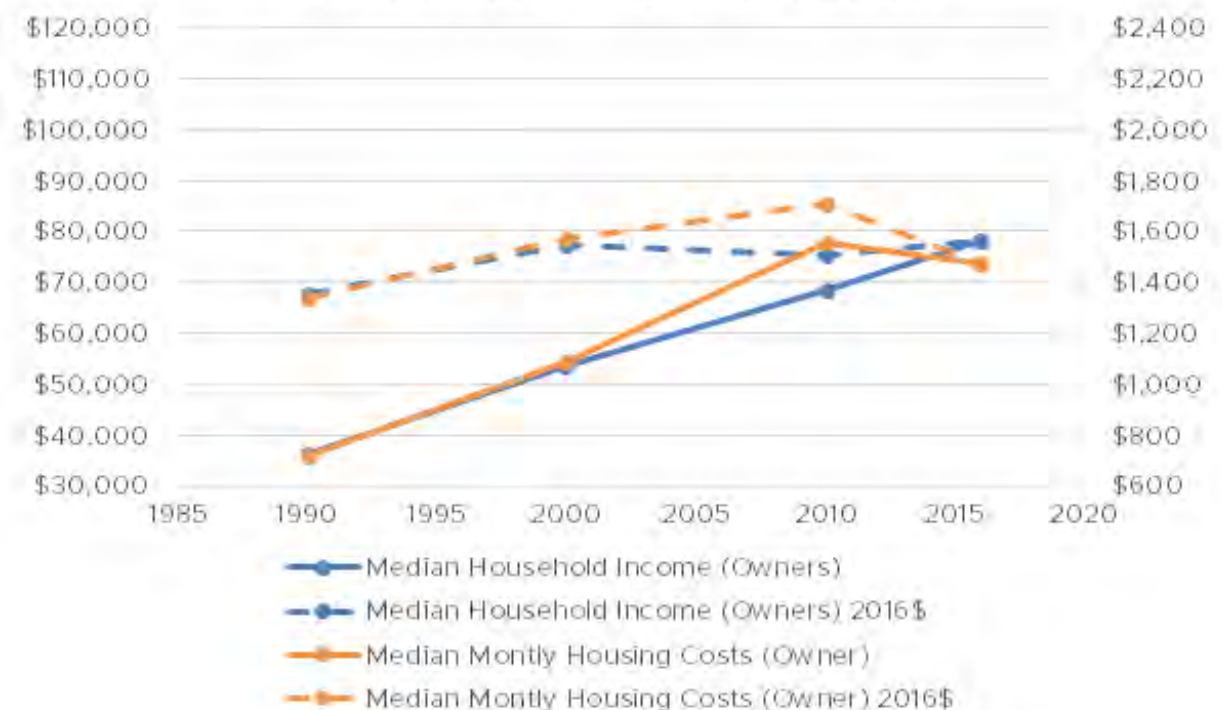
Owner Households

Owner housing costs and income have risen over the 25-year period. Between 2000 and 2010, the rate of increase of housing costs accelerated, while increases to income stayed at approximately the same rate of increase. Between 2010 and 2016, there was a decrease or “correction” in housing costs, which can be attributed to the housing crisis, an overall decrease in unit values and changes in lending practices. Adjusting both housing cost and income to 2016 values shows that household income has gone up for owner households by about 16% while monthly housing costs have gone up by 10%.

Renter Households

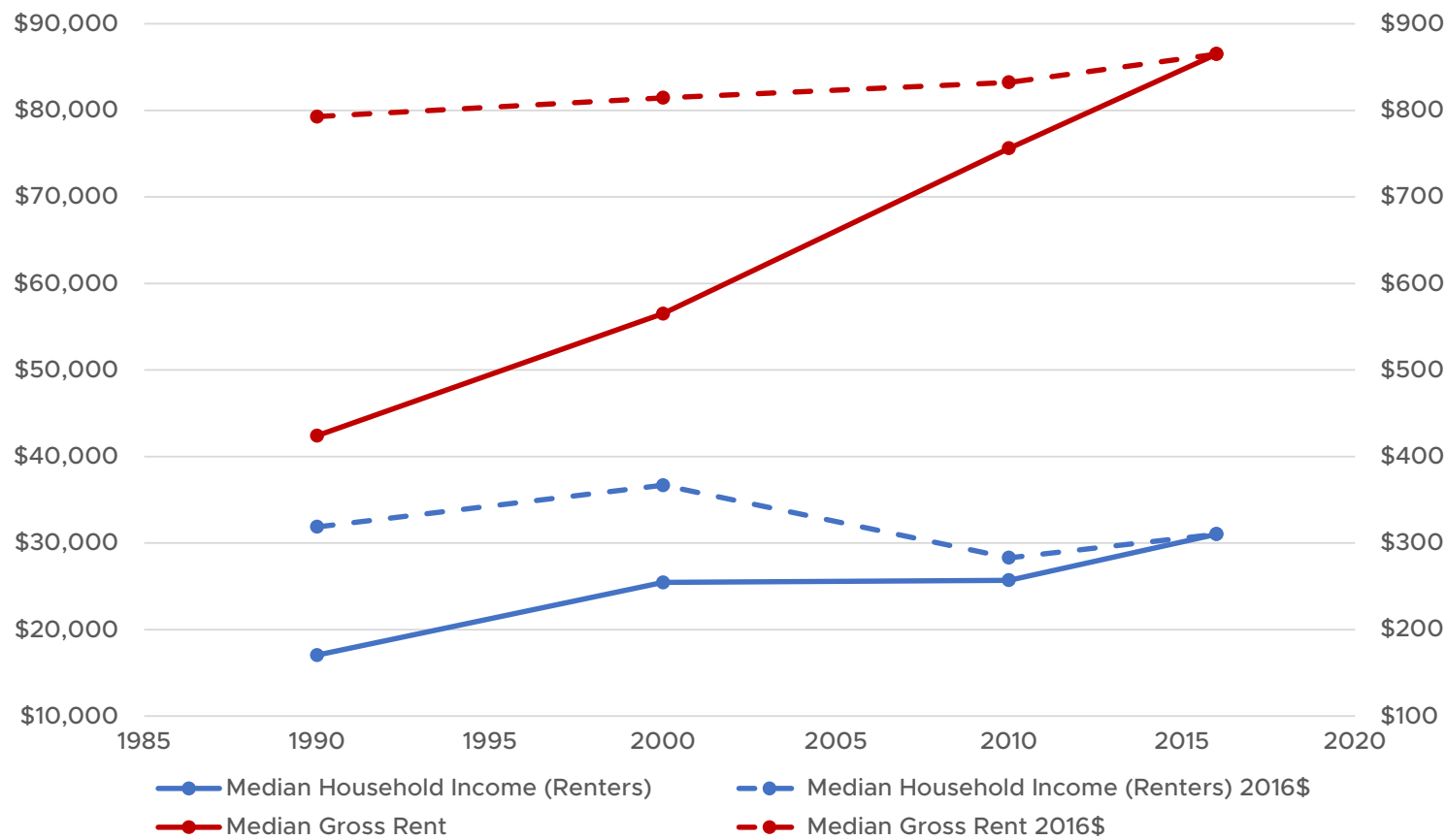
Median gross rents have increased at a faster rate than median renter household incomes over the last 25 years, with rent increasing by 104% and income by 82%. Adjusting for inflation, gross rent has increased by 9%, while renter household income has declined by 3%.

Chart 12: Median Household Income (Owner) to Median Monthly Costs (Owner) in Actual \$ and Adjusted to 2016\$



Source: U.S. Census 1990, 2000, and ACS 5-year Estimates, 2006-2010 and 2012-2016

**Chart 13: Median Gross Rent & Median Household Income (Renters)
Annual Values & Adjusted for Inflation 2016\$**



Source: U.S. Census 1990, 2000, and ACS 5-year Estimates, 2006-2010 and 2012-2016

Naturally-Occurring Affordable Housing

While more in-depth research is being conducted as part of the City's Fair Housing Working Group, the following is a basic analysis of the existing supply of naturally-occurring affordable rental housing in Saint Paul. Data from the 2012-2016 ACS 5-year estimates show that units built between the 1950s and 1990s are the most affordable units in the city.

Median gross rent for units produced in the 1970s is approximately half of new market-rate apartments (\$791/month to \$1,543/month). In addition, examining cost burden by age of unit shows that very low-income households are able to find housing affordable to them most often in buildings built in 1939 or earlier and between 1960 and 1979. These households are less severely cost burden in housing built in between 1940 and 1959 and 1980 and 1999. Map 7 shows the distribution of rental units throughout the city coded by age.

Chart 14: Rental Units and Median Gross Rent by Year Built (American Community Survey, 2012-2016 5-year Estimates)

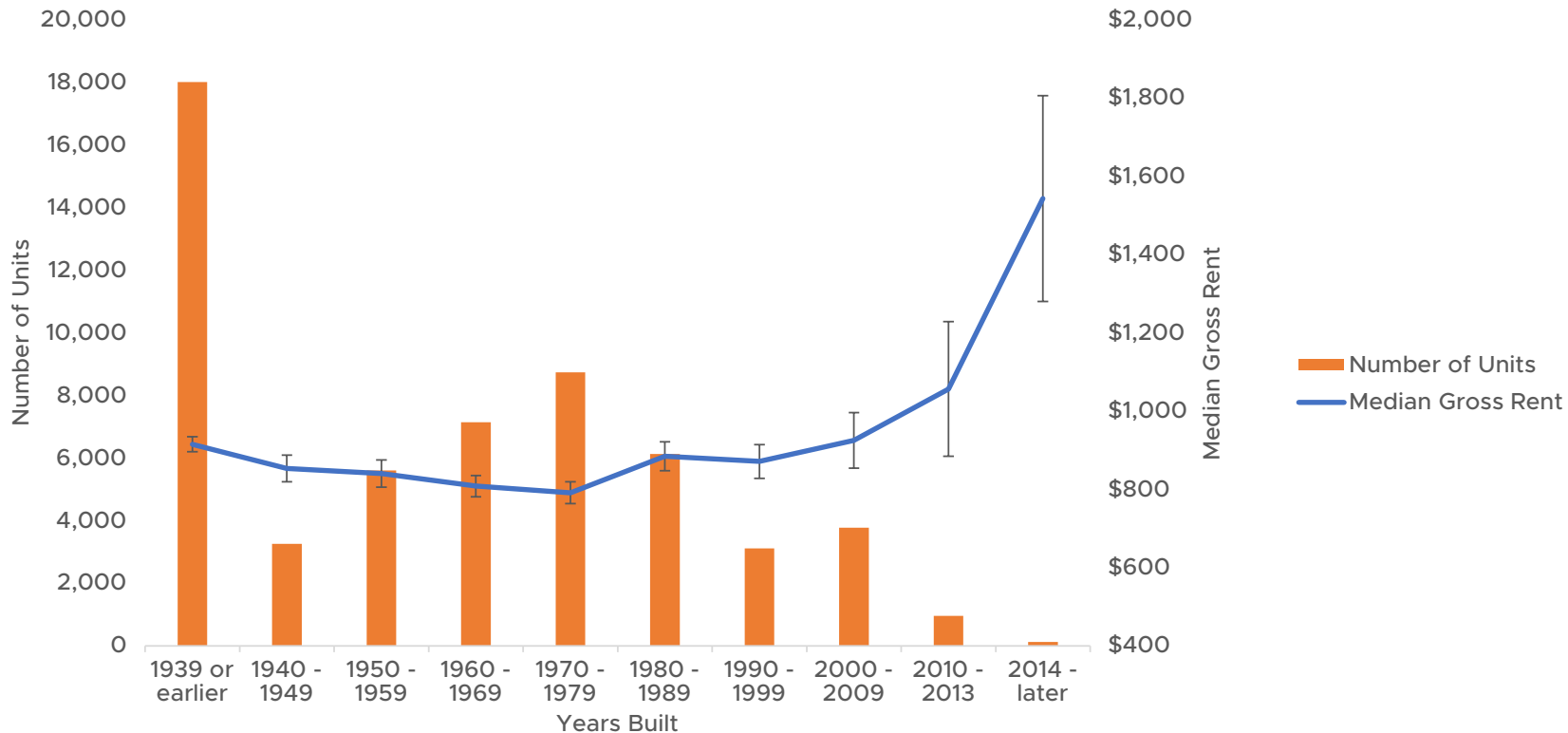


Chart 15: Cost Burden by Age of Structure
Income \leq 50% AMI

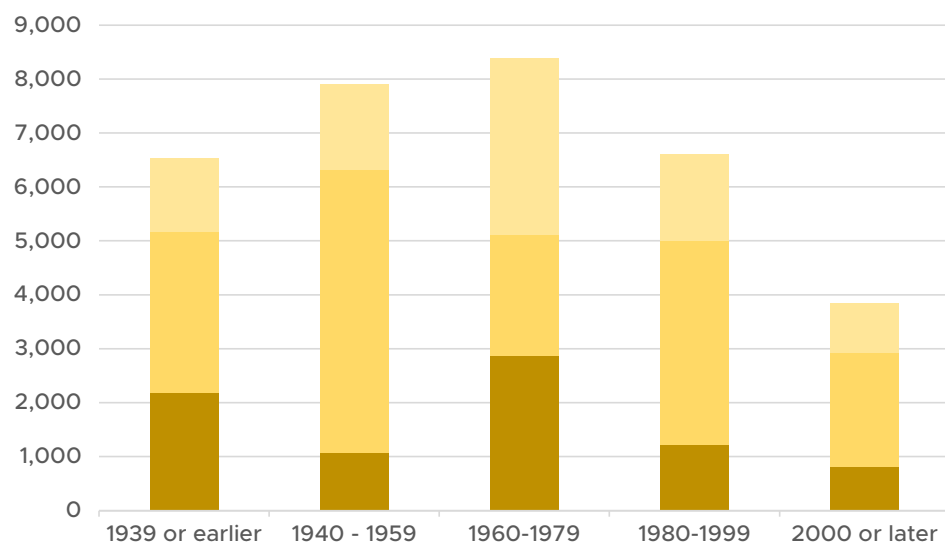


Chart 16: Cost Burden by Age of Structure
Income $>50 - \leq 80\%$ AMI

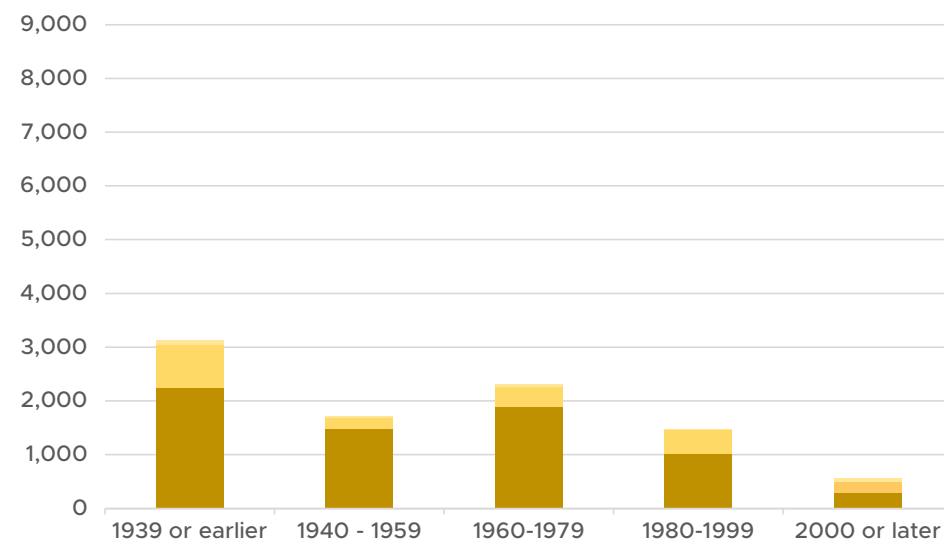
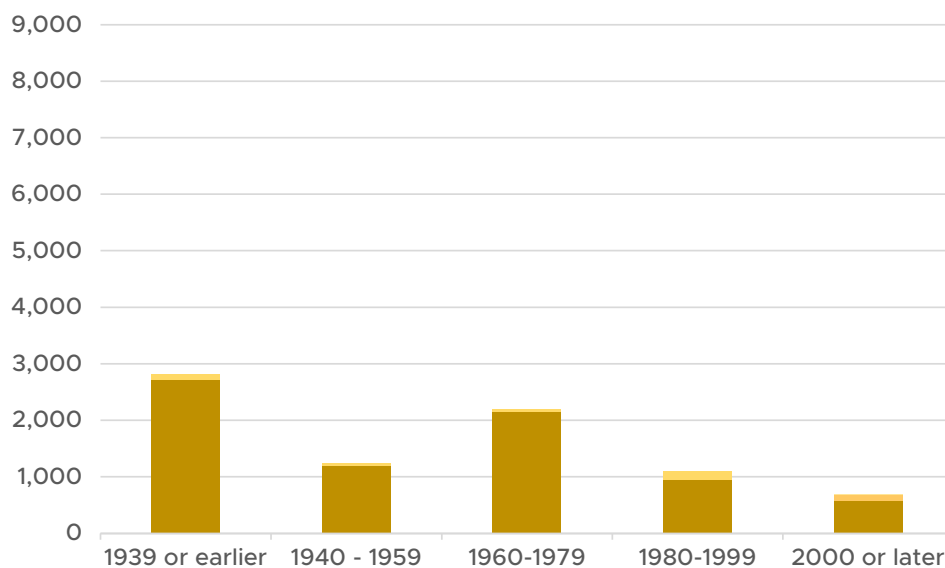
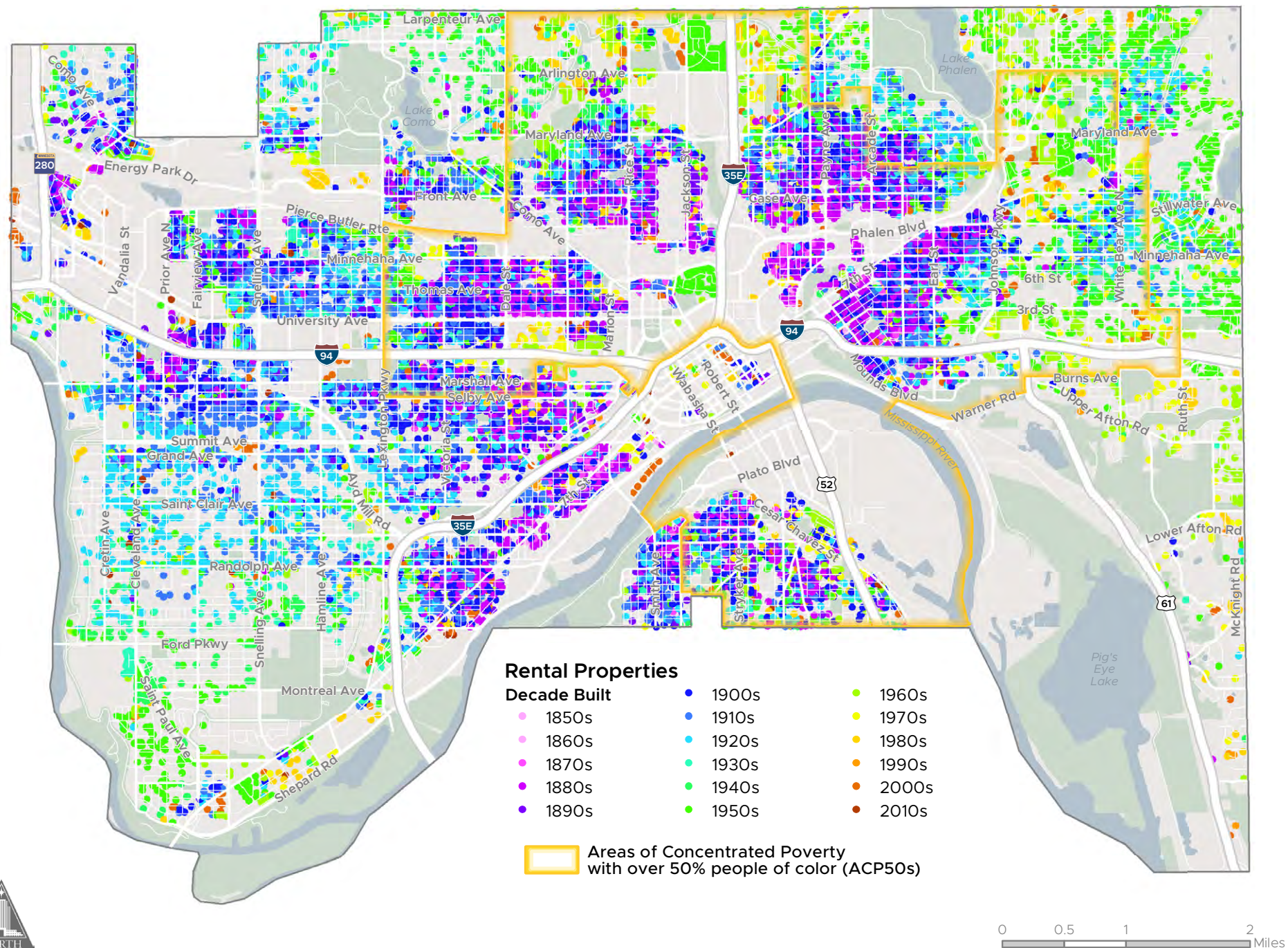


Chart 17: Cost Burden by Age of Structure
Income $>80 - \leq 120\%$ AMI



Not Cost-burdened (2010-2014)
 Cost-burdened (2010-2014)
 Severely Cost-burdened (2010-2014)
 Source: CHAS, 2005-2009 and CHAS, 2010-2014 (Table 9)

Map 8: Rental Property by Decade Built



Inventory of Income-Restricted Affordable Housing

There are 15,337 income-restricted units in Saint Paul, including those units owned by the Saint Paul Public Housing Authority (SPPHA), those that are contractually obligated as project-based Section 8 units, and those that are income-restricted through development agreements between developers and the Saint Paul HRA or Minnesota Housing. Of these units, 1,918 are senior units and 420 are suitable for those with disabilities. (Data provided through HousingLink STREAMS data as of August 30, 2018).

Public Housing

SPPHA is an important provider of affordable housing for thousands of Saint Paul households with the greatest need. The SPPHA owns and operates 4,274 units of HUD-subsidized public housing in Saint Paul, which provides housing to approximately 10,000 residents.

SPPHA units are found in several building types, including:

- 2,554 efficiencies and one- and two-bedroom units in 16 high-rise apartment buildings;
- 1,318 one- to five-bedroom units in townhouse developments; and
- 402 one- to six-bedroom units in scattered-site single-family and duplex structures.

Eligibility for public housing is set by Congress (annual income based on a percentage of AMI adjusted for family size). For high-rise applicants, admission preference points are given to elderly (62+ years), near-elderly (50-61 years) and disabled applicants (18+ years), and to veterans, residents of Saint Paul, students and those enrolled in special SPPHA programs.

For family units, preference points are given to applicants who are veterans or residents of Saint Paul. The residency preference applies to persons who live, work or attend school in Saint Paul, or who have been accepted for work or school in Saint Paul.

At the end of January 2018, there were 6,367 households on the SPPHA's public housing waiting list. The length of the wait to be housed varies based on the type of housing needed and the type of applicant. An elderly or disabled person or veteran seeking an efficiency or one-bedroom unit has a typical wait of six months, while a family seeking a larger unit (2+ bedrooms) may wait three to four years to be housed. Waiting lists for public housing open periodically.

Project-Based Section 8 Voucher Rental Assistance

Project-based Section 8 Voucher Rental Assistance (PBV) is another critical program to provide housing to Saint Paul's very low-income households. This is one form of project-based rental subsidy that provides long-term affordability with a deep subsidy for specific housing units owned by a private entity. (Another form of project-based Section 8 rent subsidy to private property owners is administered by Minnesota Housing.) PBVs are vouchers from the PHA's regular tenant-based Section 8 Housing Choice Voucher Program, which the PHA awards to specific projects through a competitive process. These are privately-owned units where the owners have entered into a Housing Assistance Payment contract with the PHA that obligates a unit(s) as PBV for an agreed upon period of time, up to 15 years. Eligible families receive rental assistance by agreeing to live in the PBV-assisted unit, and they continue to receive assistance as long as

they reside in the specific project-based unit. In some cases, the renter who moves out may take a subsidy with them. Almost any type of structure may be used for PBV. Up to 25% of the units in a building (4+ units) can be assisted under the PBV program, except for buildings for elderly or disabled households or those households receiving supportive services, which can be up to 100% PBV assisted.

There are currently 24 projects with 516 PBV units in Saint Paul under contract with the SPPHA. Another 37 projects with 3,048 units are assisted by project-based subsidies under contract administered by Minnesota Housing.

Other Income-Restricted Projects

The City of Saint Paul, Saint Paul HRA and other project partners, including Minnesota Housing and Metropolitan Council, help finance income-restricted affordable housing projects. To meet conditions set forward through programmatic requirements and/or contractual obligations, these projects may only charge rents that are affordable to a set percent of AMI, typically 30%, 50%, 60% or 80% of AMI, for a specified term. Requirements for various programs are discussed in the Housing Toolkit section.

3. Cost-burdened Households

Housing cost burden has grown in Saint Paul over the last thirty years, peaking during the housing crisis of the mid-2000s when 42% of all households were considered cost-burdened. As the effects of the housing crisis have subsided, cost burden has decreased slightly, but remains 8% higher than the pre-crisis numbers. Renter households have typically experienced cost burden at least twice the rate of owner households; the 2012-2016 ACS 5-yr estimates, show that 37% of all households are cost-burdened with 23% of owners and 51% renters being cost-burdened.

As Table 4 shows, housing cost burden is not evenly distributed between the identified income ranges, but is much more acutely experienced at the lowest incomes levels. The percent of cost-burdened households by income levels are:

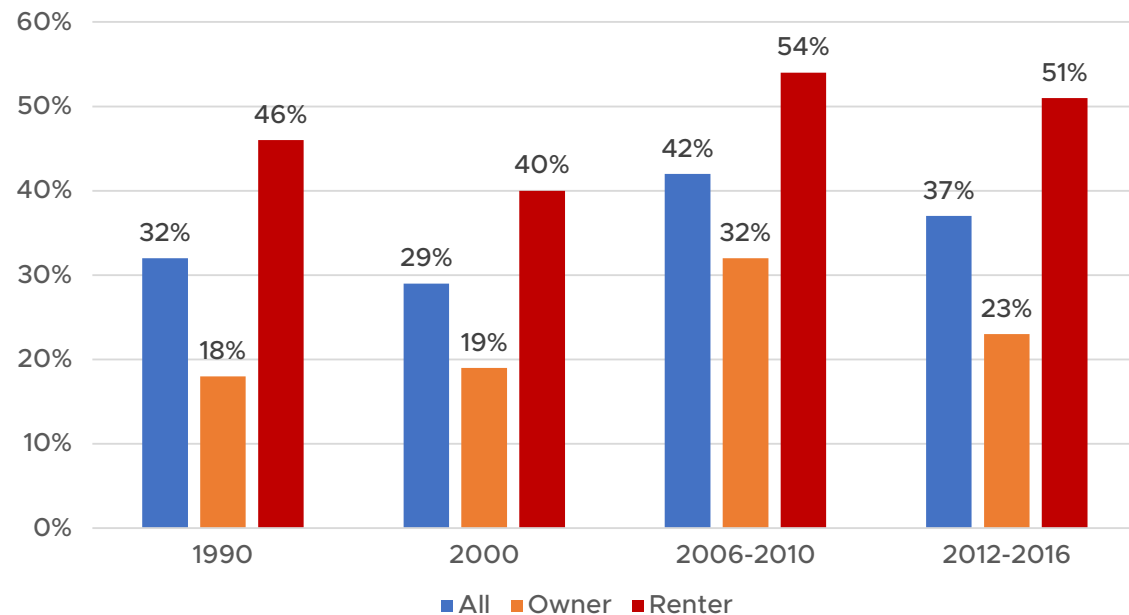
- 78% of households earning 30% of AMI or less (81% of owners and 77% of renters)
- 63% of households earning between 30% and 50% of AMI (58% of owners and 66% of renters)
- 32% of households earning between 50% and 80% of AMI (40% of owners and 25% of renters)
- 16% of households earning between 80% and 100% of AMI (22% of owners and 7% of renters)
- 6% of households earning more than 100% of AMI (7% of owners and 2% of renters)

The following analysis begins to identify what groups are more likely to be cost-burdened in Saint Paul, and includes information on cost burden by race, age and household type differentiated between owners and renters.

Levels of Cost Burden

- A *cost-burdened household* is one that pays more than 30% of its gross income towards housing costs.
- A *severely cost-burdened household* is one that pays more than 50% of its gross income toward housing costs.
- Housing costs for *owners* include mortgage payments, taxes, insurance and utilities, and for *renters*, they include rent and utilities paid by the tenant.

Chart 18: Percent of Cost Burdened Households



Source: U.S. Census, 1990 and 2000; ACS, 5-yr Estimates 2006-2010 and 2012-2016

Area Median Income

Area Median Income is calculated for the Minneapolis-Saint Paul region annually by HUD. This calculation lays the foundation for all other housing analysis, and is used to determine income and rent limits for income-restricted or -qualifying housing. The 2017, AMI for the region was \$90,400 for a household with a family of four. The CHAS, 2010-2014 data uses the 2014 AMI, which was \$82,900.

It is important to understand how incomes are distributed within the broad income bands—for example, there is a substantive difference between a household earning just over 30% of AMI and one earning 50% of AMI or those earning 50% of AMI compared to those earning 80% of AMI. The following charts show the distribution of AMI within the standard HUD income bands for owner households and renter households.

Chart 19: Household Income (Renter)

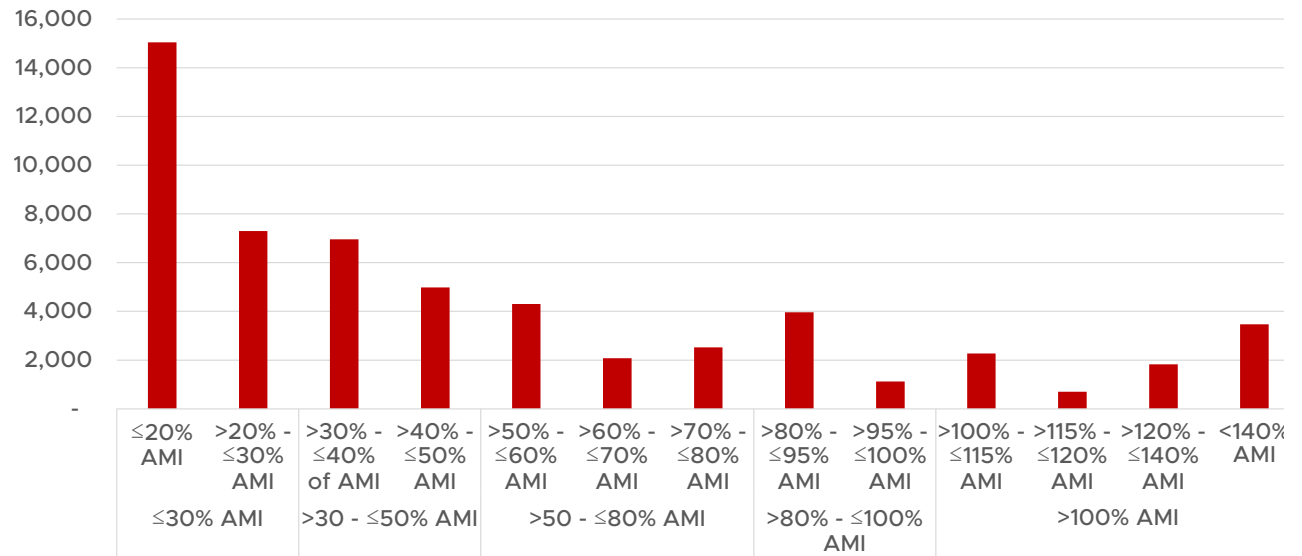


Chart 20: Household Income (Owner)

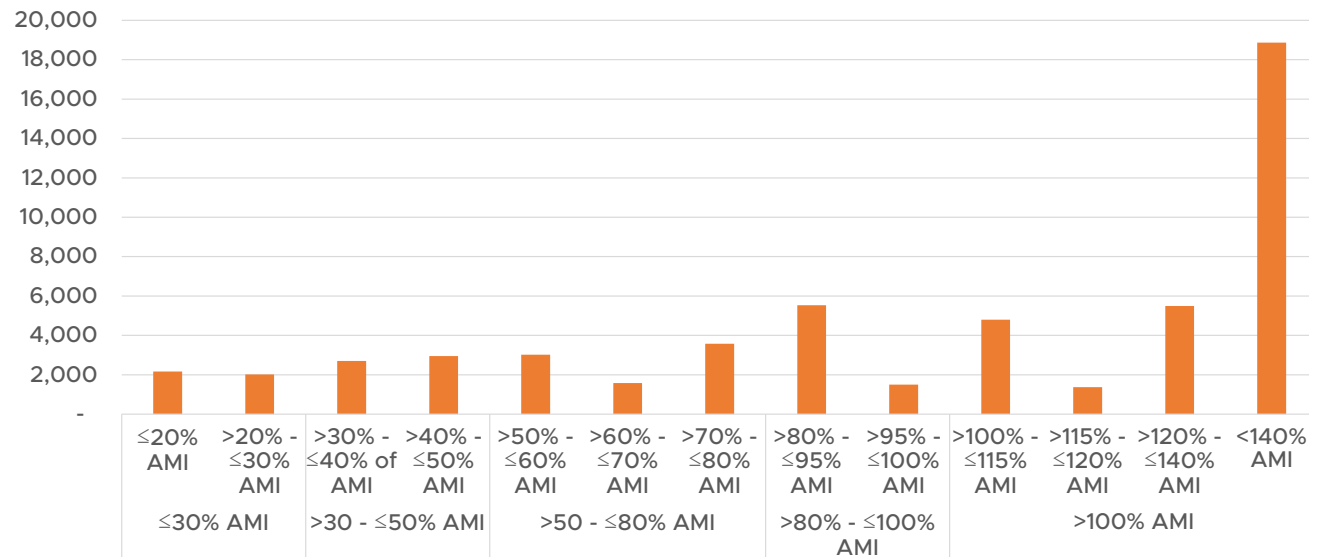


Table 4: Number of Cost-burdened, Severely Cost-burdened, and Total Cost-burdened Households at Various Levels of AMI

Level of Cost Burden by Percent of Income at Area Median Income (AMI)	Number of Households			Percent by Household Type			Percent at Income Level			Percent of Total Households		
	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
≤30% of AMI	4,185	22,335	26,520				16%	84%	100%	4%	20%	24%
Cost-burdened (>30% and ≤50%)	690	4,295	4,985	16%	19%	19%	3%	16%	19%	1%	4%	4%
Severely cost-burdened (>50%)	2,700	12,925	15,625	65%	58%	59%	10%	49%	59%	2%	11%	14%
Total cost-burdened (>30%)	3,390	17,220	20,610	81%	77%	78%	13%	65%	78%	3%	15%	18%
>30% and ≤50% of AMI	5,655	11,940	17,595				32%	68%	100%	5%	11%	16%
Cost-burdened (>30% and ≤50%)	1,825	6,065	7,890	32%	51%	45%	10%	34%	45%	2%	5%	7%
Severely cost-burdened (>50%)	1,435	1,815	3,250	25%	15%	18%	8%	10%	18%	1%	2%	3%
Total cost-burdened (>30%)	3,260	7,880	11,140	58%	66%	63%	19%	45%	63%	3%	7%	10%
>50% and ≤80% of AMI	8,185	9,194	17,379				47%	53%	100%	7%	8%	15%
Cost-burdened (>30% and ≤50%)	2,545	2020	4,565	31%	22%	26%	15%	12%	26%	2%	2%	4%
Severely cost-burdened (>50%)	690	245	935	8%	3%	5%	4%	1%	5%	1%	0%	1%
Total cost-burdened (>30%)	3,235	2,265	5,500	40%	25%	32%	19%	13%	32%	3%	2%	5%
>80% and ≤100% of AMI	7,030	5,090	12,120				58%	42%	100%	6%	5%	11%
Cost-burdened (>30% and ≤50%)	1,285	365	1,650	18%	7%	14%	11%	3%	14%	1%	0%	1%
Severely cost-burdened (>50%)	235	10	245	3%	0%	2%	2%	0%	2%	0%	0%	0%
Total cost-burdened (>30%)	1,520	375	1,895	22%	7%	16%	13%	3%	16%	1%	0%	2%
>100% of AMI	30,520	8,270	38,790				79%	21%	100%	27%	7%	35%
Cost-burdened (>30% and ≤50%)	1,890	160	2,050	6%	2%	5%	5%	0%	5%	2%	0%	2%
Severely cost-burdened (>50%)	205	0	205	1%	0%	1%	1%	0%	1%	0%	0%	0%
Total cost-burdened (>30%)	2,095	160	2,255	7%	2%	6%	5%	0%	6%	2%	0%	2%
Total Households	55,575	56,823	112,398	100%	100%	100%				49%	51%	100%
Cost-burdened (>30% and ≤50%)	8,235	12,905	21,140	15%	23%	19%				8%	11%	19%
Severely cost-burdened (>50%)	5,265	14,995	20,260	9%	26%	18%				5%	13%	18%
Total cost-burdened (>30%)	13,500	27,900	41,400	24%	49%	37%				12%	25%	37%

Source: CHAS, 2010-2014

Cost Burden by Race, Age and Household Type

In Saint Paul, there is a racial disparity in homeownership and cost burdened households. Over the last 30 years, homeowners have been less likely to be cost-burdened, typically at about half the rate of renters, and experience it at a lesser degree (cost-burdened versus extremely cost-burdened). White households are more likely than households of color in Saint Paul to own their housing unit. While white households represent 67% of all households in the city, they are 83% of homeowners (CHAS, 2010-2014).

The overall rate of cost burden for homeowners is aligned with that being experienced by white homeowners as they own 85% of these units. Fifteen percent of owners are cost-burdened and 9% percent are severely cost-burdened.

Owner households of color are more likely to be either cost-burdened or severely cost-burdened, compared to that experienced by white households.

As Table 4 shows, 23% of renters were cost-burdened and 26% were severely cost-burdened, according to CHAS, 2010-2014. There was a disparity in the rate in which white renter households experienced burden compared to households of color. White households were less likely to be cost-burdened or severely cost-burdened compared to all households, while all other races, except Asian households, had higher rates of overall cost burden. The “other” category, which is households with multiple races, experiences the highest rates of total cost burden. This is perhaps more attributable to the age of the householder than racial composition of the household as these households may be younger than the typical household. Those that are younger experience higher rates of cost burden.

The following charts compare cost burden by race between the 2005-2009 and 2010-2014 CHAS data sets. Both sets of data reflect the conditions that were taking place during the housing crisis and recession of the late-2000s and early 2010s.

Chart 21: Percent Cost-Burdened By Race (Renter)

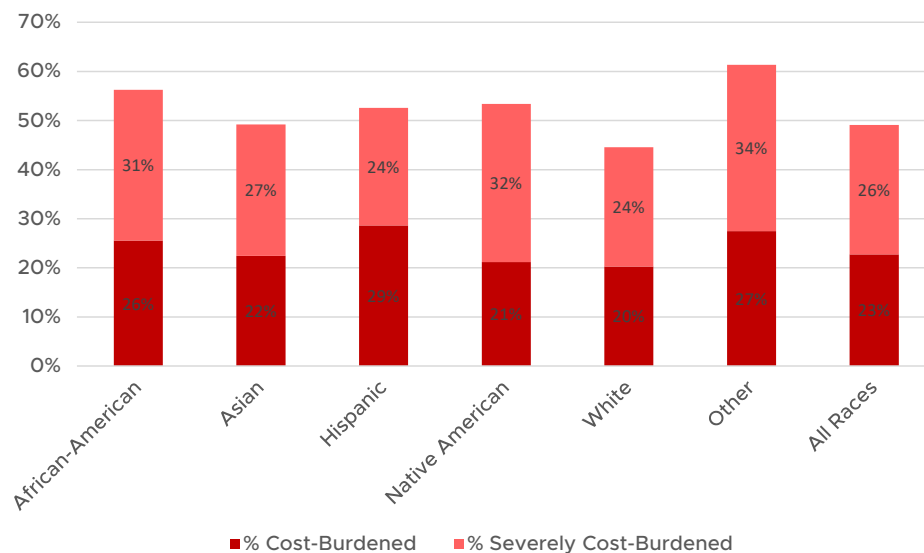
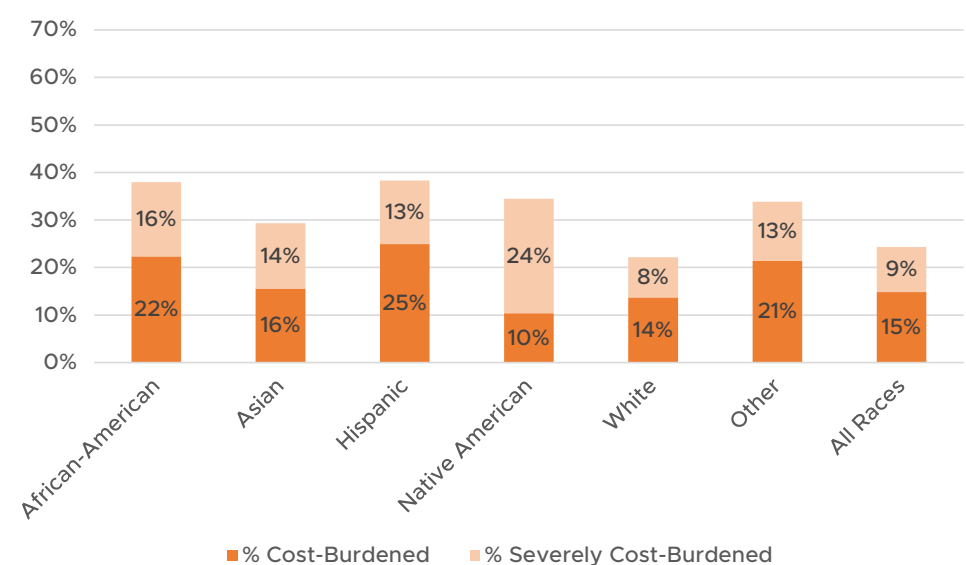


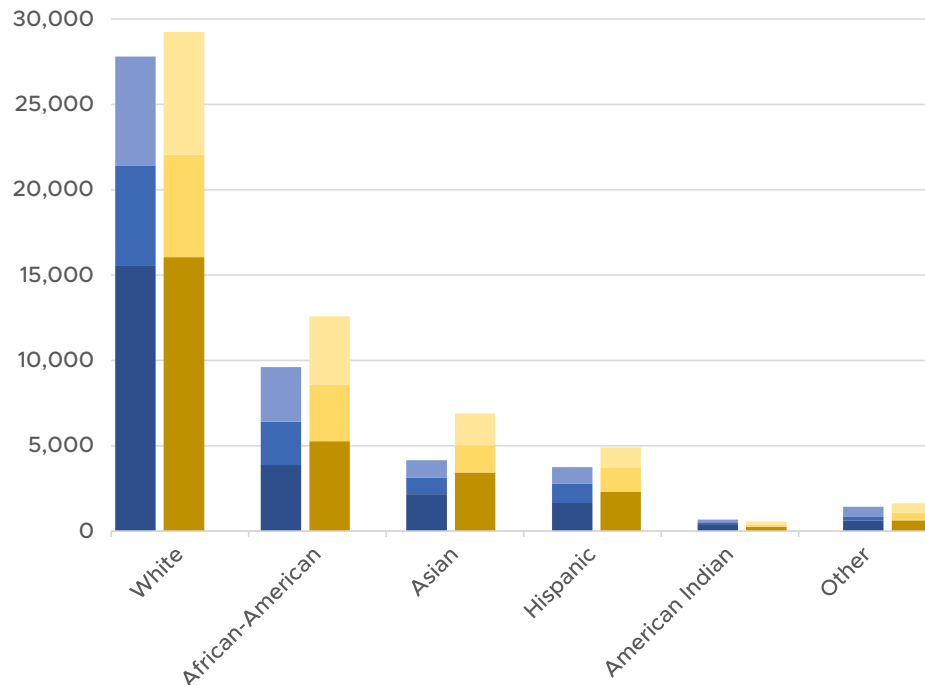
Chart 22: Percent of Cost-Burden by Race (Owner)



Key trends identified include:

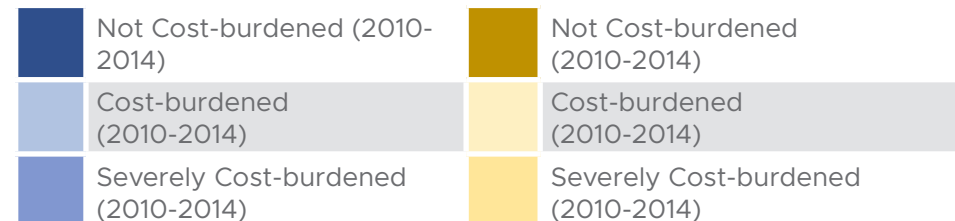
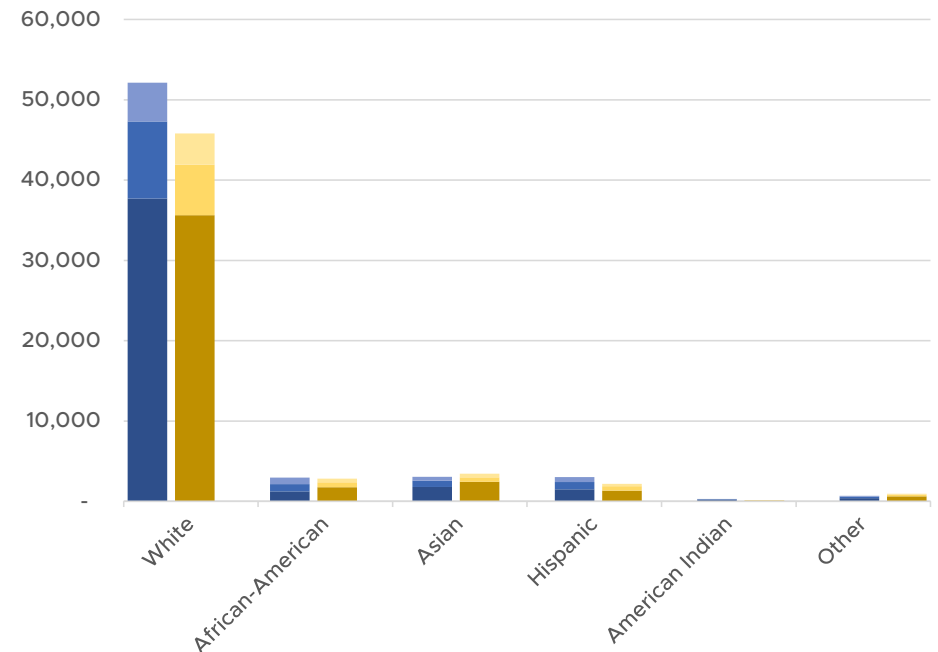
- The percent of cost-burdened owner households decreased across all races between the two reporting periods except for Native American households.¹
- The number of renter households increased across all races except for Native American households.
- The percent of African American and Hispanic renter households experiencing cost burden decreased slightly while the percent of White, Asian and Other households increased slightly.
- The percent of cost-burdened and severely cost-burdened Native American renter households increased.

Chart 23: Cost Burden by Race



¹ There were only 300 Native American ownership households in 2005 to 2009, which decreased to 145 households in the 2010-2014 data set. With so few data points, this likely falls within the range of error of this data.

Chart 24: Cost Burden By Race (Owner)



Source: CHAS, 2005-2009 and CHAS, 2010-2014 (Table 9)

Definitions:

White: White alone, non-Hispanic	Hispanic: Hispanic, any race
African-American: Black or African-American alone, non-Hispanic	American Indian: American Indian alone, non-Hispanic
Asian: Asian alone, non-Hispanic	Other: Includes multiple races, non-Hispanic

Cost Burden by Age

The following charts illustrate housing cost by age from 2000 to 2014. The impact of the housing crisis on affordability of housing shows up in an approximate 10% increase in total cost burden across tenure type and age. Since then, cost burden has declined, except for young renter households.

Key points from this data include:

- There has been a steady increase in the number of households renting in the 35 to 64 age cohort, while homeownership has declined for that group between 2008 and 2014.
- Cost burden for home owners is decreasing for all age categories, and has recovered to near pre-recession levels for households in the 25 to 34 and 35 to 64 age cohorts. Cost burden decreased in the 65 and over cohort, but at a slower rate than in the younger age categories.
- Cost burden for renter households is not recovering at the same pace as owner households in any age cohort.
- From 2000 to 2014, cost burden increased for the youngest age cohort (15-24) going from approximately half of these households in 2000 to two-thirds in 2014. It is important to note that this group does include students who live in off-campus housing; however, this increase is not solely attributable to an increased rate in off-campus living.

Chart 25: Householder 25-34 (Owner)

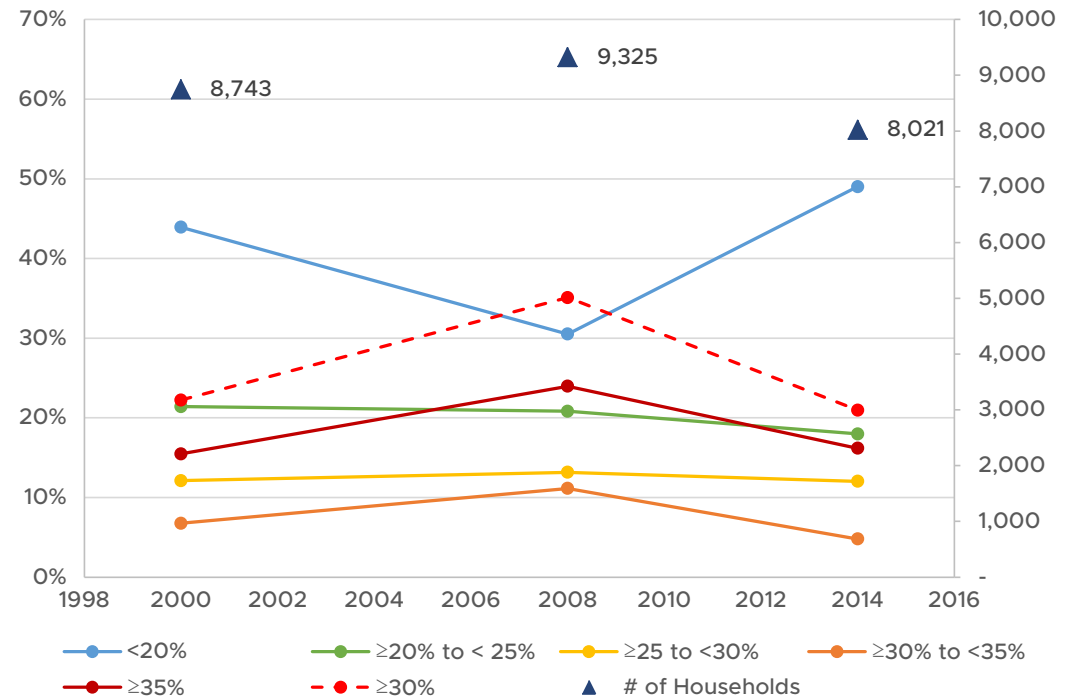


Chart 26: Householder 35-64 (Owner)

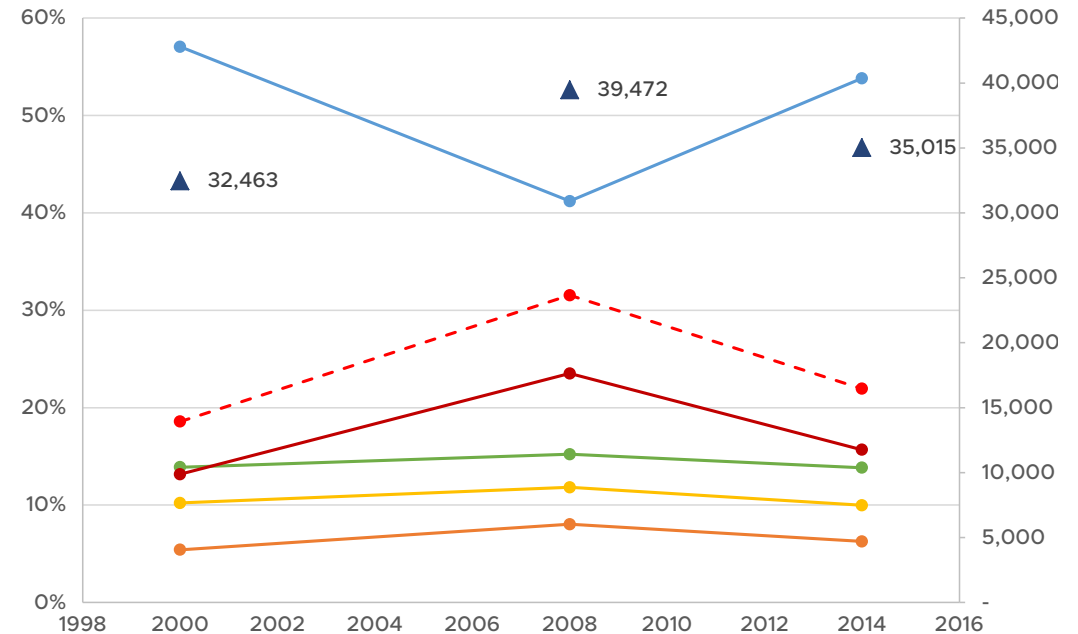


Chart 27: Householder 65 and over (Owner)

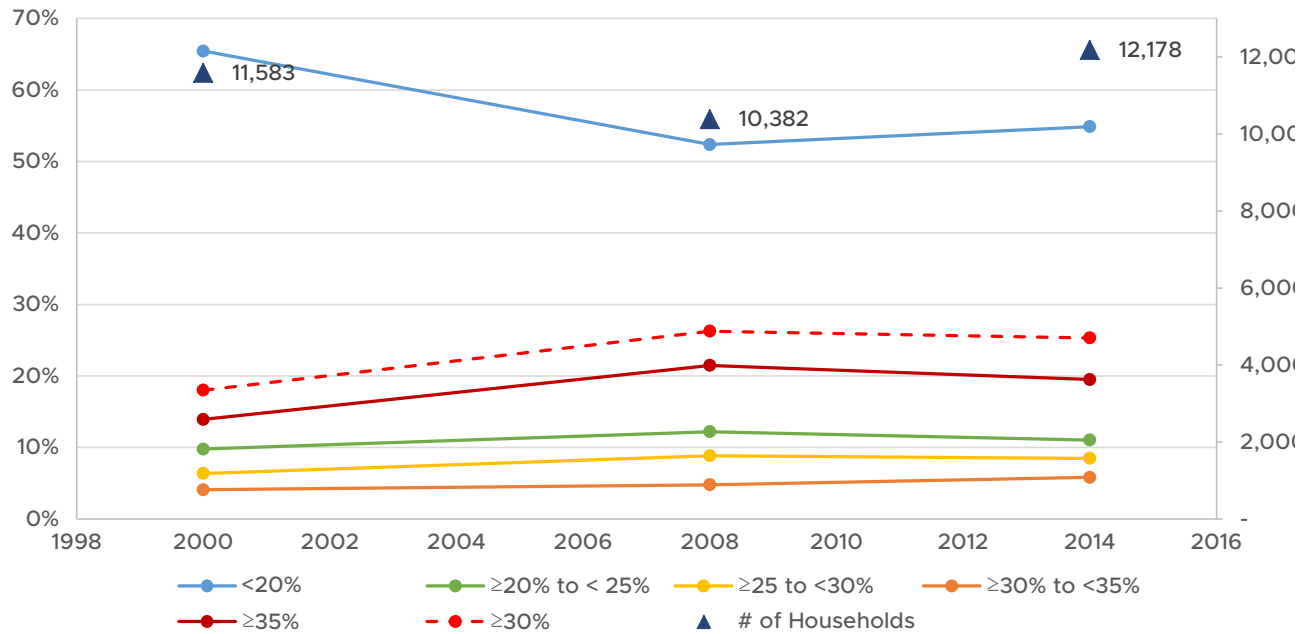


Chart 28: Householder 15 to 24 (Renter)

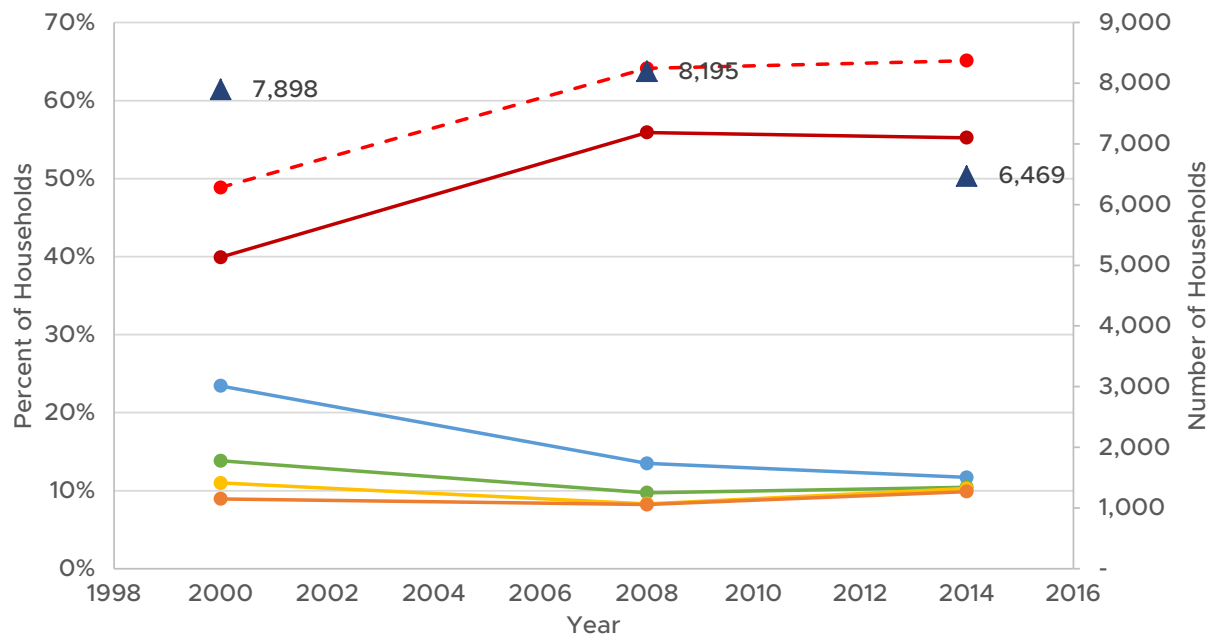


Chart 29: Householder 25 to 34 (Renter)

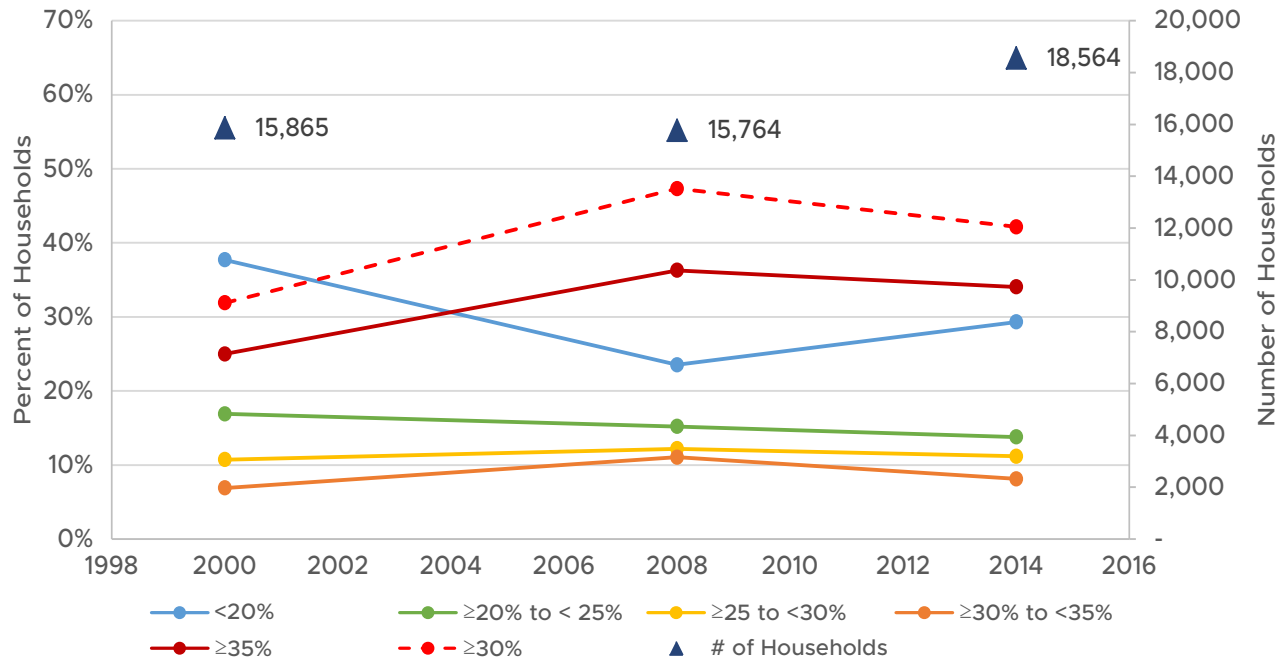


Chart 30: Householder 35 to 64 (Renter)

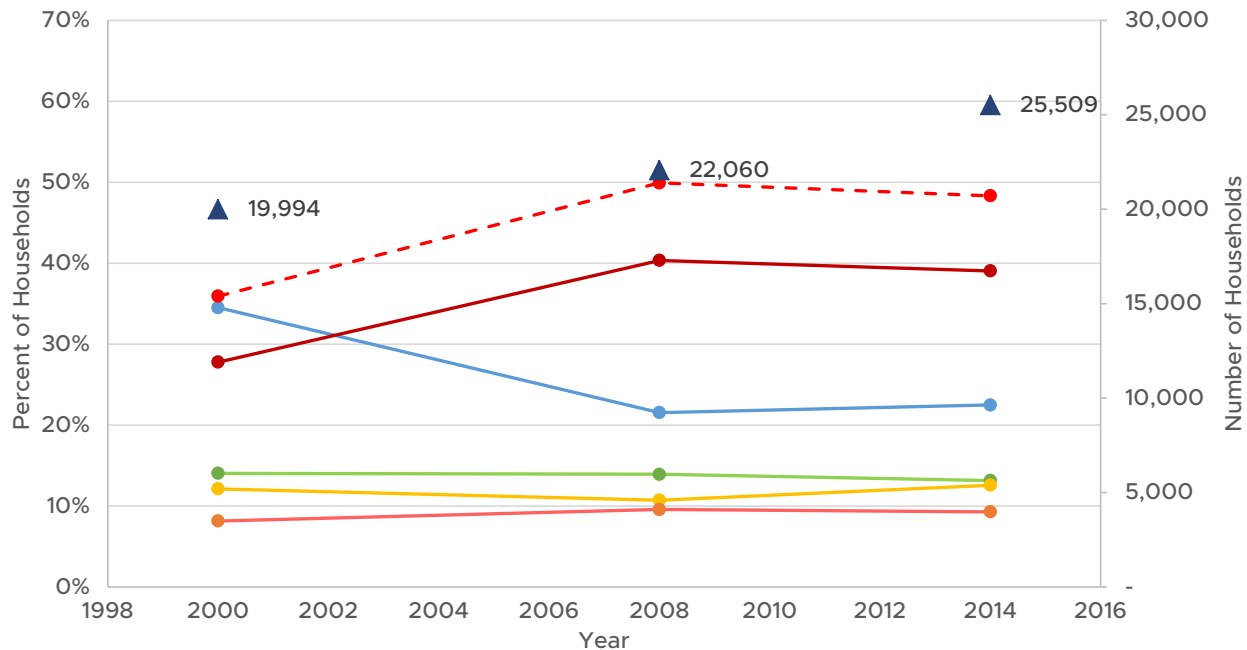
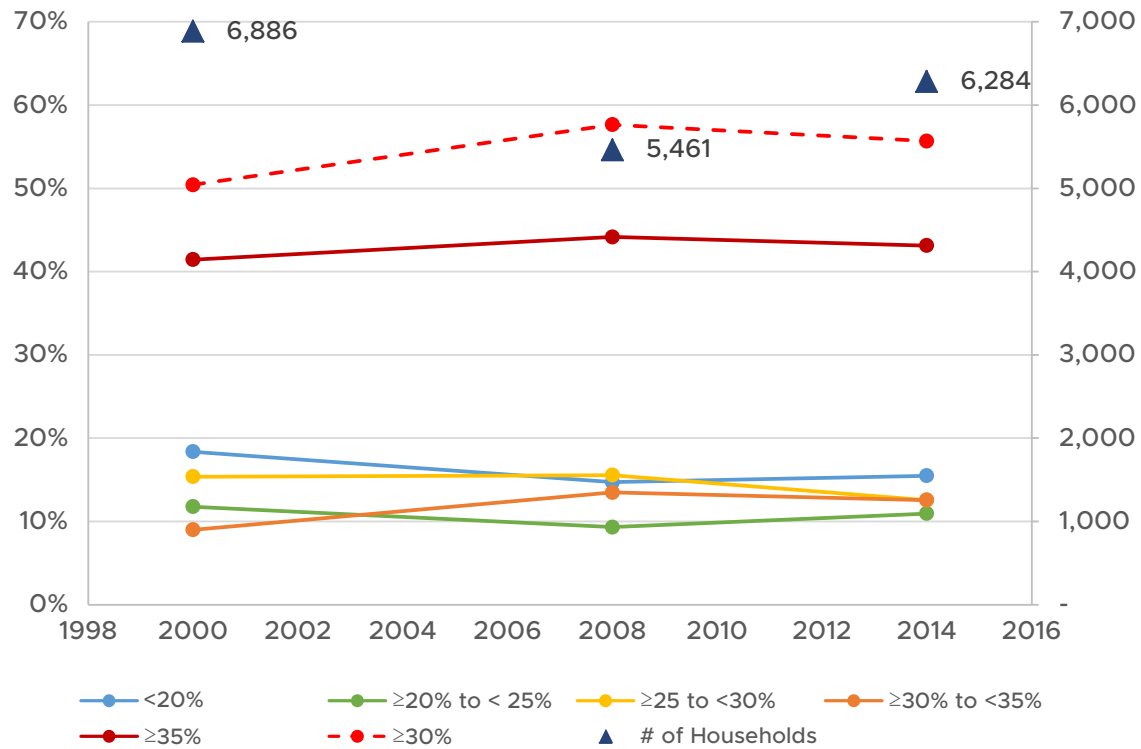


Chart 31: Householder 65+ (Renter)



Source Charts 25-31: Census 2000 and ACS 5-year Estimates, 2006 – 2010 and 2012 - 2016

Cost Burden: Household Type by Income

The following charts compare the number of owner and renter households by type of household—elderly family, elderly non-family, large family, small family, and nonelderly/nonfamily—broken out by income, and identifies if the unit household is not cost-burdened, cost-burdened, or severely cost-burdened. Key points from this data include:

- Elderly nonfamily owners are 1.8 times more likely than elderly family owners to be cost-burdened; elderly nonfamilies renters experience cost burden at a rate of nearly four times that of elderly families. As Baby Boomers age and elderly families transition into elderly nonfamilies, the number of cost-burdened elderly nonfamilies is expected to increase.

- The non-elderly/nonfamily renters earning 30% of AMI or less represent the most cost-burdened households type (in number) across owners and renters with 7,265 total cost-burdened households and 5,570 severely cost-burdened. It is unknown what percent of these households are college students living in off-campus apartments.
- There has been a significant decrease between the reporting periods of small family and nonelderly, nonfamily household types owning their housing unit particularly at the 50% – 80% of AMI income level, a 46% and 33% decrease respectively. The percent of cost-burdened households at those income levels has decreased from 56% to 47% for small families and from 64% to 51% for nonelderly, nonfamily households, increasing the total cost-burdened households at that income level.

- Large families, small families, and nonelderly/nonfamilies renter households have increased at the extremely low-income categories. The number of total cost-burdened households in these cohorts have increased by 4,786 households (20%).
- The number of large families in rental housing is increasing as is the number of cost-burdened households within that household type.

Chart 32: Cost Burden by Household Type (Renter)
Income ≤ 30% AMI

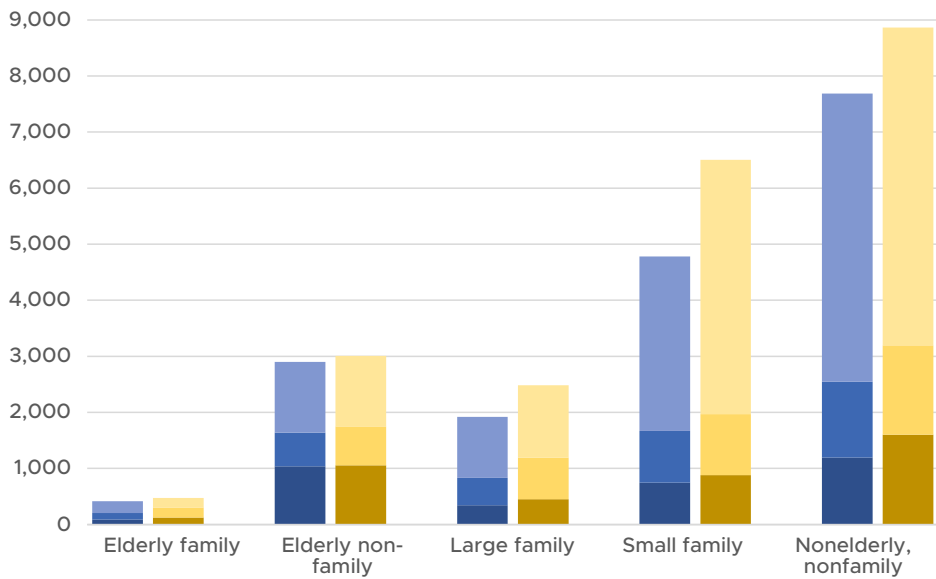


Chart 33: Cost Burden by Household Type (Renter)
Income >30% - ≤50% AMI

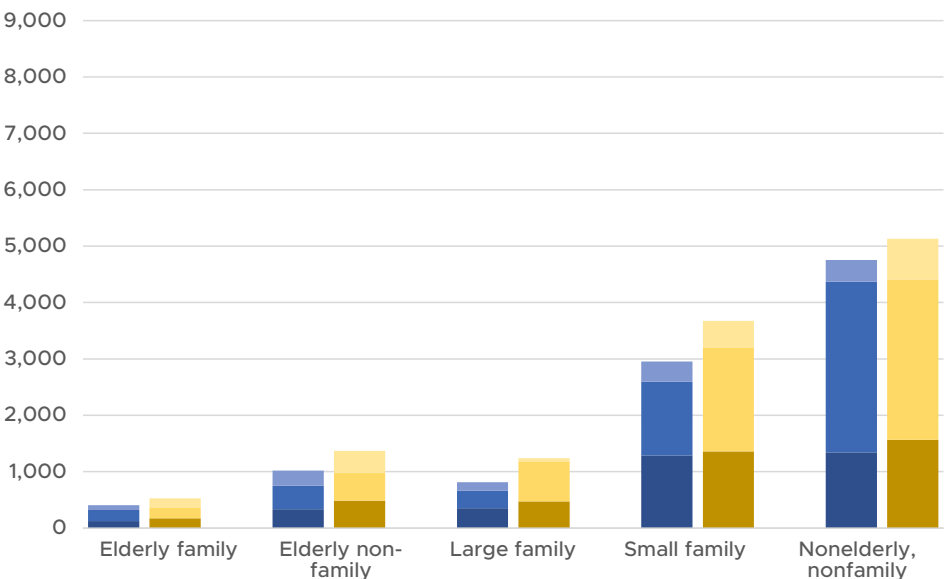


Chart 34: Cost Burden by Household Type (Renter)
Income >50% - ≤80% AMI

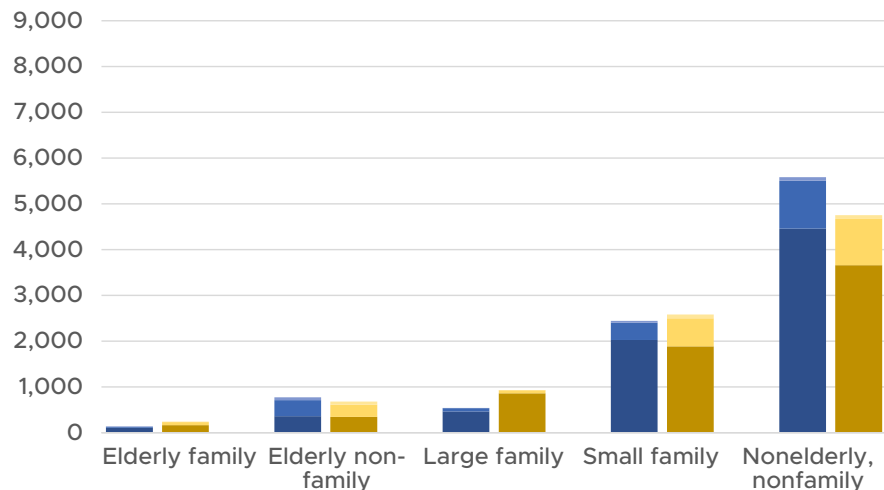


Chart 35: Cost Burden by Household Type (Owner)
Income ≤30% AMI

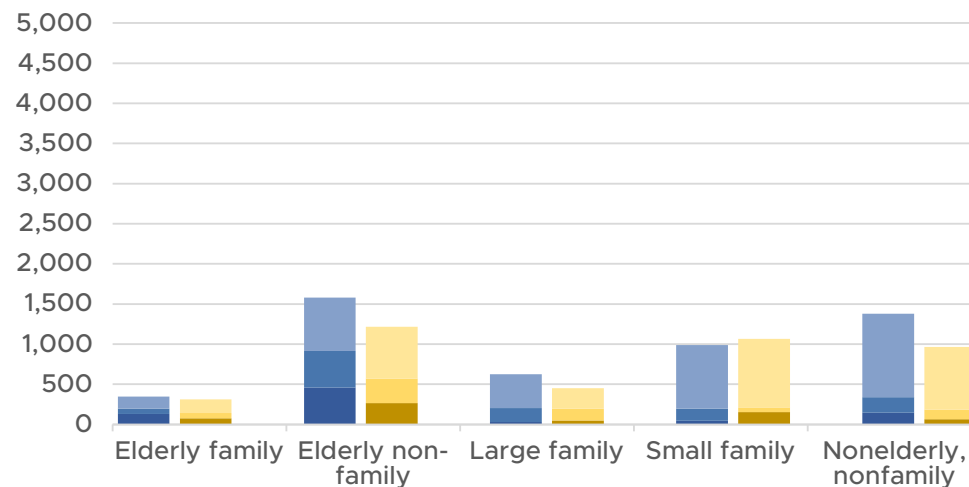


Chart 36: Cost Burden by Household Type (Owner)
Income <30% - ≤50% AMI

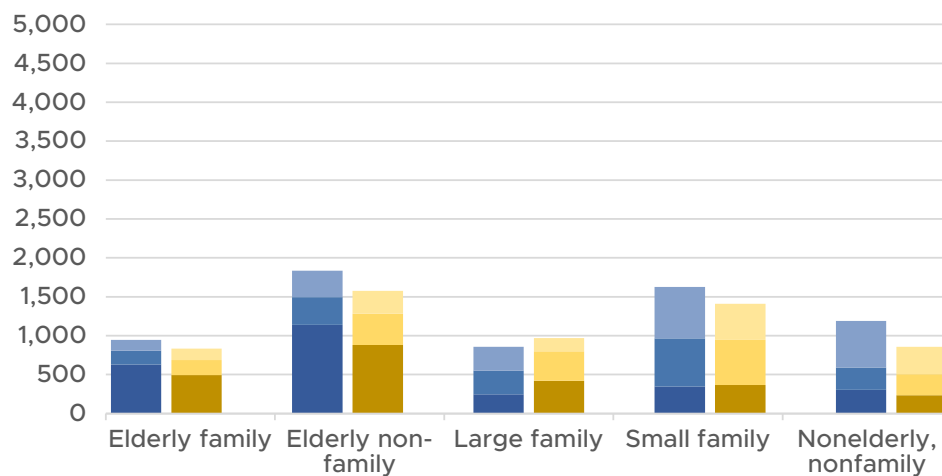
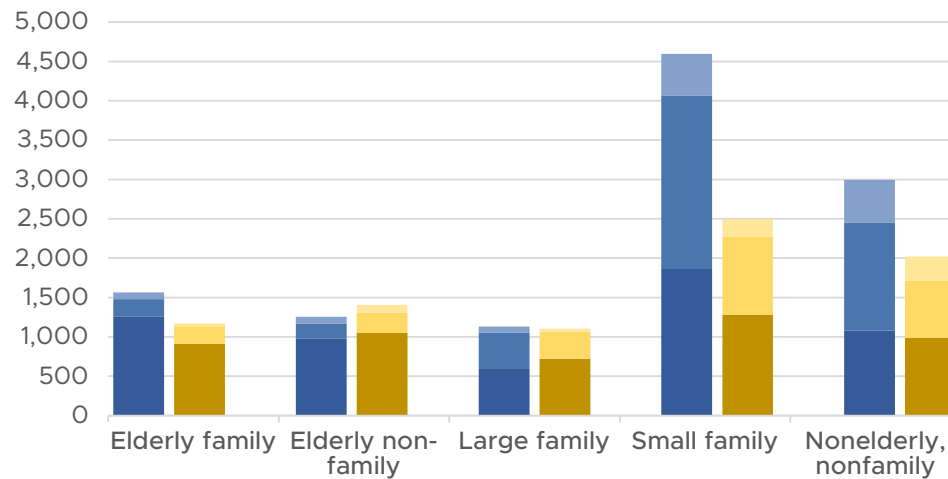
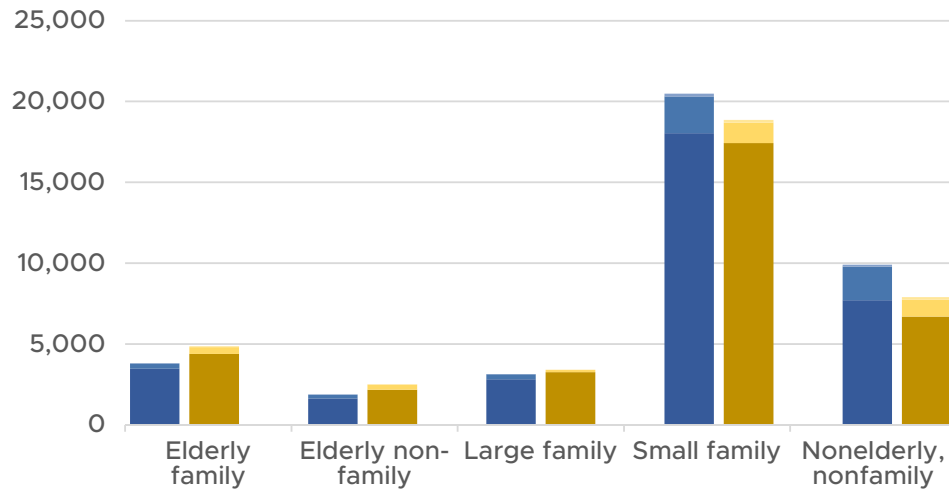


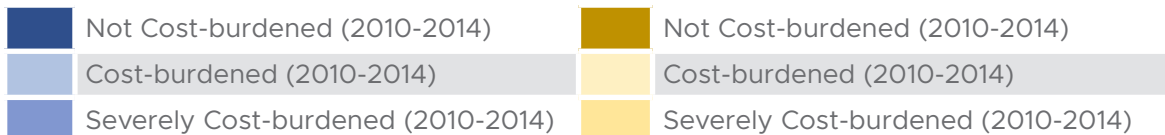
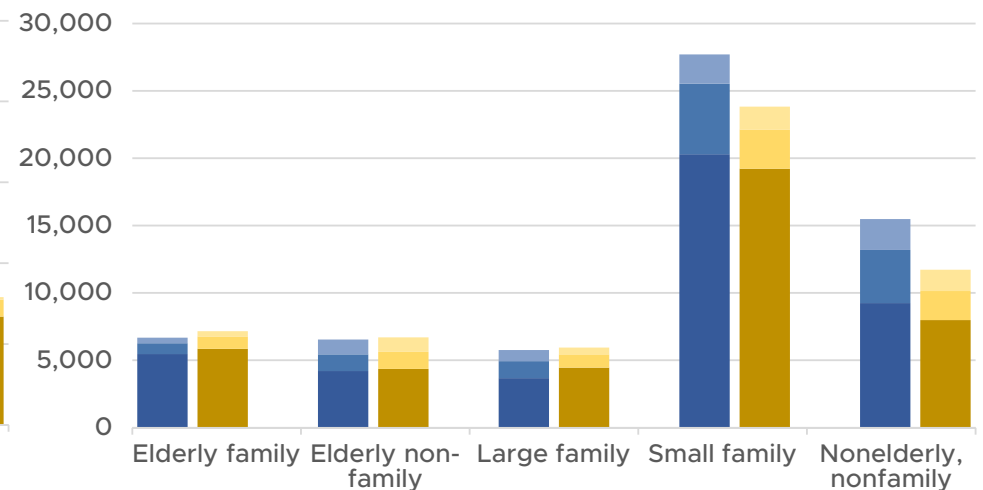
Chart 37: Cost Burden by Household Type (Owner)
Income <50% - ≤80% AMI



**Chart 38: Cost Burden by Household Type
(Owner)
Income >80% AMI**



**Chart 39: Cost Burden by Household Type
(Owner)
All**



Source: CHAS, 2005-2009 and CHAS, 2010-2014 (Table 7)

Definitions:

Elderly family: Two persons, with either or both age 62 or over

Small family: Two persons, neither person 62 years or over, or 3 or 4 persons

Elderly nonfamily: Single householder or unrelated householders

Nonelderly, nonfamily: Single householder or unrelated householders

Large family: Five or more persons

4. Homelessness

The City/HRA, in conjunction with Ramsey County and nonprofit partners, works to provide emergency shelter, temporary housing and permanent housing for those experiencing homelessness.

Information on homelessness is maintained by Ramsey County. Each January, as a Federal Continuum of Care (COC), the County completes a HUD-mandated survey to quantify the number of people experiencing homelessness. This count is intended to capture the total number of persons experiencing homelessness on a single night, and is conducted during the last 10 days of every January.

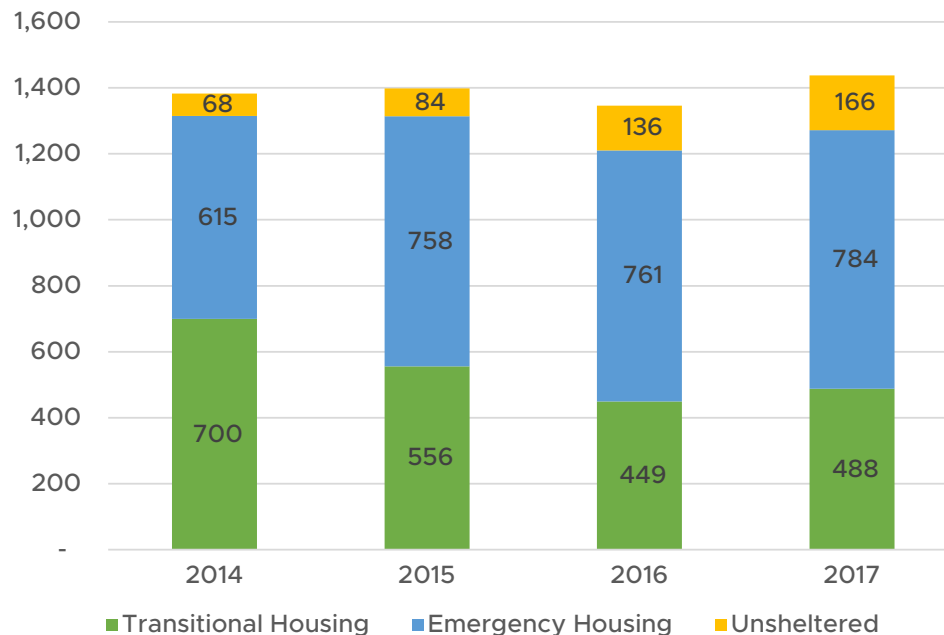
Ramsey County, with assistance from the Institute for Community Alliances, completed surveys for every emergency shelter and transitional housing program, regardless of funding source, for the night of January 26, 2017. At the same time, community and government partners surveyed as many unsheltered persons as feasible over a several-day period.

The surveys of emergency shelters and transitional housing primarily reflect capacity for serving homeless, not necessarily the demand. Many shelters regularly meet or even exceed capacity, which can be short of the total need.

Total Count

- Not including doubled-up population (those without permanent housing staying with a series of friends or family), the total number of homeless persons increased 6.8% from January 2016 to January 2017 (1,346 to 1,438).
- Since 2013 the total number of homeless persons counted has remained nearly the same, however, there has been an increase in the number of total homeless households since 2014. This indicates an increase in the proportion of smaller households or singles experiencing homelessness over that time.

Chart 39: Persons in Point-in-Time Count, 2014-2017



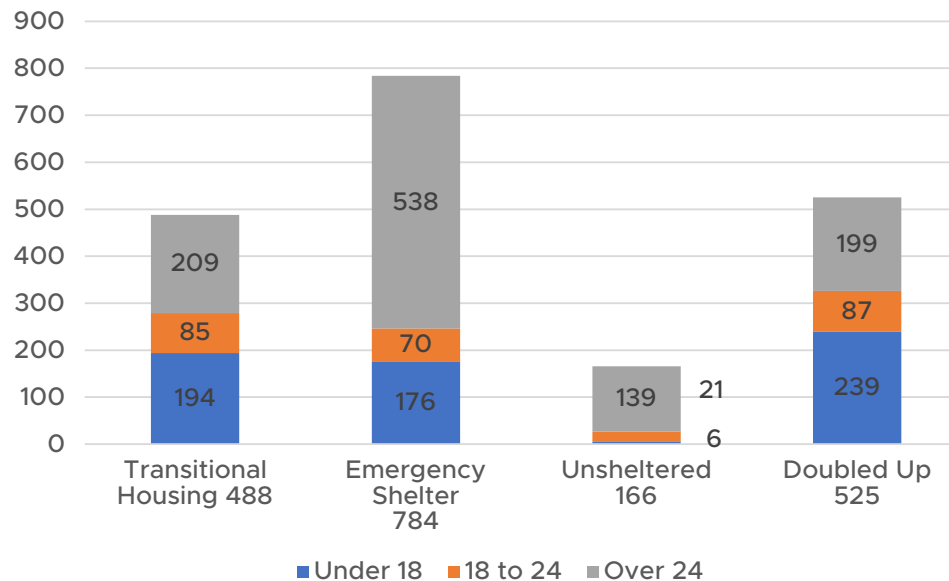
Age

- Of the 784 in emergency shelters in 2017, 69% were age 25 and older and over one-fifth (22%) were children under 18 years of age.
- The number of homeless persons over age 24 increased from 2016-2017. In emergency shelters, the number went from 500 to 538; those unsheltered from 112 to 139, and those in transitional housing from 169 to 209.

Unsheltered/Doubled Up

- The unsheltered count increased by 22% from 2016 to 2017 (136 to 166 persons), due to more participation, training, and identification of locations where homeless frequently congregate, such as food shelves, public transit, and skyways. Of the unsheltered, 4% were children and 84% were over age 24.
- Ramsey County's first survey of doubled-up populations reached 525 persons. Of those, 239 (46%) were under age 18 and 87 (17%) were from the ages 18 – 24; however, the full-extent of doubled-up homeless is likely larger, given the limitations of surveying the entire county over a few days of the year.

Chart 40: Ramsey County Homeless Person by Age
Total Homeless Persons: 1,963



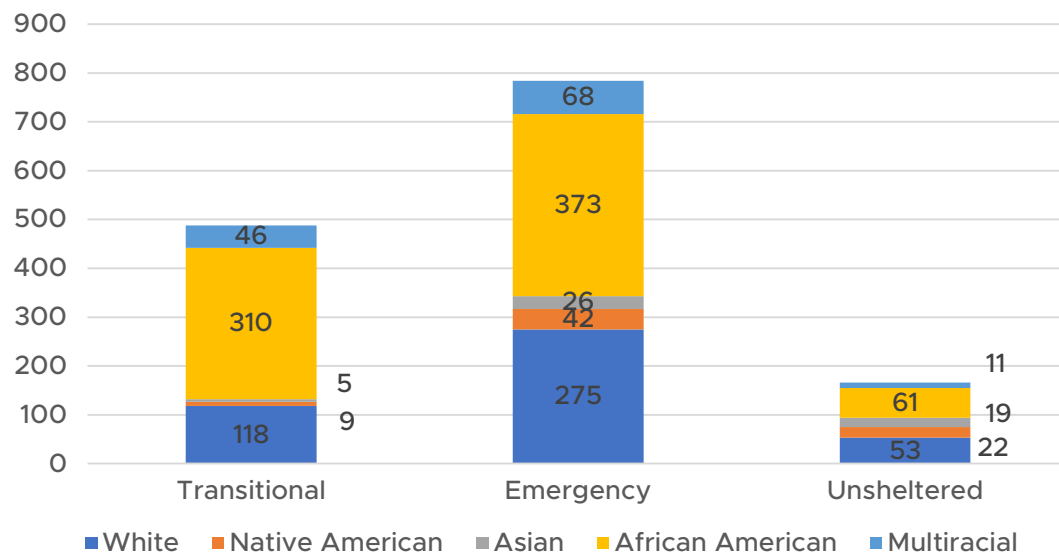
Race

- African Americans were 48% of total emergency shelter population, 64% of transitional housing population, and 37% of the unsheltered population. Whites were about 35% of emergency shelter population and 24% of transitional housing population.
- In contrast, government projections estimate that, in 2016, African Americans were 12% of the county's total population and whites 69%. In other words, African Americans are four times as predominant in emergency shelters compared to the general population.

Sheltered Count (emergency shelter/transitional housing)

- Unlike the time-limited emergency shelter facilities, transitional housing programs provide housing and support services for homeless persons for up to two years. From 2014 to 2016 the county experienced a decline from 700 to 449 persons in temporary programs, with a slight increase to 488 in 2017.
- Similar to emergency shelter, the counts primarily measure capacity and reflect policy changes in how many can be sheltered. The counts also rise or fall due to some projects changing their service type year-to-year, such as from emergency shelter into transitional housing or converting from transitional housing to more permanent housing like rapid re-housing.

Chart 41: Homeless Persons by Race and Ethnicity



Identification of Housing Need

The City of Saint Paul has identified the following housing needs. They are not presented in any order of priority.

- maintenance and upkeep of aging housing infrastructure;
- homeownership opportunities;
- affordable rental housing;
- decrease homelessness;
- market-rate housing development; and
- affirmatively further fair housing.

On-going Maintenance and Upkeep of Aging Housing Infrastructure

As described in the previous housing inventory, Saint Paul has an aging housing stock, with nearly 50% of the units being built prior to 1940 and 90% built prior to 1980. Maintaining this housing infrastructure is critical to the long-term health and stability of Saint Paul’s neighborhoods.

The City/HRA will need to continue its four-pronged approach to maintenance and upkeep, which includes:

- monitoring and tracking housing conditions for both owner and rental housing through the Truth in Sale in Housing and Certificate of Occupancy Program.;
- directing its loan programs to property owners;
- referring property owners to other potential resources; and
- enforcing property maintenance and other health and safety codes.

Homeownership Opportunities

Homeownership in Saint Paul has been declining since 2000. This trend accelerated during the housing crisis, when many single-family homes converted to rental properties due to the inability to sell them; many of these properties remain rentals today. In addition, younger potential buyers are living in rental units longer than previous generations due a combination of factors, such as lower real wages, existing debt burden and lifestyle choice.

The production of new multi-family ownership housing has been constrained, in part, because of changes to construction liability requirements in State law. While development of multi-family rental rebounds, new development of multi-family ownership continues to lag.

Beyond the overall decrease in homeownership, a significant disparity exists in who owns homes in Saint Paul. While white households constitute 67% of all households in the city, they comprise 82% of home-owning households. The City/HRA will need to expand its efforts to foster homeownership in historically underserved communities. These efforts will need to include addressing challenges in access to capital for the City’s cultural communities.

Support of homeownership is one way in which the City and HRA can contribute to building community wealth within Saint Paul. Through strategic efforts, the City wants to create a supportive environment for homeownership for those who would like to invest where they live.

Affordable Rental Housing

Renter cost burden is expanding in the city, and preservation and development of affordable rental housing continues to be a critical housing need. In 2000, approximately 40% of renter households (Census 2000) experienced cost burden, which has grown to 51% by the most recent estimates (ACS 5-year Estimates, 2012-2016) of which just over half are severely cost burdened. This is an increase of over 7,500 households over the 16-year period. Cost burden is not equally distributed within the renter household population with those households at the lowest income levels experiencing it most acutely.

Table 5: Cost-burdened Households

Household Income	>30%	>50%
≤30% AMI	77%	58%
>30%-≤50% AMI	66%	15%
>50%-≤80% AMI	25%	3%
>80%-≤100% AMI	7%	0%
>100%	2%	0%

ACS 5-year estimates, 2011-2014

Contributing to this excessive cost burden for the City's extremely low-income households is the significant gap between the number of units affordable to these households, with 22,329 renter households and only 11,560 units affordable to households earning 30% of AMI or less. This gap is compounded by the fact that approximately 25% of those units affordable to these households are rented by households earning more than 30% of AMI (CHAS, 2010-2014).

The City of Saint Paul and Saint Paul HRA have a long history of preservation and production of affordable housing throughout the city. The City/HRA will continue this work, but their ability to do so is limited by the monetary resources available. Without additional resources available for this important work, the preservation and production of affordable units will continue to lag behind the need.

The greatest need for affordable housing is for renter households earning 30% or less of AMI. However, the largest program that supports affordable housing, Low Income Housing Tax Credits, (LIHTC) leaves deep financial gaps for these projects, as this tool is targeted to units affordable to households at 50% and 60% of AMI. To make real progress towards reducing this need, the City, Saint Paul HRA, other governmental entities and the housing advocacy community must come together to lobby the State and Federal governments for additional resources to help offset housing costs for extremely low-income households, and to find innovative solutions to providing affordable housing for the working poor.

Decrease Homelessness

Reducing the number of people and families experiencing homelessness, and linking them to transitional and permanent housing resources is a critical issue for the City/HRA. The City/HRA cannot do this work on its own, but can partner with Ramsey County and social service and affordable housing providers to:

- reduce housing insecurity for those households that may have difficulty in renting apartments due to credit history, past evictions, and criminal convictions;
- provide overnight sheltering for those experiencing homelessness;
- build projects with ongoing services, such as path out of homelessness;
- support projects for underserved populations; and
- explore additional funding options.

New Market-Rate Housing Development

The Metropolitan Council projects over 26,000 new households in Saint Paul by 2040. Vacancy rates are already exceptionally low due to population dynamics and renewed interest in city living. Through this planning process, the City has identified areas where increased density is appropriate and set policy to expand housing choice within existing neighborhoods.

Work to advance this issue is not focused on funding market-rate projects (beyond support of pass-through grants), but rather creating a planning and regulatory framework that supports the private market constructing new units to meet existing and future housing demand.

Affirmatively Further Fair Housing

The City has an obligation to affirmatively further fair housing. As discussed in the 2017 Addendum to the 2014 Analysis of Impediments, this means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities (i.e. free from barriers that restrict access to opportunity based on protected characteristics). Specifically, this means actions that:

- address disparities in housing need and access to opportunity;
- replace segregated living patterns with integrated and balanced living patterns;
- improve access to opportunity in areas of concentrated poverty where a majority of residents are people of color; and
- foster and maintain compliance with civil rights and fair housing laws.

Many actions the City/HRA take impact elements of fair housing both indirectly, such as determining where City/HRA dollars are invested in infrastructure and parks, or directly, such as those that are housing related. As such, in 2017, the HRA initiated an interdepartmental Fair Housing Working Group to develop a multi-faceted strategic plan that identifies short- and long-term steps to reduce impediments to fair housing in Saint Paul.

Appendix B

Housing Need Implementation Strategy

The following tables identify City and HRA actions to address the City's housing need, including (not in priority order):

- ongoing maintenance and upkeep of aging housing stock;
- homeownership opportunities;
- affordable rental housing;
- decrease homelessness;
- new market-rate housing development; and
- affirmatively furthering fair housing.

City actions are broken out into the following categories by direct City/HRA actions.

Financial Resources/Strategy: Actions the City/HRA may undertake that bring financial capital to an individual, project, or program.

Regulations/Agreements/Plans: Regulations, agreements, or plans that support or could better support the identified need.

Strategic Partnerships: Work done in collaboration with external entities.

Education/Information: Educational activities or information dissemination.

The strategy provides further guidance on the programs, tools, existing and potential partnerships and educational materials; and identifies City/HRA funding and potential outside funding resources.

Need: Ongoing Maintenance and Upkeep of Aging Housing Stock

- Provide financial programs for and refer residents to other resources to assist low-to-moderate income households with maintenance and upkeep.
- Monitor housing conditions.
- Ensure health and safety in ownership and rental housing.
- Connect residents to city resources and information on resources.

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Provide City loans to finance housing improvements, upkeep, and emergency maintenance of owner-occupied structures. • Provide City loans to finance improvements to non-owner-occupied small-scale rental properties. • Investigate ways to develop culturally-appropriate lending products for City housing improvement loans. • Encourage nonprofits and neighborhood organizations to apply for housing fix up grants through Neighborhood STAR and the CIP process. 	<ul style="list-style-type: none"> • Continue to ensure minimum health and safety in rental housing under the Fire Certificate of Occupancy Program. • Continue to require code inspections of for-sale properties under the Truth-in-Sale of Housing program. • Continue to enforce property maintenance codes 	<ul style="list-style-type: none"> • Continue to work with Ramsey County Public Health on lead paint abatement. • Refer homeowners to Minnesota Homeownership Center. • Refer owners of historic resources to organizations that can help them with potential State and Federal resources 	<ul style="list-style-type: none"> • Maintain up-to-date information on the City's website on City loan resources. • Supply information to non-code compliant properties on City loan programs with a violation letter. • Continue to make Truth-in-Sale of Housing reports available on the City's website. • Continue to maintain access to Fire Certificate of Occupancy information on the City's website.
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
<ul style="list-style-type: none"> • Citywide Deferred Rehabilitation Loan • Citywide Low-Interest Rehabilitation Loan • Emergency Loan Fund • Rental Rehab Program 	<ul style="list-style-type: none"> • Fire Certificate of Occupancy • Truth-in-Sale of Housing 	<ul style="list-style-type: none"> • Minnesota Housing • Ramsey County • Historic Saint Paul • Preserve Frogtown 	<ul style="list-style-type: none"> • Provide information in consistent format. • Develop handout/brochure with information and contact numbers.
Potential City Funding Sources:		Potential Outside Funding Sources	
CDBG HRA resources Loan Returns Sales Tax Revitalization Fund (STAR)		Neighborhood loan programs Bank financing	

Need: Homeownership Opportunities

- Increase neighborhood stability and community wealth through homeownership.
- Foster home ownership in historically underserved communities.
- Improve access to affordable homeownership for low-to moderate-income households (target income levels: ≤80% of AMI).

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Facilitate access to capital for all residents by working with the lender community and advocating for culturally appropriate mortgage products. • Continue to sell existing HRA-owned properties and provide gap financing for affordable ownership housing. • Support grant applications to offset extraordinary costs (e.g. environmental cleanup, enhanced design) for ownership housing. 	<ul style="list-style-type: none"> • Decrease land costs for new ownership development by considering the following changes to the Zoning Code: <ul style="list-style-type: none"> • Reduction of minimum lot size and per unit area requirements. • Increase ability to build small units or cluster developments. • Minimum lot area requirements for one-family dwellings in residential districts. 	<ul style="list-style-type: none"> • Refer potential buyers to the Minnesota Homeownership Center and local nonprofit resources. • Encourage developers to build a range of ownership housing types, including single-family, townhomes, and condominiums. 	<ul style="list-style-type: none"> • Support homebuyer pre- and post-purchase counseling. • Continue to provide foreclose counseling to homeowners. • Raise awareness within buyer community and developers of shared-equity models (land trusts and housing cooperatives) that can help to make ownership more affordable. • Support translation of homeownership education materials for non-English speakers. • Raise awareness that existing small “lots of record” are buildable lots.
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
<ul style="list-style-type: none"> • Inspiring Communities 	<ul style="list-style-type: none"> • Zoning Code 	<ul style="list-style-type: none"> • Minnesota Housing • Minnesota Home Ownership Center • Dayton's Bluff Neighborhood Housing Services • Neighborhood Development Alliance • NeighborWorks Home Partners • Fair Housing Implementation Council • Habitat for Humanity • Rondo Community Land Trust • Twin Cities Land Trust 	<ul style="list-style-type: none"> • Provide links to translated homeownership materials on City website. • Develop a small lot development information sheet.
Potential City Funding Sources:		Potential Outside Funding Sources	
CDBG HRA resources HOME Land write down Sales Tax Revitalization fund		Minnesota Housing Consolidated RFP DEED, Metropolitan Council, and Ramsey County Brownfields Grants Metropolitan Council LCDA/LCDA-TOD grants	

Need: Affordable Rental Housing (1 of 2)

- Preserve project-based Section 8, income-restricted and naturally occurring affordable housing (target incomes: ≤60% of AMI).
- Develop new affordable housing units (target incomes: ≤60% of AMI).
- Advocate for increased Federal and State funding for affordable housing (target incomes: ≤60% of AMI, with focus on ≤30% of AMI).

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Modify, as needed, the Qualified Allocation Plan to respond to changing affordability needs within Saint Paul. • Explore ways to preserve naturally-occurring affordable housing. • Finance building improvements to maintain affordable real estate assets. • Continue to support LIHTC project development throughout the city. • Support grant applications to offset extraordinary costs (e.g. environmental cleanup, enhanced design) for affordable housing. • Support increased Federal funding for the Section 8 program and development programs. • Seek State funding for supportive and extremely-low income housing. • Explore ways to get deeper affordability for extremely low-income households that may not need support services. 	<ul style="list-style-type: none"> • Guide land at sufficient densities to accommodate the City's allocation of the regional affordable housing need. (See Future Land Use Map in this document.) • Require all neighborhood, station area and small area plans to include goals, policies and/or recommendations as to how affordable housing will be accommodated in the study area. • Proactively work with affordable housing owners to extend affordability terms when nearing end of obligation. • Encourage extensions of project-based Section 8 terms. • Consider requiring acceptance of Section 8 Housing Choice Vouchers in all projects with City/HRA assistance, including market-rate projects. • Negotiate provision of units affordable at lower income levels through the funding request to meet the City's/HRA's 10-10-10 affordability policy. 	<ul style="list-style-type: none"> • Work with Saint Paul Public Housing and affordable housing providers to maintain affordability in scattered site housing if sold. • Work with HUD, Minnesota Housing and affordable housing providers to preserve project-based Section 8 units at risk of non-renewal or being transferred out of Saint Paul. • Continue participation in Interagency Stabilization Group. • Participate in the Fair Housing Implementation Council. 	<ul style="list-style-type: none"> • Provide information on Housing Choice Vouchers in the City's Landlord 101 program. • Provide clear expectations to district councils and planning committees on affordable housing planning requirement; update Area Plan Guidelines. • Raise awareness in the affordable housing development community about the City's affordable housing production policy (10-10-10). • Track affordability term expiration of project-based Section 8 and income-restricted units. • Report annual affordable rental housing preservation and production, including progress on the 10-10-10 policy, using the Livable Communities Program goal period as the policy's time period.

Need: Affordable Rental Housing (2 of 2)

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
	<ul style="list-style-type: none"> Analyze market conditions to determine if regulatory tools can support the development of affordable housing. Reduce land costs for development of affordable rental housing by considering Zoning Code amendments that reduce or eliminate minimum lot area per unit requirements in residential districts. 		
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
<ul style="list-style-type: none"> 9% Tax Credit RFP Rental Rehab Loan Program 	<ul style="list-style-type: none"> Comprehensive Plan Future Land Use Map Neighborhood, station area, and small area plans Zoning code Development agreements 	<ul style="list-style-type: none"> Saint Paul Public Housing Minnesota Housing Other public housing providers Affordable housing providers Affordable housing advocates HUD MN Department of Employment and Economic Development Metropolitan Council District Councils Land Trusts LISC Family Housing Fund 	<ul style="list-style-type: none"> Updated Area Plan Guidelines Yearly affordable housing production report
Potential City Funding Sources:		Potential Outside Funding Sources	
9% LIHTC 4% LIHTC and bonds Affordable Housing Trust Fund HOME CDBG HRA resources Neighborhood STAR Tax Increment Financing Land write down		Super RFP – Minnesota Housing and Metropolitan Council DEED and Metropolitan Council Brownfields Grants Metropolitan Council LCDA/LCDA-TOD grants	

Need: Decrease Homelessness

- Reduce housing insecurity for households vulnerable to homelessness.
- Provide overnight sheltering for those experiencing homelessness.
- Construct projects with ongoing services (e.g. path out of homelessness).
- Support projects for underserved populations.
- Explore additional funding options.

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Lobby for additional State and Federal resources directed towards reducing homelessness. • Encourage non-City funding sources to continue to provide resources for supportive and homeless housing. • Create and capitalize an emergency repair fund to remedy rental property life-safety defects to prevent tenant displacement. 	<ul style="list-style-type: none"> • Develop and implement an Emergency Housing Plan to support tenants who are displaced due to non-code compliance. • Study and complete legal analysis around tenant protections, such as advance notice of sale, right to counsel, just-cause evictions and condemnation assessment. 	<ul style="list-style-type: none"> • Support Saint Paul Public Housing Agency's commitment to provide more project-based vouchers to supportive housing projects, if matched City/HRA, County and/or State resources. • Continue City/HRA involvement in the Saint Paul/Ramsey County Funders Council and the Heading Home Advisory Board. • Participate with Ramsey County Committee regarding State-funded Family Homelessness Prevention Assistance Program. • Participate on Minnesota Housing Stewardship Committee. 	<ul style="list-style-type: none"> • Advocate for use of best practices for tenant screening to reduce housing insecurity for those with low credit scores, past evictions or criminal convictions. • Work with Ramsey County Continuum of Care Governing Board to continually raise community awareness about issues around homelessness.
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
<ul style="list-style-type: none"> • HUD Emergency Solutions Grant • 9% Tax Credit RFP • Emergency Repair Fund 	<ul style="list-style-type: none"> • Emergency Housing Plan 	<ul style="list-style-type: none"> • Saint Paul Public Housing Agency • Minnesota Housing • Ramsey County 	<ul style="list-style-type: none"> • To be determined
Potential City Funding Sources:		Potential Outside Funding Sources	
9% LIHTC 4% LIHTC and bonds HOME CDBG Tax Increment Financing HRA resources Neighborhood STAR Land write down Emergency Service Grant Affordable Housing Trust Fund		Ramsey County – Group Home/Supportive Services State Infrastructure Bonds Philanthropic community Metropolitan Council LCA program	

Need: New Market-Rate Housing Development

- Development of new housing to meet current need and future housing growth projections.
- Expanded housing choice for existing and future residents.

Financial Resources/ Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Support grant applications to offset extraordinary costs (e.g. environmental cleanup, enhanced design) for new housing. 	<ul style="list-style-type: none"> • Guide land at sufficient densities to accommodate the City's allocation of regional housing growth. (See Future Land Use Map in this document.) • Require all neighborhood, station area, and small area plans to include goals, policies and/or recommendations to accommodate new housing in the study area. • Ease regulatory requirements that unduly burden development of smaller units by considering amendments to: <ul style="list-style-type: none"> • Lot area per unit requirement for multi-family • Minimum dimensional requirements for one-family dwellings • Expand opportunities for additional units in areas guided Urban Neighborhood by considering zoning amendments to permit duplexes, small multi-family and small house clusters in zoning districts that exclusively permit one-family dwelling types. 	<ul style="list-style-type: none"> • Work with Mayor's Advisory Committee on Aging and other stakeholders to identify ways to expand housing choice to promote aging in community. 	<ul style="list-style-type: none"> • Raise awareness in the housing development community around alternative housing types, such as intentional communities and co-housing. • Review Minneapolis' Developer 101 course outcomes and evaluate need for similar training in Saint Paul • Continue to monitor and report housing trends.
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
	<ul style="list-style-type: none"> • Comprehensive Plan Future Land Use Map • Neighborhood, station area, and small area plans. • Zoning code 	<ul style="list-style-type: none"> • Housing developers • District Councils • Advisory Committee on Aging 	<ul style="list-style-type: none"> • MarketWatch
Potential City Funding Sources:		Potential Outside Funding Sources	
City/HRA funds on a case-by-case basis.		DEED, Metropolitan Council Brownfields Grants Metropolitan Council LCDA/LCDA-TOD grants	

Need: Affirmatively Further Fair Housing

- Meet Federal requirements.
- Address relevant disparities identified in the Analysis of Impediments.

Financial Resources/Strategy	Regulations/Agreements/Plans	Strategic Partnerships	Education/Information
<ul style="list-style-type: none"> • Continue use of the Project and Program Evaluation Tool when allocating City/HRA resources for housing projects. 	<ul style="list-style-type: none"> • Work to address demonstrated disparities identified in the Addendum to the Analysis of Impediments by implementing recommendations of that Fair Housing Working Group's strategic plan. 	<ul style="list-style-type: none"> • Continue to participate in the Fair Housing Implementation Council to coordinate efforts to affirmatively further fair housing throughout the metropolitan area housing market. 	<ul style="list-style-type: none"> • Expand the Fair Housing Training program for property managers and landlords as part of the City's Landlord 101 program. • Maintain and update the citywide Fair Housing webpage. • Develop a Fair Housing dashboard to track and report outcomes.
City Funding Programs	Plans/Official Controls/Programs	Existing and Potential Partners	Materials
	<ul style="list-style-type: none"> • Fair Housing Strategic Plan 	<ul style="list-style-type: none"> • Fair Housing Implementation Council 	<ul style="list-style-type: none"> • City's Fair Housing web page • Fair Housing dash board
Potential City Funding Sources:		Potential Outside Funding Sources	
<ul style="list-style-type: none"> • City levy • HRA levy • CDBG 			

Appendix C

Housing Implementation Toolkit

The following table provides an overview of the housing implementation tools available to the City of Saint Paul.

Type of Tool	Specific Tool
<p>City Financial Resources</p> <p>Supported Uses:</p> <ul style="list-style-type: none"> • Production of affordable rental housing • Preservation of affordable rental housing, including income-restricted and NOAH • Production and preservation of affordable ownership housing • Housing for the homeless • Home maintenance and improvement programs 	<p>Housing and Redevelopment Authority (HRA) Resources: HRA resources include levied funds and property sale proceeds. These resources can be used for specific development projects, rehabilitation and maintenance programs, and other housing opportunities as determined by the HRA Board in accord with City goals and policies.</p> <p>Tax Increment Financing: Cities may elect to create a tax increment financing (TIF) district as a means of supporting affordable housing and redevelopment projects. Under TIF, the City allocates future property tax gains to fund current development. By legislative definition, TIF created specifically for housing projects must provide affordability to those at 60% of AMI or less for rental projects and 115% of AMI for owner-occupied housing projects, while other types of districts do not have this requirement TIF is a tool that may be considered for gap financing of housing projects that would not occur “but for” this type of assistance.</p> <p>Tax Abatement: Tax abatement is a financing tool that reduces taxes or tax increases for owners of specific properties. Local governments offer the tax reduction to provide a financial incentive for a public benefit, such as creation of housing affordable to low- and moderate-income households. The City/HRA has not used tax abatement for affordable housing projects in the past.</p> <p>9% Low-Income Housing Tax Credits (LIHTC): The LIHTC program is administered by the Internal Revenue Service (IRS) where tax credits are granted for eligible costs over a period of ten years. Often these tax credits are syndicated to be used as equity in the project to leverage additional financial resources. Annually the IRS allocates tax credits to each of the states based on population. The states are then responsible for distributing the tax credits to eligible projects. In Minnesota, the state sub-allocates a portion of its allotment of tax credits to five other entities, one of which is the Saint Paul HRA. Under federal law, a project must either provide 20% of the units to households earning 50% of AMI or less or 40% of the units must be affordable to households earning 60% of AMI or less to be eligible for a tax credit award for a minimum term of 15 years; A tax credit allocator must develop a Qualified Allocation Plan (QAP) detailing selection criteria The HRA will continue to award affordable housing projects this resource based on the objectives set forward in its QAP.</p> <p>4% LIHTC/Conduit Revenue Bonds: HRAs can issue tax-exempt housing revenue bonds that help to finance affordable housing development, such as new construction, acquisition and rehabilitation or refinancing. In addition to the tax credit requirements described above, bond-financed projects support affordable housing in which at least 20% of the units meet HUD’s fair market rents, which reflect Section 8 HCVs rent limits. The City/HRA considers issuing bonds for housing developments through an application process.</p> <p>Community Development Block Grant (CDBG): The City receives an annual allocation of CDGB from the U.S. Department of Housing and Urban Development. Uses of the funds need to meet one of three national objectives, which include benefit to low- and moderate-income persons; aid in the prevention or elimination of slums or blight; and meet a need having a particular urgency. Housing-related eligible uses include real property acquisition, disposition of property acquired with CDBG funds, clearance, public services, relocation, loss of rental income, privately owned utilities, rehabilitation, and construction (only allowed with the participation of a community based development organization), and code enforcement. Saint Paul has not identified code enforcement and loss of rental income as uses of these funds in its most recent Consolidated Plan, which sets forth how the City intends to use funds for a five-year period. The City of Saint Paul allocates these resources through the City’s Capital Improvement Plan process, and allows for community organizations to apply for these resources. Past uses for housing have included capitalizing neighborhood housing rehab programs, City rehab and emergency loan programs, and rehab of affordable housing.</p>

Type of Tool	Specific Tool
City Financial Resources (Continued)	HOME Investment Partnership: The City receives an annual allocation of HOME funds from HUD designed exclusively to create affordable housing for very low-income households earning 50% or less of AMI.
	Land Write Down: The HRA owns properties throughout the city, and at times the HRA will consider writing down the price of these properties to support the development of affordable housing projects.
	Inspiring Communities: This local program is designed to address the physical after effects of the foreclosure crisis. Funds are used for rehab or new construction of single-family and small-scale rental projects.
	Emergency Shelter Grants: The City receives an allocation of Emergency Shelter Grants from HUD, which it re-grants to sheltering service providers.
	Neighborhood STAR: The Neighborhood STAR Program awards loans and grants for capital improvement projects in Saint Paul Neighborhoods, and is funded with 50% of the City's half-cent sales tax proceeds. Eligible uses of these funds include the capitalization of housing fix-up programs.
	Housing Trust Fund: A housing trust fund is a local set-aside of City/HRA resources to assist with the funding of housing-related issues through three key strategies production, preservation, and protection. The City will consider creating and capitalizing a housing trust fund to address housing needs through production of new affordable housing, preservation of existing affordable housing, and protection by ensuring residents have access to safe, affordable homes.
Partner Organization Financial Resources	Federal Historic Preservation Tax Credits and Minnesota Historic Structure Rehabilitation Tax Credit: These Federal and State financial tax credits are available to assist costs associated with the preservation and rehabilitation of historic structures. The City encourages use of these resources by private developers to construct or preserve housing units.
	Livable Communities Program: The City participates in the Metropolitan Council's Livable Communities program, which provides several grant opportunities for development projects, including those with housing elements. The City will continue to support applications to the Livable Communities Demonstration Account, the Tax Base Revitalization Account, and transit-oriented development funding for various types of housing development, including market-rate and affordable ownership and rental projects.
	DEED Contamination and Cleanup/Redevelopment Grants: The City will continue to support applications to the DEED Contamination Cleanup and Investigation and/or Redevelopment grant programs for various types of housing development, including market-rate and affordable rental and ownership projects.
	Minnesota Housing Consolidated Request for Proposal: This annual funding request from Minnesota Housing supports affordable housing developments across the region, and is very competitive. The City will continue to work with developers in coordination with Minnesota Housing to support RFP submissions for projects that will create new affordable units.
	Other grants as available: The City will seek opportunities for other governmental and philanthropic grants to assist with the development of affordable housing.

Type of Tool	Specific Tool
Direct Assistance Programs Supported Uses: <ul style="list-style-type: none"> • Home maintenance/rehabilitation • Homeownership and foreclosure counseling • Referrals 	<p>Citywide Homeowner Rehab Program/MHFA Fix Up Loans: Assists low- and moderate-income homeowners with code issues, repairs, and emergencies, such as a broken furnace.</p> <p>Rental Rehabilitation Program: This City program provides financial assistance to owners of small-scale rental buildings (up to four units) with resources to remedy maintenance issues with the property. Rents can only increase by 3% per year and must remain below HUD fair market rents during the duration of the loan term.</p> <p>Foreclosure Counseling: Foreclosure counseling assists homeowners with loan modifications and other referrals to community partners for services such as financial counseling, bankruptcy and legal services.</p> <p>Referrals: The City refers homeowners and potential homeowners to the Minnesota Homeownership Center to help to connect to the appropriate set of resources to meet their needs.</p>
Regulatory Tools and Policy Supported Uses: <ul style="list-style-type: none"> • Housing choice • Reduction of housing cost • Housing safety 	<p>Inclusionary Zoning: This tool supports the development of affordable housing units in either a regulatory (mandatory) or incentive-based methods (e.g. density bonus). The City will complete an analysis of market conditions that could support the development of affordable housing in Saint Paul using inclusionary zoning.</p> <p>Zoning Regulation Changes: The zoning code regulates the overall use and intensity of use of land. The City will consider amendments to the Zoning Code to allow for increased housing choice and potential reduction of costs through studies examining the definition of family, housing-related uses, zoning district standards, and rezoning of property.</p> <p>Truth in Sale of Housing: The City will continue to require pre-sale inspections of housing units.</p> <p>Certificate of Occupancy Program: The City will continue to require all non-owner occupied housing, excluding accessory dwelling units within the principal structure and owner-occupied duplexes, to be certificated through this program to ensure the health and safety of the City's renter community.</p> <p>4D Property Tax Classification: The 4D low income rental housing property tax classification provides an approximate 40% reduction in property taxes for qualifying affordable units within a building. To qualify, a property must include Project-based Section 8, awarded LIHTC, and/or have rental restrictions at or below 60% of AMI placed on the units by a federal, state, or local unit of government that is recorded against the property. Property owners must apply to Minnesota Housing for certification to the local assessor that the property qualifies for the reduced rate. The City/HRA will implement a 4D pilot program to analyze whether this is an effective tool for preservation of naturally-occurring affordable housing (NOAH).</p>
Other Supported Uses: <ul style="list-style-type: none"> • Affordable rental and ownership housing • Fair housing • Education 	<p>Land Trusts: Land trusts provide permanent affordability for income-eligible households. Typically, a land trust is structured where a homeowner owns the building and the land trust leases the land to the homeowner. Households that make at or below 80% of AMI typically qualify for these homes. The City/HRA is interested assisting land trusts operating within the city to increase internal capacity to expand opportunity for affordable ownership opportunities.</p> <p>Publicly-Subsidized Housing and Project-Based Rental Assistance: The City/HRA will continue to partner with Saint Paul Public Housing Authority to provide decent housing for Saint Paul's senior, disabled and extremely low-income residents.</p> <p>Fair Housing Policies: Beyond existing requirements from HUD that the City must affirmatively further fair housing as a recipient of HUD funds, the Fair Housing Working Group is an interdepartmental team that works to coordinate around and address fair housing related issues.</p> <p>Participation in Housing-Related Organizations, Partnerships, and Initiatives: City staff or elected officials will consider increased involvement in partnerships, collaborations or programs that support furthering fair and affordable housing. Staying proactively involved in affordable housing discussions with other jurisdictions and agencies will allow Saint Paul to stay apprised of current practices and new opportunities.</p>