



## HOUSING

# Introduction

Housing meets a fundamental human need and, as such, is a critical infrastructure system of a city. Unlike other infrastructure systems, such as roads or water, a City does not have full control of housing development, maintenance, replacement or cost, as housing is generally provided through the private market. What cities can do is administer planning, zoning and building codes to guide the location of residential development, and ensure that housing is healthy and safe. Saint Paul has responsibilities to manage a complex set of issues around housing fairness, supply, choice, health, stability and affordability, all of which are tied to a Saint Paul's core values.

The Housing chapter continues to embrace Saint Paul's decades-old commitment to an all-incomes housing strategy by addressing the broad continuum of housing needs and challenges faced by Saint Paul residents—from those experiencing homelessness to those in need of affordable housing to those wishing to buy a home or rent an apartment. The chapter begins to challenge some deeply-rooted beliefs around neighborhood housing and household types to help provide additional housing choice for Saint Paul's growing, aging and increasingly diverse population over the next 20 years. Finally, housing policy cannot be considered in a vacuum. It needs to be thought of in terms of economic development (to build household income and net worth), transportation (to connect people from home to work) and land use (to locate parks, employment, education and other uses in close proximity to housing).

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## The following goals guide the Housing chapter:

1. Decent, safe and healthy housing for all Saint Paul residents.
2. Well-designed, energy-efficient buildings and sites constructed with quality materials.
3. Fair and equitable access to housing for all city residents.
4. A supportive environment for homeownership.
5. Stable rental housing.
6. Improved access to affordable housing.
7. Strong neighborhoods that support lifelong housing needs.

## Goal 1: Decent, safe and healthy housing for all Saint Paul residents.

**Policy H-1.** Ensure upkeep and maintenance of the aging housing stock through enforcement of property maintenance codes.

**Policy H-2.** Address housing deficiencies and encourage reinvestment in residential properties by supporting maintenance and rehabilitation programs for property owners.

**Policy H-3.** Consider the expected lifecycle, market viability and ongoing maintenance needs of residential structures prior to providing public rehabilitation funds to ensure responsible investment of public funds and not overburden future owners with future maintenance costs.

**Policy H-4.** Ensure safe housing through the continuation and refinement, as needed, of the rental Certificate of Occupancy and the Truth in Sale of Housing programs.

**Policy H-5.** Work to reduce lead exposure in homes built prior to 1978 through the support of lead identification and mitigation programs offered by the City of Saint Paul, Saint Paul-Ramsey County Public Health, and other partner agencies and organizations.

**Policy H-6.** Improve indoor air quality to reduce asthma and address other air quality-associated health issues by reducing exposure to mold, indoor tobacco smoke, radon and soil vapors in homes; supporting City requirements and partner agency programs; and seeking state and regional cleanup funding. Mitigation of these issues should be prioritized for existing structures.

**Policy H-7.** Reduce overcrowding within housing units, caused by doubling up of households and inadequate space for large families, through the production of small and family-sized affordable housing options.

## Metropolitan Affordable Housing Allocation

As part of the 2040 Housing Policy Plan, the Metropolitan Council identified the number of all households expected to need affordable housing (rental and ownership) in the region, and allocated a share of the projected regional affordable housing need to each municipality in the seven-county metropolitan area. The region is projected to need an additional 37,400 housing units affordable to households at 80% of AMI or lower between 2020 and 2030, with 51% of those units affordable at 30% of AMI, 25% of those units affordable to households at 31- 50% of AMI, and 24% of those units affordable to households at 51- 80% of AMI.

Saint Paul's affordable housing allocation is summarized in the following table.

Figure H-1: Affordable Housing Allocation for the City of Saint Paul

Affordable Level	Number of Units
At or below 30% of AMI	832
31 to 50% of AMI	128
51 to 80% of AMI	1,013
Total	1,973



## Passive House Principles

While passive building principles have been used widely throughout Europe, interest in these ultra-energy efficient buildings is starting to grow in the United States. A passive building is designed and built in accordance with these five building-science principles:

- The building employs continuous insulation throughout its entire envelope without any thermal bridging.
- The building envelope is extremely airtight, preventing infiltration of outside air and loss of conditioned air.
- The building employs high-performance windows (typically triple-paned) and doors.
- The building uses some form of balanced heat- and moisture-recovery ventilation, and a minimal space conditioning system.
- Solar gain is managed to exploit the sun's energy in the heating season and minimize overheating during the cooling season.

Passive building principles can be applied to all building types – from single-family homes to multi-family apartment buildings, offices and skyscrapers.

## Goal 2: Well-designed, energy-efficient buildings and sites constructed with quality materials.

**Policy H-8.** Encourage creativity in building design and site layout.

**Policy H-9.** Encourage the use of universal design elements to make housing accessible for all residents.

**Policy H-10.** Encourage the use of energy efficient mechanical systems and building products in rehabilitation and new construction to decrease building operation costs and impacts on the environment.

**Policy H-11.** Partner with utility companies, nonprofits and other agencies to reduce the number of energy-burdened households by encouraging building owners to undertake energy audits of their properties and make improvements, such as new metering technologies that allow sub-metering.

**Policy H-12.** Demonstrate the effectiveness of new construction technologies or techniques, such as passive building standards, that push the boundaries of energy efficiency in housing.

**Policy H-13.** Encourage the use of long-lasting, high-quality building materials for residential buildings to decrease long-term housing maintenance and energy costs.

**Policy H-14.** Encourage the use of low-impact landscaping, such as no-mow yards, native landscaping and rain gardens, to reduce the consumption of natural resources in yard maintenance and encourage the use of yards as carbon sinks.

## Goal 3: Fair and equitable access to housing for all city residents.

**Policy H-15.** Accommodate a wide variety of culturally-appropriate housing types throughout the city to support residents at all stages of life and levels of ability.

**Policy H-16.** Increase housing choice across the city to support economically diverse neighborhoods by pursuing policies and practices that maximize housing and locational choices for residents of all income levels.

**Policy H-17.** Ensure that the regulatory definitions of family and allowable dwelling types meet the needs of residents and reflect how people want to live, while meeting fair housing requirements.

**Policy H-18.** Foster the preservation and production of deeply affordable rental housing (housing affordable to those at 30% or less of AMI), supportive housing and housing for people experiencing homelessness.

**Policy H-19.** Continue interdepartmental coordination and implementation of the recommendations in the Analysis of Impediments report and other fair housing issues.

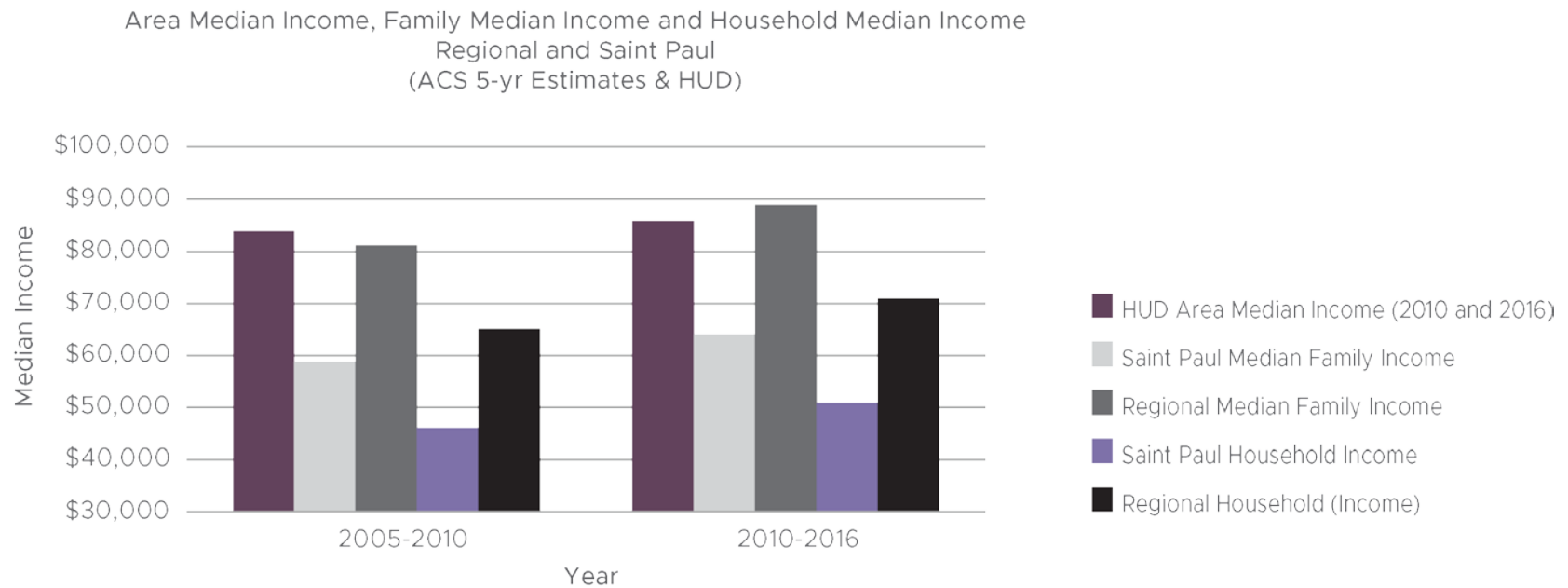
## Area Median Income (AMI), Family Median Income and Household Median Income

Median income is an important factor in housing affordability, and is used by the federal government to establish affordability limits on income-restricted housing. Annually, the Department of Housing and Urban Development (HUD) calculates the area median income (AMI) for metropolitan areas throughout the country. HUD focuses on the region instead of the individual city, because families searching for housing are likely to look beyond a city itself to find a place to

live. These calculations are used to determine eligibility in income-restricted housing and to establish rent limits for these units. AMI is used as the standard annual income for a family of four - the number is adjusted up or down for larger and smaller families.

The 2017 AMI for the region is \$90,400. AMI for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (MSA) increased by approximately 6% between 2009 and

2016, from \$80,900 to \$85,800. Saint Paul's AMI increased 9% during the same period, from \$58,742 to \$64,072. On average over this period, Saint Paul's median family income was 28% lower than the region. Looking beyond family households and including non-family households, the median income is lower for both the region and the city. In 2016, the median household income for the region was \$70,922 and \$50,820 for the city.



## Affirmatively Furthering Fair Housing and the Analysis of Impediments

Federal fair housing laws protect all individuals seeking housing, including renters, homebuyers, persons obtaining a mortgage or homeowners insurance, and others. The federal Fair Housing Act prohibits discrimination in housing due to being affiliated with a “protected class,” including race, color, religion, national origin, gender, disability or familial status (presence of children under the age of 18 and pregnancy). The Minnesota Human Rights Act law adds creed, sexual orientation, marital status, receipt of public assistance, age and local human rights commission activity to the federal list of protected classes.

The Department of Housing and Urban Development requires that its grantees work to affirmatively further fair housing, by:

1. conducting an analysis to identify impediments to fair housing choice within the jurisdiction;
2. taking appropriate actions to overcome the effects of any impediments identified through the analysis; and
3. maintaining records reflecting the analysis and actions taken in this regard.

HUD interprets those broad objectives to mean:

- analyze and eliminate housing discrimination in the jurisdiction;
- promote fair housing choice for all persons;
- provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and/or national origin;
- promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities; and
- foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The Analysis of Impediments (AI) is a process by which HUD grantees examine what issues may impede fair housing requirements within their jurisdiction, and identify ways in which those issues may be mitigated. Saint Paul is a member of the ad hoc Fair Housing Implementation Council (FHIC), which was established in 2002 to coordinate efforts of its participating members to comply with their obligations to affirmatively further fair housing throughout the Twin Cities metro housing market area. This includes the development of the AI.

## Goal 4: A supportive environment for homeownership.

**Policy H-20.** Collaborate with partner agencies, lenders and the real estate industry to reduce racial disparities in homeownership that could be attributed to unequal access to fair lending, intentional steering to specific neighborhoods or historic housing discrimination.

**Policy H-21.** Promote shared-equity ownership options, such as land trusts or cooperatives, to help make homeownership achievable for a greater number of households.

**Policy H-22.** Consider a City- or HRA-sponsored down-payment assistance program and support partner organizations’ down-payment assistance and first-time homebuyer mortgage programs to help homebuyers invest in Saint Paul.

**Policy H-23.** Collaborate with the lending community on development of culturally-appropriate mortgage products and other lending instruments that create an avenue to access financial capital for all of Saint Paul’s cultural communities.

**Policy H-24.** Encourage homeowner education through continued support of organizations that provide services, such as financial counseling and pre-and post-purchase training, to help potential and new homeowners make well-informed financial and maintenance decisions.

**Policy H-25.** Continue foreclosure prevention counseling to help residents understand available options, and provide guidance throughout the process.

## Overview of Rent Subsidized Housing Programs

	Public Housing	Project-Based Section 8 (PBV)	Section 8 Housing Choice Vouchers (HCV)	Low-Income Housing Tax Credits (LIHTC)
What it is	<ul style="list-style-type: none"> <li>Publicly-owned and -managed rental units for low-income households.</li> <li>Some units are reserved for seniors or people with disabilities.</li> <li>This is a project-based subsidy- i.e. the subsidy stays with the unit.</li> </ul>	<ul style="list-style-type: none"> <li>Privately-owned and -managed rental units for low-income households.</li> <li>Property owners commit to have Section 8 units for a fixed term, e.g. 15 or 20 years, which may be extended.</li> <li>Some units are reserved for seniors, people with disabilities or other populations.</li> <li>This is a project-based subsidy – i.e. the subsidy stays with the unit. In some cases, a renter who moves out may receive a subsidy to use at a different apartment.</li> </ul>	<ul style="list-style-type: none"> <li>Government-funded program that helps low-income households pay the rent on private, market-rate rental units.</li> <li>A renter finds a unit (within certain requirements); a housing authority pays a portion of the rent directly to the property owner.</li> <li>This is a tenant-based subsidy – i.e. the subsidy goes with the tenant.</li> </ul>	<ul style="list-style-type: none"> <li>Government-funded program that provides the private market tax credits to develop income-restricted rental units.</li> <li>Property owners commit to a minimum term of at least 15 years (often longer) for income restrictions, which may be extended.</li> <li>Rent limits are set by HUD, based on area median income.</li> <li>This is a project-based subsidy that stays with the project.</li> </ul>
What it costs	<ul style="list-style-type: none"> <li>Most units rent for 30% of the household's adjusted gross income.</li> <li>The renter must pay at least a minimum amount toward the rent and utilities (as required by Federal law).</li> </ul>	<ul style="list-style-type: none"> <li>Most units rent for 30% of the household's adjusted gross income.</li> <li>The renter must pay at least a minimum amount toward the rent and utilities (as required by Federal law).</li> </ul>	<ul style="list-style-type: none"> <li>30% to 40% of a household's adjusted gross income.</li> <li>The renter must pay at least a minimum amount toward the rent and utilities (as required by Federal law).</li> </ul>	<ul style="list-style-type: none"> <li>Rents are set to be equal to 30% of income at specific income levels (e.g. 50% and 60% of AMI) based on unit size.</li> <li>Renter may be responsible for utility payments.</li> </ul>
What is available in Saint Paul	<ul style="list-style-type: none"> <li>4,274 dwelling units</li> <li>16 high-rise buildings; 4 family townhouse developments; and 402 two- to six-bedroom units in scattered site single-family houses and duplexes.</li> <li>Managed by Saint Paul Public Housing Agency (PHA).</li> <li>Go to <a href="http://www.stpha.org/publichousing">www.stpha.org/publichousing</a> for more information.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 3,100 units in 37 projects are subsidized under direct contracts with HUD and administered by Minnesota Housing.</li> <li>Approximately 500 units in 24 projects are subsidized under contracts with PHA and administered by PHA.</li> <li>Go to <a href="http://www.housinglink.org">www.housinglink.org</a> to find Project-Based Section 8 units.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 4,700 HCV are administered by PHA.</li> <li>PHA's Section 8 waiting list is closed and was most recently opened for one week in 2015 after being closed for eight years.</li> <li>Go to <a href="http://www.stpha.org/section-8">www.stpha.org/section-8</a> for more information.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 15,337 income-restricted units are available in Saint Paul.</li> <li>Go to <a href="http://www.housinglink.org">www.housinglink.org</a> to find income-restricted units.</li> </ul>

Source: Adapted from HousingLink, 2006 (<https://www.housinglink.org/Files/Big%20%20-%20Subsidized%20Housing.pdf>)



## Examples of Affordable Housing in Saint Paul

Income-restricted affordable housing is designed and built to blend into its surroundings. That is, if a passerby does not know the rental requirements of these buildings, they would not know they are affordable housing. The accompanying pictures are all recent affordable or mixed-income housing developments built in Saint Paul.



## Goal 5: Stable rental housing.

**Policy H-26.** Increase awareness around tenant and landlord rights, responsibilities, best practices and resources to increase access to rental units and decrease conflicts that could lead to evictions.

**Policy H-27.** Collaborate with HUD, Minnesota Housing Finance and affordable housing providers to preserve project-based Section 8 units within the city that are at risk of being withdrawn from a building or transferred to another building outside of Saint Paul.

**Policy H-28.** Advocate for research on and best practices for tenant screening criteria, such as credit, criminal and rental history reviews, to reduce housing insecurity for those with low credit scores, past evictions or criminal convictions.

**Policy H-29.** Support efforts and/or legislation to discourage renter displacement due to a change in ownership that increases rents and/or eliminates acceptance of Section 8 vouchers.

**Policy H-30.** Support efforts to reduce non-just-cause evictions filings.



## Goal 6: Improved access to affordable housing.

**Policy H-31.** Support the development of new affordable housing units throughout the city.

**Policy H-32.** Continue to use City/HRA resources to support affordable rental housing citywide with at least 30 percent of the total rental units (both market-rate and affordable) financially assisted by the City/HRA being affordable to households earning 60 percent or less of AMI with at least:

- 10 percent of all units being affordable to households earning 30 percent of AMI;
- 10 percent of all units being affordable to households earning 50 percent of AMI; and
- 10 percent of all units being affordable to households earning 60 percent of AMI.

**Policy H-33.** Further affordable *ownership* housing goals in HRA/City-financially-assisted projects by working toward 10 percent of all ownership units being affordable to residents earning 60 percent of AMI and 20 percent of all ownership units being affordable to residents earning 80 percent of AMI.

**Policy H-34.** Support the development of new affordable ownership opportunities through the Inspiring Communities program, including selling vacant HRA-owned single-family lots and identifying sites appropriate for new ownership housing.

**Policy H-35.** Work with partners to develop and implement mechanisms to ensure that affordable ownership units developed with City/HRA assistance remain affordable beyond the first generation of owners.

**Policy H-36.** Encourage the development of family-sized affordable housing in strong market areas.

**Policy H-37.** Encourage the development of affordable housing in areas well-served by transit and/or in proximity to employment centers.

**Policy H-38.** Encourage acquisition, if put up for sale, of naturally-occurring affordable housing by nonprofit organizations, community development corporations, religious institutions, tenants and/or private-sector actors committed to preserving and investing in affordable housing, as well as the long-term upkeep and maintenance of these properties.

**Policy H-39.** Promote preservation of existing income-restricted affordable housing units to ensure continued affordability of those units.

**Policy H-40.** Prioritize preservation of income-restricted and naturally-occurring affordable housing in areas with improved/improving transit and/or planned reinvestment to reduce resident displacement.

**Policy H-41.** Consider use of official controls to require affordable housing to achieve mixed-income neighborhoods.

**Policy H-42.** Pursue public and private funding sources, including local sources, for affordable housing preservation and production.

**Policy H-43.** Encourage and support state and federal legislation that preserves existing programs and provides new funding, including a dedicated funding source, for affordable ownership and rental housing.

**Policy H-44.** Make achieving the Metropolitan Council's affordable housing goals a top priority both in planning and legislative efforts.

**Policy H-45:** Support the preservation and maintenance of historic housing stock as an affordable housing option.

## Benefits of Missing Middle Housing

The “missing middle” is a segment of the housing market that contains small-scale multifamily or clustered housing types compatible in scale with single-family neighborhoods. It is a land use, economic development and urban design strategy that allows cities to support walkable, transit-supportive neighborhoods

without significantly increasing densities in predominantly single-family neighborhoods. Missing Middle housing provides more housing choice and therefore allows the city to better adapt to housing trends and market cycles. It is more sensitive to neighborhood context, allowing for gradual transition from Urban

Neighborhoods to Mixed-Use areas and/or Neighborhood Nodes. Missing Middle housing types include accessory dwelling units, duplexes, triplexes, fourplexes, courtyard apartments, bungalow courts, mansion-style multi-family and multiplexes. Excellent examples of these housing types can be found throughout Saint Paul.



## Goal 7: Strong neighborhoods that support lifelong housing needs.

**Policy H-46.** Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.

**Policy H-47.** Encourage high-quality urban design for residential development that is sensitive to context, but also allows for innovation and consideration of market needs.

**Policy H-48.** Expand permitted housing types in Urban Neighborhoods (as defined in the Land Use Chapter) to include duplexes, triplexes, town homes, small-scale multi-family and accessory dwelling units to allow for neighborhood-scale density increases, broadened housing choices and intergenerational living.

**Policy H-49.** Consider amendments to the zoning code to permit smaller single-family houses and duplexes to facilitate the creation of small-home development types, such as pocket neighborhoods and cottage communities.

**Policy H-50.** Balance the market demand for larger homes in strong market areas with the need to maintain a mix of single-family housing types that is sensitive to the surrounding neighborhood context.

**Policy H-51.** Analyze the neighborhood context of residential structures, in addition to general safety, prior to moving forward with City-sponsored demolition to ensure neighborhood housing assets are not prematurely removed.

**Policy H-52.** Collaborate with Saint Paul Public Schools and other educational partners to ensure that school choice and location further housing investment and neighborhood stability.

**Policy H-53.** Continue to work with neighbors, neighborhood organizations and colleges/universities to reduce conflicts between students and longer-term neighborhood residents.

**Policy H-54.** Support alternative household types, such as co-housing, intergenerational housing, intentional communities or other shared-living models, that allow residents to “age in community.”

**Policy H-55.** Support housing for older people that is proximate to transit.

**Policy H-56.** Improve the stability and health of communities of concentrated disadvantage by implementing place-based investments, such as public infrastructure, improvements and maintenance.