



The Most  
Livable City  
in America



## Housing Toolkit Information

HRA Board Presentation – September 14, 2016

Patty Lilledahl, Director of Housing – Department of Planning and Economic Development

VIBRANT  
PLACES  
— AND —  
SPACES

# RENTAL HOUSING INFORMATION

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## AGENDA:

1. Saint Paul Overview
  - Demographics
  - Housing
2. Affordable Housing Toolkit
3. Non-City Housing Resources
4. Rental Housing Projects
5. Homeownership Programs
6. Inclusionary Housing
7. DSI – Regulating for Dignified Housing

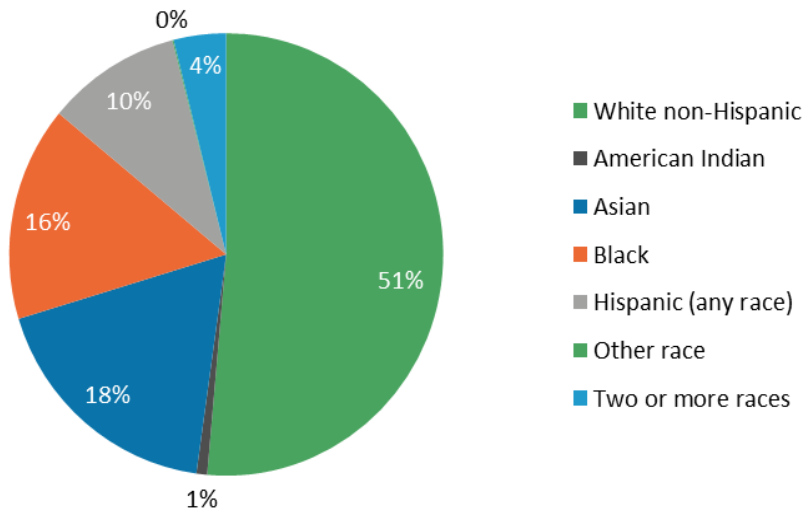


Penfield Apartments



# SAINT PAUL OVERVIEW – DEMOGRAPHICS

- Total Population: 300,728
- Median household income: \$48,855
- Population in poverty: 66,160 or 22% of total city residents
- Persons per household: 2.51



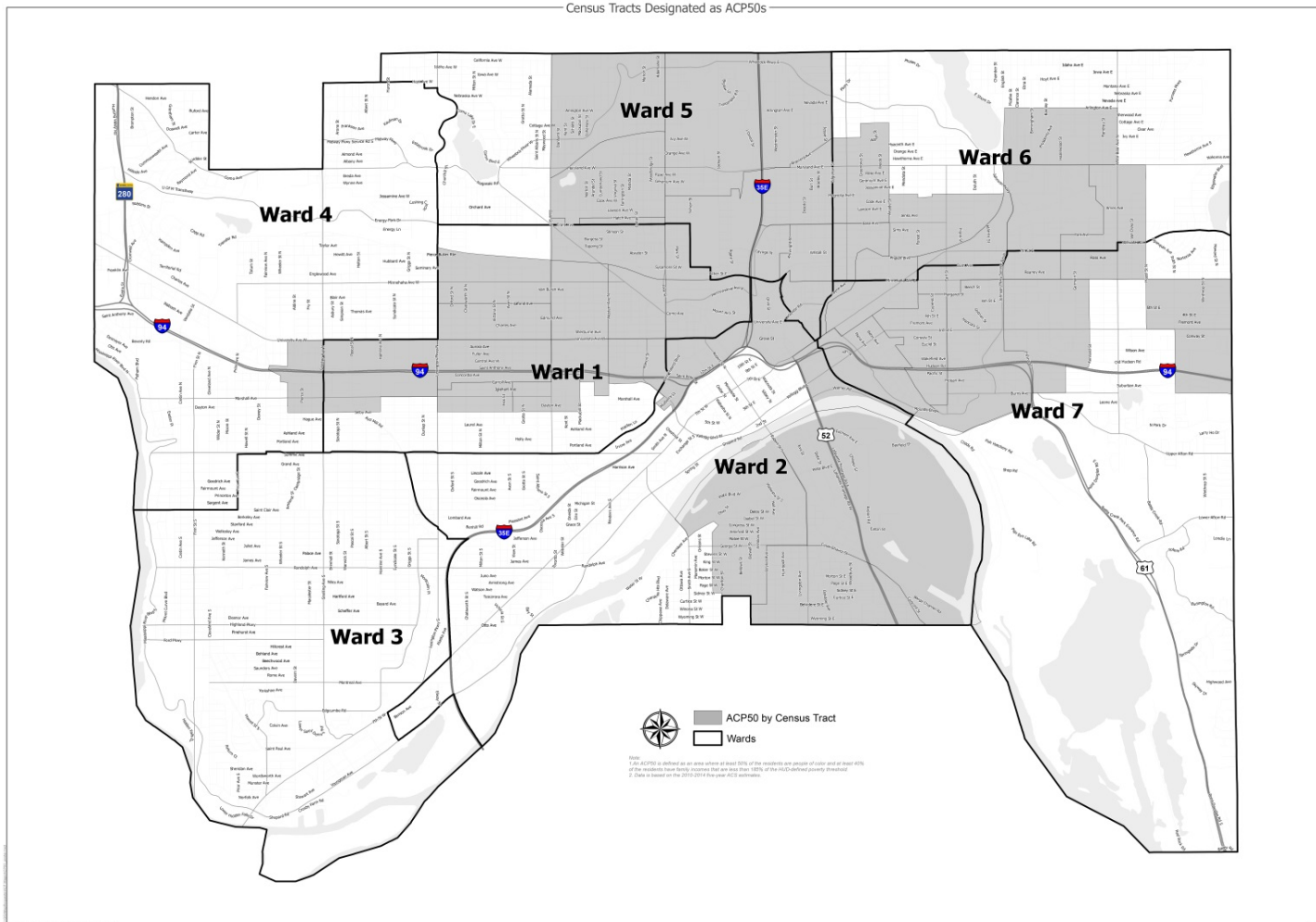
Data source: American Communities Survey, 2014

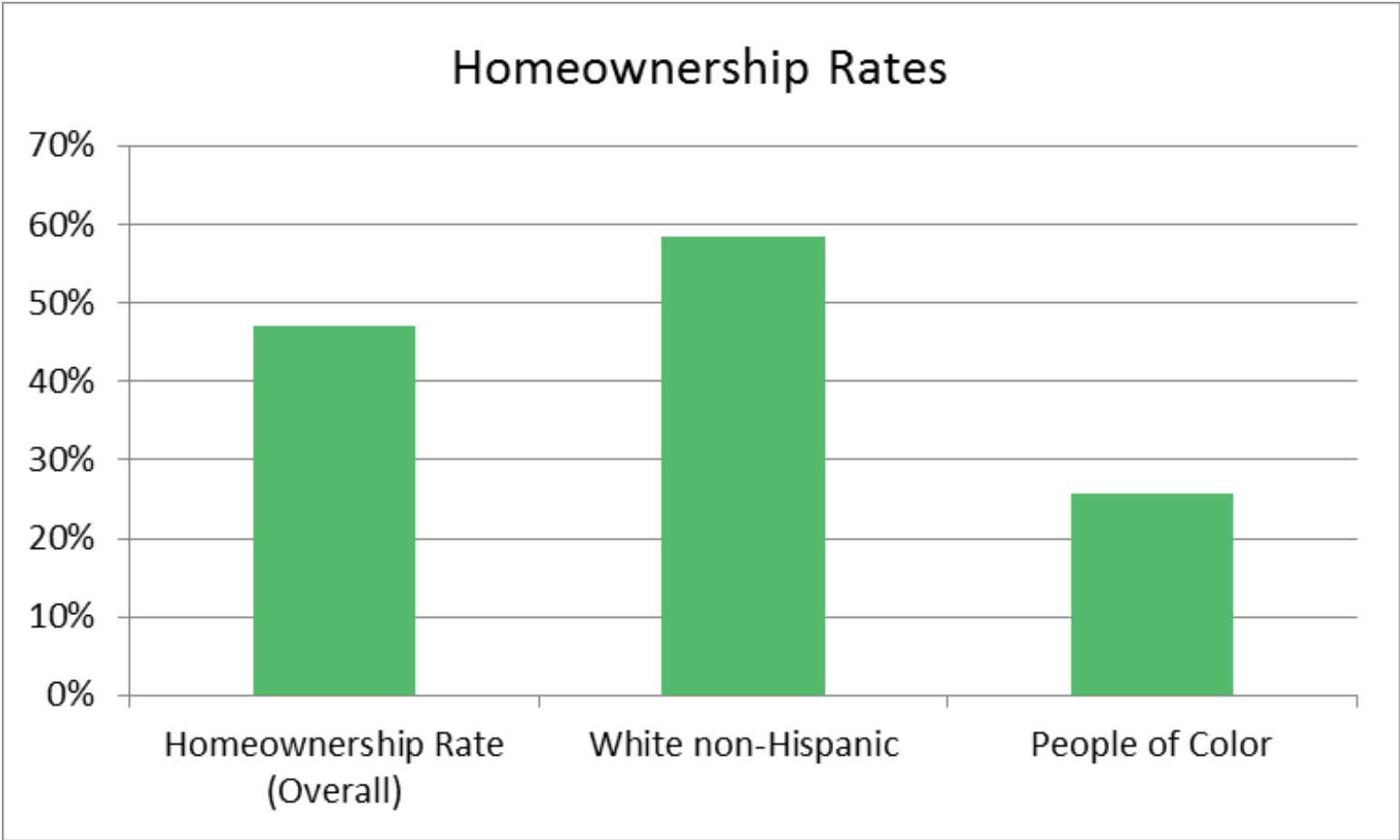


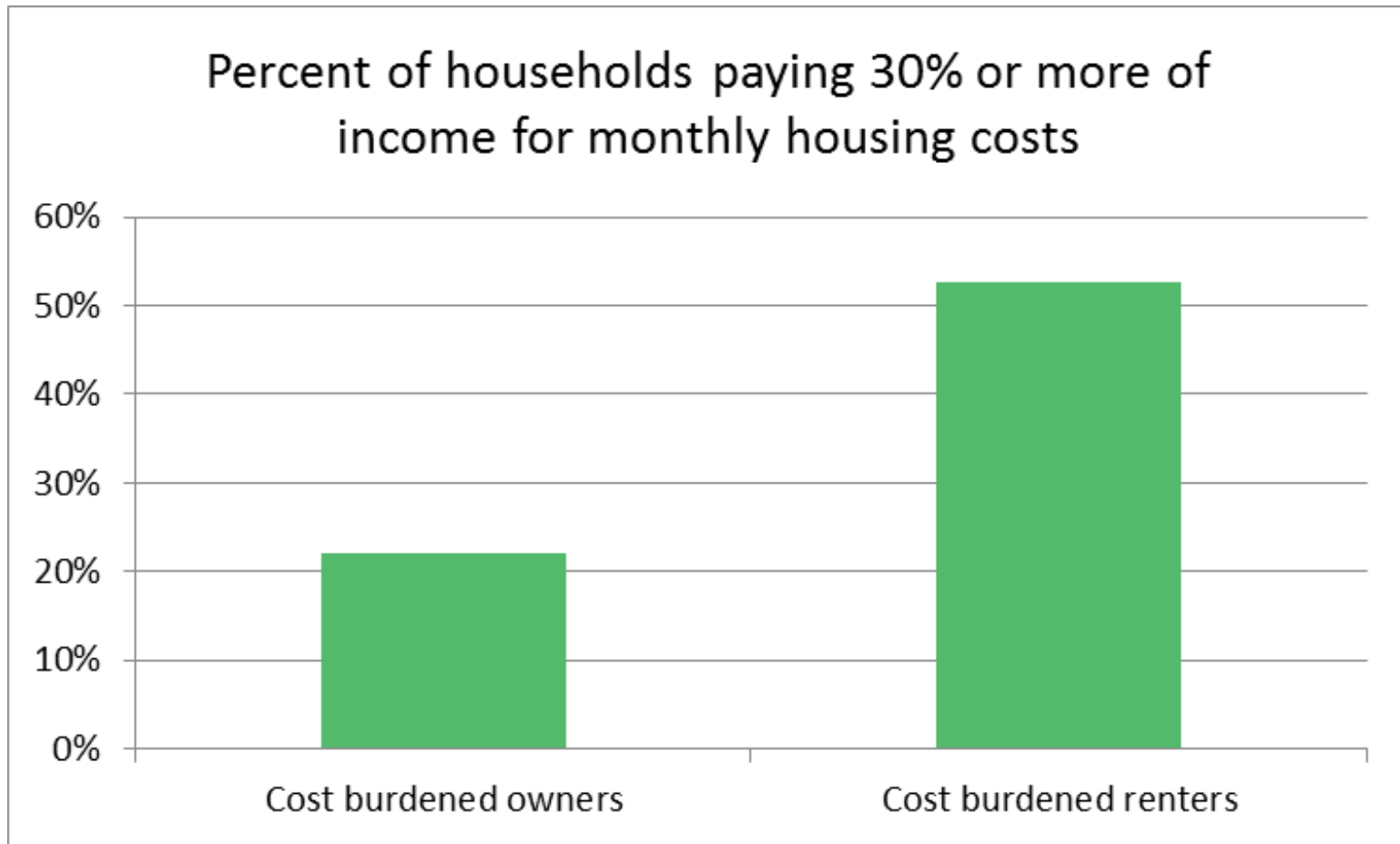
Photo: Visit Saint Paul



# AREAS OF CONCENTRATED POVERTY (50%)







# Affordable Housing Income

## Income Limits and Maximum Gross Rents - City of Saint Paul, MN

Form Revised 04/15/16

Income Limits (1)		MSA Median Income = <b>85,800</b> (EFFECTIVE ) <b>3/28/16</b>									
% of Median	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person	9 person	10 person	
30%	18,050	19,325	20,600	23,200	25,750	27,095	28,440	32,580	36,730	40,880	
50%	30,050	32,200	34,350	38,650	42,900	44,625	46,350	49,800	53,200	56,650	
55%	33,055	35,420	37,785	42,515	47,190	49,088	50,985	54,780	58,520	62,315	
60%	36,060	38,640	41,220	46,380	51,480	53,550	55,620	59,760	63,840	67,980	
65%	39,065	41,860	44,655	50,245	55,770	58,013	60,255	64,740	69,160	73,645	
80%	46,000	49,300	52,600	59,150	65,700	68,350	71,000	76,250	81,500	86,750	
100%	60,060	64,350	68,640	77,220	85,800	89,232	92,664	99,528	106,392	113,256	
110%	66,066	70,785	75,504	84,942	94,380	98,155	101,930	109,481	117,031	124,582	
120%	72,072	77,220	82,368	92,664	102,960	107,078	111,197	119,434	127,670	135,907	

## Maximum Gross Rents (2)

LIHTC (3)	EFF	1 BR	2BR	3BR	4BR	5BR
% of Median	1 person	1.5 person	2 person	3 person	4 person	5 person
30%	451	483	515	580	644	677
Low HOME (4)	641	796	975	1,126	1,256	1,386
High HOME (4)	641	796	996	1,403	1,599	1,746
FMR (5)	656	813	1,027	1,444	1,693	1,947
50%	751	805	858	966	1,073	1,116
55%	826	885	944	1,063	1,180	1,227
60%	901	966	1,030	1,159	1,287	1,338
65%	977	1,047	1,116	1,256	1,394	1,450
80%	1,150	1,233	1,315	1,479	1,643	1,709
100%	1,502	1,609	1,716	1,931	2,145	2,231
110%	1,652	1,770	1,888	2,124	2,360	2,454
120%	1,802	1,931	2,059	2,317	2,574	2,677

(1) Income limits for 50%, 60%, 65%, & 80% of median income are rounded to nearest \$50, all other limits are not.

(2) Maximum Gross Rents, including contract rents and tenant paid utilities, based on 30% of gross household income.

(3) For Low-Income Housing Tax Credit (LIHTC) projects from 1990 on, rent calculations assume 1.5 per/bd, 1 per. = 0BR or eff.

(4) HOME Program Rents - Low and High (effective June 1, 2015) as published on separate worksheet

(5) FMR=Fair Market Rent Effective Feb, 2016

# SAINT PAUL OVERVIEW – HOUSING

## ADDITIONAL CHALLENGES:

- Insufficient and reduced federal funding
- Aging housing stock
- Limited undeveloped land opportunities
- High costs of land and redevelopment
- High cost of construction and operating costs (i.e. Energy cost)
- Loss of existing affordable housing
- Lingering impacts of the recession
- Lack of supply of large units (3+ bedrooms)
- Housing disparities
- Changing demographics





# Affordable Housing Toolkit

Program	Allocation
LIHTC	\$755,842 (2017 Allocation)
TIF (Tax Increment Financing)	City Policy on 10% Cap
HOME (Home Investment Partnership Program)	\$1,327,335 (2016 Allocation)
CDBG	2016 Allocations:
Single Family	\$425,000
Multifamily	\$400,000
Acquisition	\$125,000
ESG (Emergency Solutions Grant Program)	\$574,696 (2016 Allocation)
Small Unit Rental Rehabilitation Program	\$750,000 (Proposed for 2017)

## 2017 Allocation: \$755,842

- Leverages ~\$7.5M in private equity
- HRA Board recommends QAP to the Joint Housing Finance Board
- Selection Priorities
  1. Substantial renovation that preserves units with rents <50%
  2. HRA owned land
  3. Enhanced services, programming
  4. Economic Integration

### Recent Project Examples

- Jamestown Homes
- 72 Cesar Chavez



Jamestown Apartment  
Photo source: tchdc.org

# TIF

Mechanism for capturing tax benefits of real estate improvements to pay for the present day cost of the improvements.

The City has instituted an informal policy to endeavor to capture less than 10% of the total tax capacity in the City in TIF districts.

## Options:

- Create a new TIF District
- Use existing balances for affordable housing

Existing Balance: \$ 327,600

Penfield Repayment: \$1,672,000

## Recent Project Examples

- 2700 university
- Wilson Ridge



2700 University

# Conduit Revenue Bonds

Debt/loan is incurred by the borrower, and bonds are sold to investors to raise funds. Proceeds are used to finance development projects.

- Non-Profit Borrowers: No cap
- For-Profit Borrowers: 2016 allocation of \$37M
- Allocation Bonds eligible for 4% LIHTC
- Carry forward balance \$94M
- High demand in 2017 and 2018

## Recent Project Examples:

- Cambric Senior Housing
- Hamline Station
- Brownstone



The Cambic Senior Housing  
Photo source: [www.after55.com](http://www.after55.com)

The largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

### CDBG Housing Eligible Activities:

- New Construction
- Acquisition/Rehabilitation

Existing Fund Balance:  
\$1,625,235

### Recent project examples:

- Maryland Park Apartments
- Prior Crossing Apartments



Prior Crossing

Photo Source: <http://www.beaconinterfaith.org/what-we-do/housing/prior-crossing>

HUD provides annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

## CDBG Housing Eligible Activities:

- Acquisition
- Relocation
- Homeowner rehabilitation
- Code enforcement
- Homeownership assistance

## Existing balances:

- Single Family: \$646,000
- Multifamily: \$366,450
- Acquisition: \$31,250

## Recent project examples:

- Skyline Tower
- Homeownership units (Inspiring Communities and City Deferred Rehabilitation Loan Program)



Skyline Tower

Photo Source: [https://en.wikipedia.org/wiki/Skyline\\_Tower#/media/File:Skyline\\_Tower.jpg](https://en.wikipedia.org/wiki/Skyline_Tower#/media/File:Skyline_Tower.jpg)

Support for homelessness prevention, emergency shelter and related services.

- Outreach to homeless persons on the streets
- The renovation or operation of emergency shelters
- Homeless prevention
- Rapid rehousing of homeless individuals or families

Existing Balance: \$0

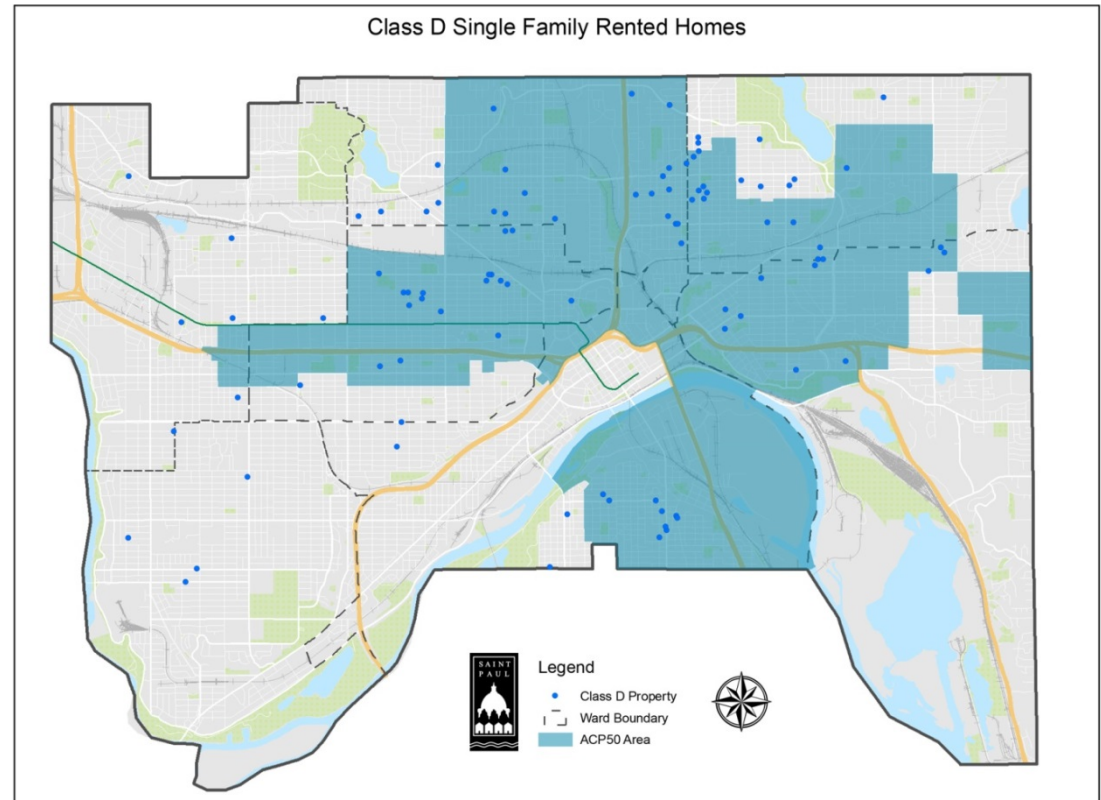


Dorothy Day Center

Photo Source: <http://www.mprnews.org/story/2015/05/08/catholic-charities-expansion>

# SMALL SINGLE FAMILY REHAB LOAN FUND

- Partnership with DSI to finance needed investments in single family and duplex rental housing with violations
- Loans for code compliance work in Class D properties within ACP50 areas
- Loans forgiven if no further violations and affordable rents maintained
- Proposed 2017 Budget:  
\$750,000





# FUNDING PARTNERS

- MHFA: Various sources for both ownership and rental (See Additional info)
- Metropolitan Council: Livable Communities Grants
  - Tax base revitalization account (TBRA)
  - Transit-oriented development (TOD)
  - Livable communities demonstration account (LCDA)
  - Local housing incentives account (LHIA)
- Department of Employment and Economic Development (DEED): Cleanup funds
- Capital Region Watershed District
- Foundations
- Federal Home Loan Bank

# FROGTOWN RONDO HOME FUND

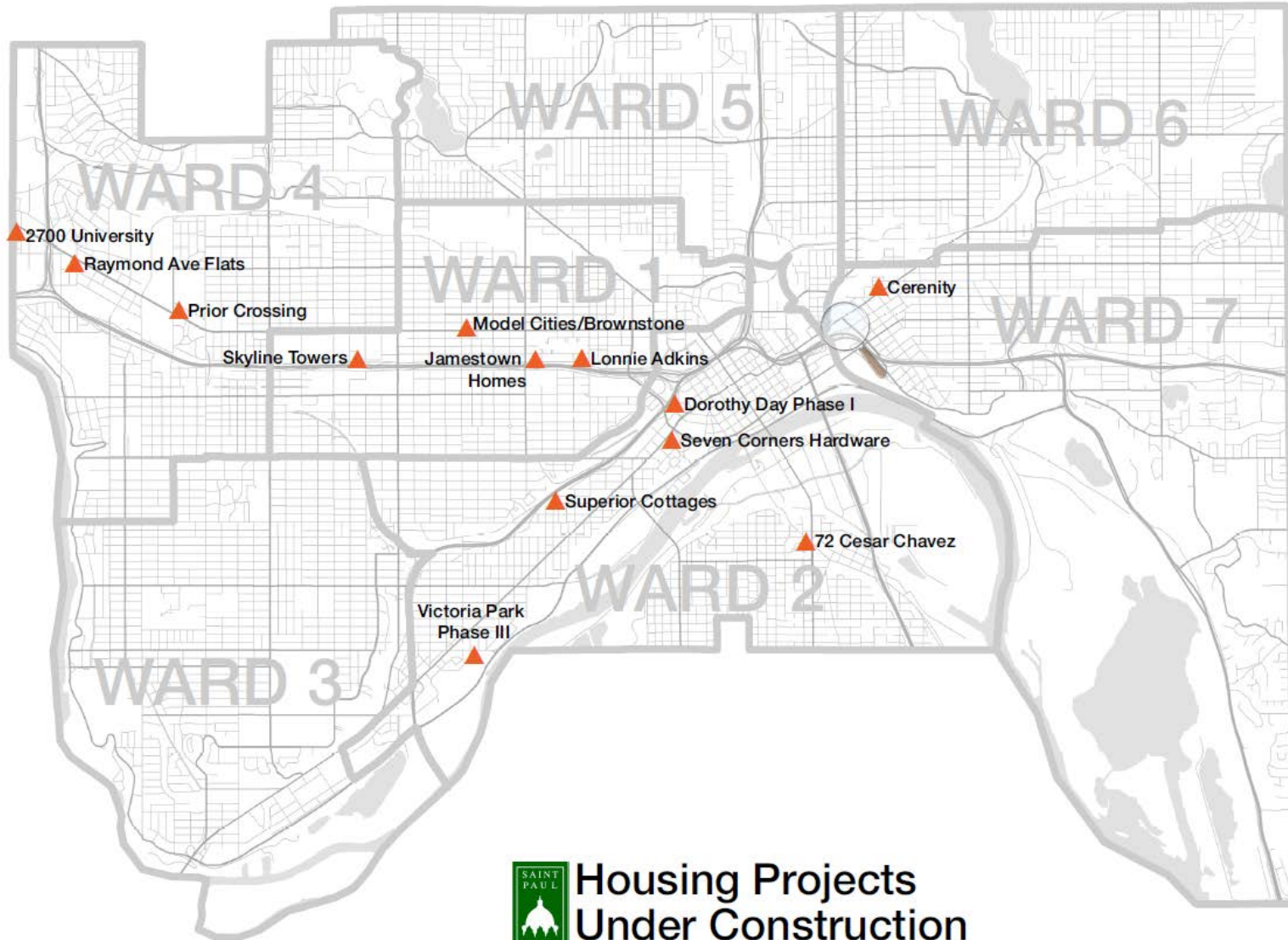
Collaboration of community organization, philanthropies, and Local government that seeks to enrich the quality of life in the Frogtown and Rondo neighborhoods by:

1. Guiding housing resources in priority areas
2. Improve residents' knowledge of housing solutions and wealth building
3. Support community campaigns related to quality of life



Projects	#Units	New Construction or Preservation	Comments
<b>Current Projects Under Construction</b>			
Seven Corners Hardware	191	New	Market Rate
2700 University	248	New	Mixed Income
Cerenity	106	New Conversion	Support Services
Prior Crossing	44	New	Supportive Housing
Dorothy Day Phase 1	193	New	280 shelter beds and 193 housing units
Model Cities/Browstone	35	New	Affordable
72 Cesar Chavez	40	New	Affordable
Jamestown Homes	77	Preservation	Supportive Housing
Lonnie Adkins	79	Preservation	Affordable
Superior Cottages	23	Preservation	Affordable
Victoria Park Phase III	50	New	Market Rate
Raymond Ave Flats	119	New	Market Rate
Skyline Towers	504	Preservation	Affordable
<b>Total Units</b>	<b>1709</b>		

# PROJECT LIST



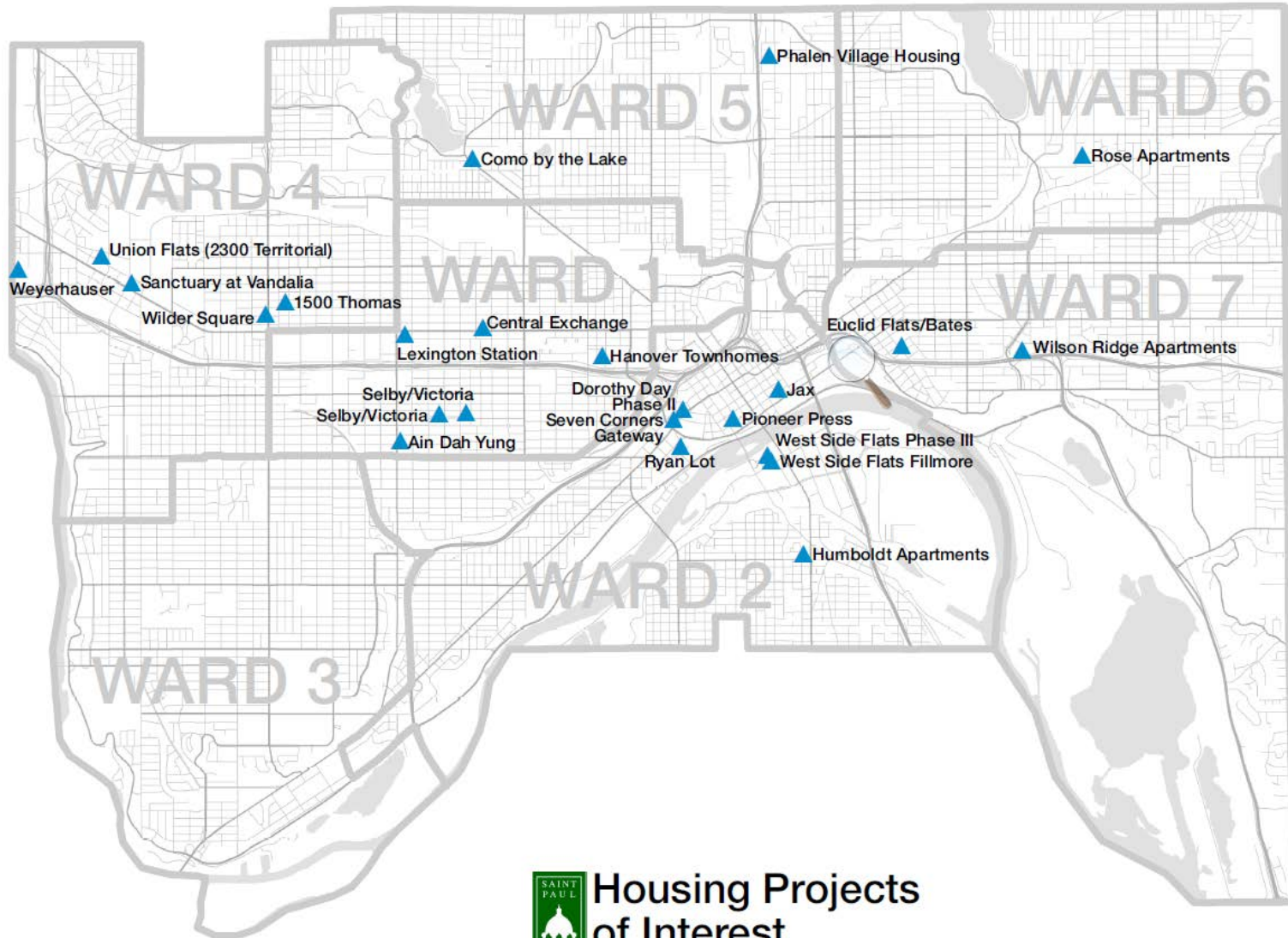
## Housing Projects Under Construction

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Date: 10/3/2016

**Projects of Interest/In Progress**

Euclid Flats/Bates	12	Preservation	Affordable	234-238 Bates Avenue	Tentative Dev Status
Central Exchange	60	New	Affordable	773-785 W. University Ave	Financing in progress
Humboldt Apartments	82	Preservation	Affordable	516 Humboldt Ave	Building acquired by Developer
Wilder Square	136	Preservation	Affordable	545 N Snelling Ave	Building acquired by Developer
Dorothy Day Phase II	171	New	Supportive Housing	183 Old 6th Street West	Financing in progress
Phalen Village Housing	102	New	Affordable	1511 Westminster St	Financing in progress
Como by the Lake	99	Preservation	Affordable	901 East Como Blvd	Financing in progress
Rose Apartments	48	Preservation	Naturally Occuring	1144 Barclay Street	Financing in progress
West Side Flats Fillmore	900	New	Market Rate	West Side by Dorothy Day II	Financing in progress
Pioneer Press	165	Conversion	Mixed Income	141 E. Fourth St	Unknown
Ryan Lot	174	New	Market Rate	217 N Chestnut St	Executed purchased agreement
Union Flats (2300 Territorial)	216	New	Affordable	2300 Territorial Rd	Financing in progress
1500 Thomas	51	New	Affordable	1500 Thomas Ave	Financing in progress
Ain Dah Yung	40	New	Affordable	1089 Portland Ave	Financing in progress
Weyerhaeuser	600	New	Affordable	700 Emerald St	Financing in progress
Lexington Station	240	New	Affordable	1080 W. University Ave	Financing in progress
West Side Flats Phase III	178	New	142 Market and 36 aff	East of 84 Wabasha St.	Tentative Developer Status
Wilson Ridge	113	New	Affordable	1276 Wilson Ave	Financing in progress
Sanctuary at Vandalia	115	New	Affordable	2161 University Ave W	Financing in progress
Seven Corners Gateway	125	New	Market Rate	1400 S 2nd St	Tentative Developer Status
Hanover Townhomes	96	Preservation	Affordable	408 Farrington St	Financing in progress
Jax	36	Adapted Reuse	Market Rate	253 East 4th St	Financing in progress
Selby/Victoria	34	New	Affordable	838 and 940 Selby Avenue	Financing in progress (LIHTC)
<b>Total Units</b>	<b>3793</b>				

# PROJECT LIST



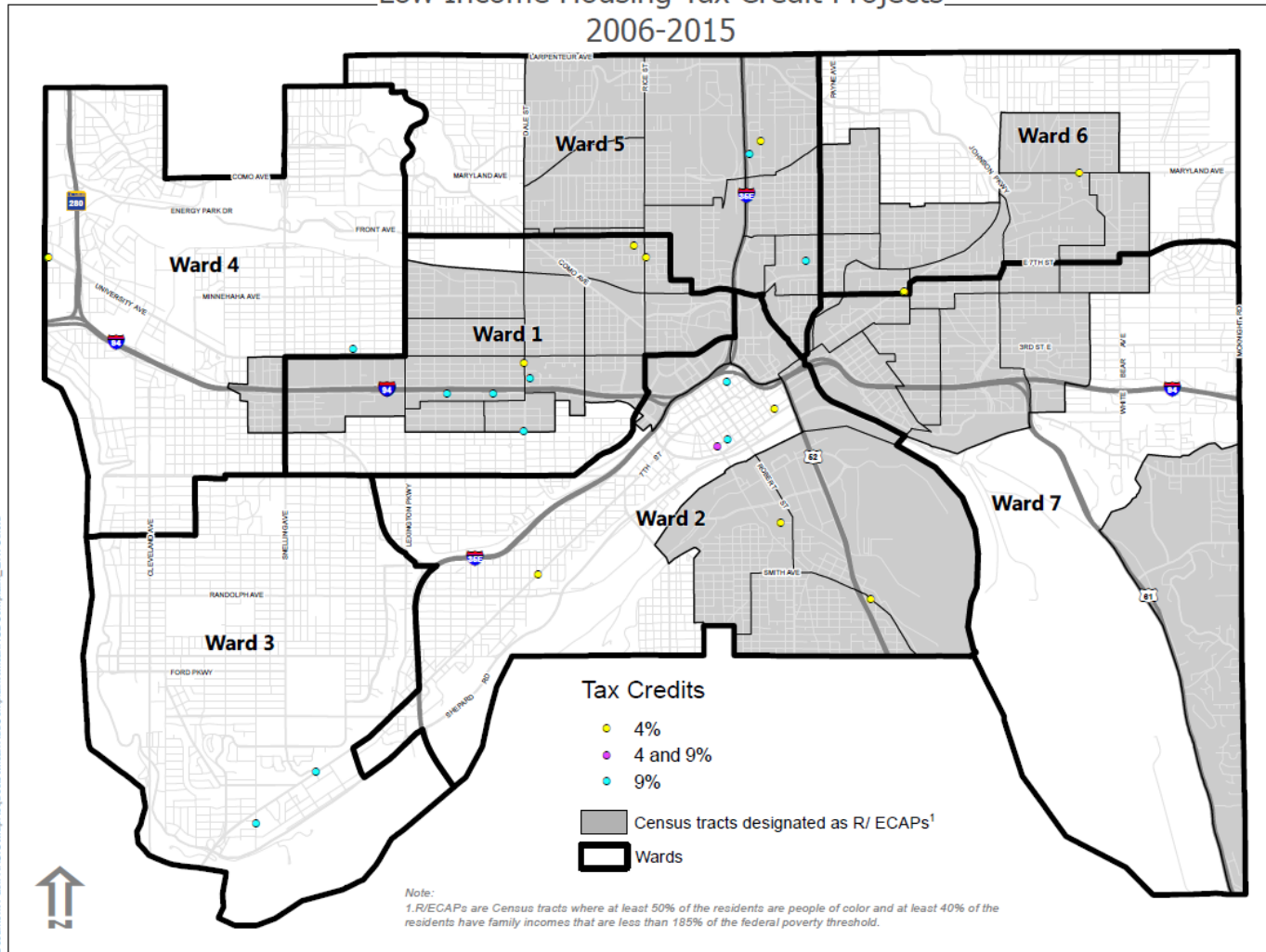
## Housing Projects of Interest

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Date: 10/3/2016

Projects	#Units	New Construction or Preservation	Comments	LIHTC Year	9% or 4%
<b>Completed Projects Approved for Tax Credits</b>					
Jeremiah Saint Paul	39	New	Supportive Housing	2006/2007	9%
River Pointe	133	New		2007	4%
Rice Winnipeg	56	new	Supportive Housing	2007	4%
University Dale	98	New		2008	4%
Minnesota Building	136	New	Supportive Housing	2008/2010	9%&4%
Torre/Vista					
Village/Westminster	142	Preservation		2008	4%
Renaissance Box	70	New	Supportive Housing	2009	9%
East Side Commons	50	Preservation	Supportive Housing	2010	9%
Commerce Phase 1&2	100	New	Supportive Housing	07&2010	4%&9%
St. Phillip's Garden	55	Preservation	Supportive Housing	2011	9%
Northern Warehouse	52	Preservation		2011	4%
PPL West 7th	44	Preservation	Supportive Housing	2011	9%
St. Alban's Park	74	New	Supportive Housing	2012	9%
Rolling Hills	107	Preservation	Supportive Housing	2013	9%
Lewis Park	103	Preservation		2013	9%
Maryland Park	172	Preservation		2014	4%
Hamline Station*	108	New	Supportive Housing	2014	9%&4%
2700 University	248	New		2015	4%
72 Cesar Chavez	40	New		2016	9%
Wilson Ridge	113	New		2016	4%
Cambric	113	New		2015	4%
Jamestown Homes	77	Preservation	Supportive Housing	15&2016	9%
<b>Total Units</b>	<b>2130</b>				

# PROJECT LIST

## Low Income Housing Tax Credit Projects 2006-2015



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Source: City of Saint Paul PED; Metropolitan Council; U.S. Census Bureau

Date: 8/26/2015



# HRA HOMEOWNER PROGRAMS – CITYWIDE DEFERRED REHABILITATION LOANS

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**\$25,000 maximum loan**

**Income restricted by size of household**

## **Eligible Improvements**

- Basic and necessary improvements that directly affect the safety, habitability, energy efficiency, and accessibility of your home.
- Correction of lead-based paint hazards is required.
- Other improvements must be approved under program.

## **Terms and Eligibility**

- Secured with a mortgage at 0% interest.
- Repayment is deferred until the borrower sells, transfers title or no longer lives in the property.
- Forgiven after 30 years of continued ownership and occupancy.
- \$25,000 maximum asset limit.
- Program open to residents citywide.

# HRA HOMEOWNER PROGRAMS – CITYWIDE LOW INTEREST REHABILITATION LOANS

3% and 4% interest loans up to a maximum of \$50,000 is available to homesteaded and owner-occupied dwellings (4-unit maximum). The loan provides financial assistance to homeowners who have home repair issues.

Household Size	3% Household Income Limits	4% Household Income Limits
1 Person	\$36,060	\$46,000
2 Persons	\$41,220	\$52,600
3 Persons	\$46,380	\$59,150
4 Persons	\$51,480	\$65,700
5 Persons	\$55,620	\$71,000
6 Persons	\$59,760	\$76,250
7 Persons	\$63,840	\$81,500
8 Persons	\$67,980	\$86,750
9 Persons	\$72,120	\$92,000
10 Persons	\$76,200	\$97,250
11 Persons	\$80,400	\$102,500
12 Persons	\$84,480	\$107,750

Minimum  
Loan  
Amount:  
\$2,000

Maximum  
Loan  
Amount:  
\$ 50,000

# HRA HOMEOWNER PROGRAMS – CITYWIDE LOW INTEREST REHABILITATION LOANS

## Eligible Improvements:

- Decks & porches
- Bathroom/kitchen remodel
- Add bathroom
- Finish basement
- Furnace or boiler and central air conditioning
- Windows & doors
- Siding & roofing

## Terms and Eligibility:

- Secured with a mortgage
- Repayment term of up to 20 years, based on loan amount
- Dwelling must be occupied during repayment term
- Must meet credit guidelines
- Program open to residents citywide

# HOMEOWNERSHIP: INSPIRING COMMUNITIES

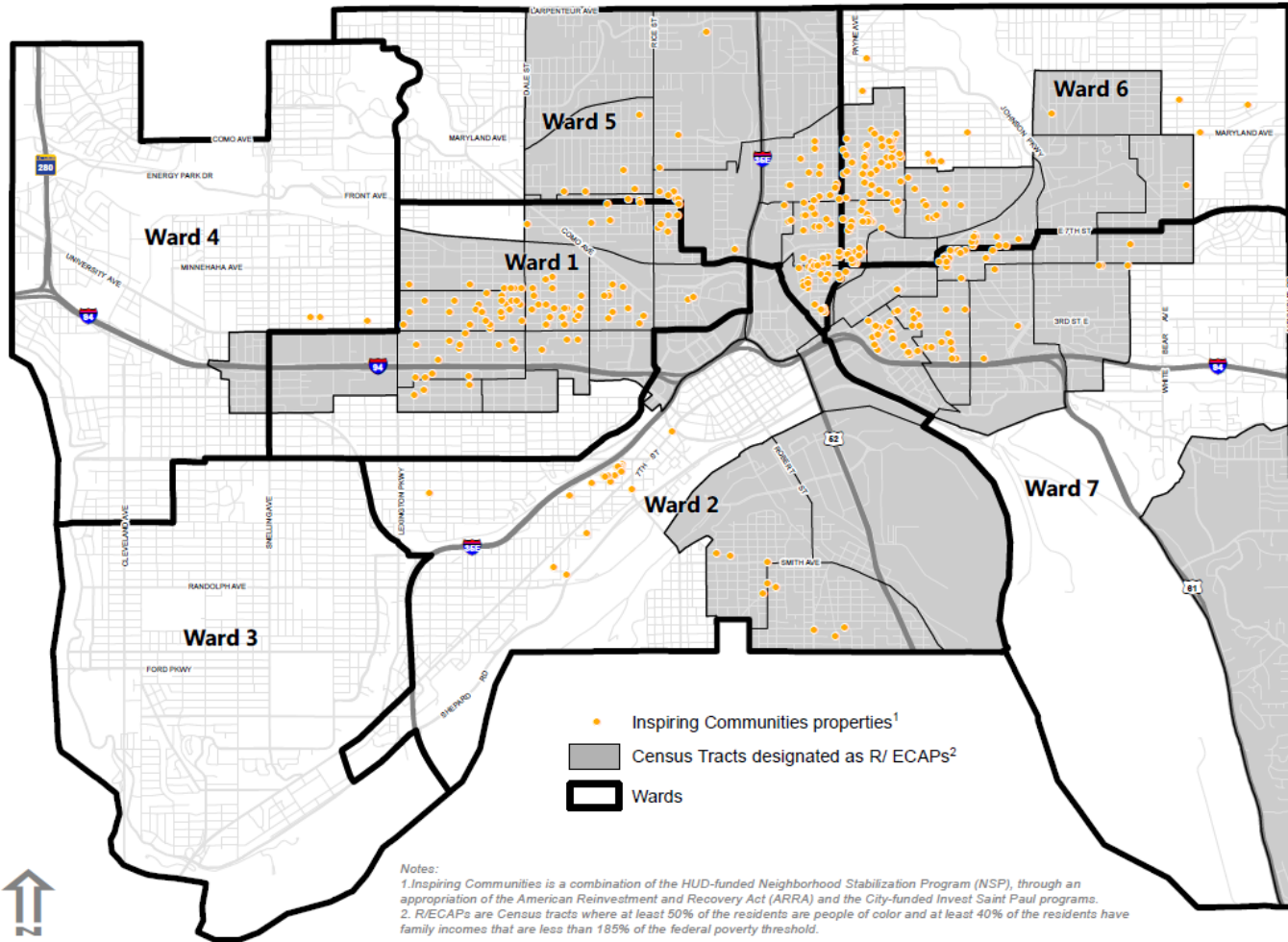
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- A scattered site housing redevelopment strategy approved by the Saint Paul HRA Board on October 9, 2013.
- Focused investment in cluster areas in neighborhoods most impacted by foreclosure and vacancy.
- Program funds assist developers with development gap financing for construction of new housing on vacant lots or rehabilitation of vacant structures.
- 378 properties are targeted
- 227 properties sold



# HOMEOWNERSHIP: INSPIRING COMMUNITIES

## Inspiring Communities Projects



**Notes:**

1. Inspiring Communities is a combination of the HUD-funded Neighborhood Stabilization Program (NSP), through an appropriation of the American Reinvestment and Recovery Act (ARRA) and the City-funded Invest Saint Paul programs.
2. RECAPs are Census tracts where at least 50% of the residents are people of color and at least 40% of the residents have family incomes that are less than 185% of the federal poverty threshold.

# HOUSING SERVICES PROVIDERS

- **Home Ownership Center:** Foreclosure Counseling. Provides multicultural and multilingual housing ownership classes
- **Fair Housing Implementation Council:** Coordinates metro Counties/Cities obligations to affirmatively further fair housing. Currently working on amending the 2014 Regional Analysis of Impediments to Fair Housing.
- **Housing Link:** Developed and maintains an inventory of St. Paul's accessible and affordable housing units, and provides multilingual fair housing videos.



# HOUSING SERVICES PROVIDERS

- **Affordable Housing Connections:** Provides annual fair housing training for property owners, property managers and asset managers for multifamily projects receiving HOME funding and Low Income Housing Tax Credits. Monitoring services.
- **HOME Line:** Provide state wide tenant hotline, organizing and advocacy assistance.
- **Southern Minnesota Legal Regional Services (SMRLS):** Housing Equality Law Project provides legal services to assist St. Paul residents who are treated unfairly when seeking or maintaining their housing.



# ADDITIONAL PARTNER INFORMATION

## Resources for Owner-Occupants Homeowners:

- Minnesota Housing Fix Up Program (Interest-bearing program)
- Minnesota Housing Fix up Program Lender List
- Minnesota Housing Rehabilitation \$ Emergency Loan Programs (for low-income homeowners)
- Minnesota Housing Home Improvement Income Limits
- Minnesota Housing Interest Rates for Home Improvement
- State Attorney General Resources for Homebuilding & remodeling
- MN Department of Commerce Energy & Resource Efficiency Info
- MN Department of Health Lead-Based Paint Information

## Fair Housing Resources:

- HUD Office of Fair Housing & Equal Opportunity
- FairHousingMN.org Fair Housing resource Guide
- Minnesota Department of Human Rights
- Saint Paul Department of Human Rights



# INCLUSIONARY ZONING

Tool built into **zoning** to mandate or encourage new affordable housing units.

- *Mandatory:* Regulatory requirement to build or provide a fee in lieu to build new units
- *Encouraging:* Relaxation of regulatory requirements to spur or assist in new affordable unit development
- City received 70 hours of technical assistance from ULI/Met Council/Family Housing Fund to analyze potential zoning incentives/regulations along the Green Line and the Ford Site



# THANK YOU!!!

For more information:

- 2015-2019 Consolidated Plan: <https://www.stpaul.gov/departments/planning-economic-development/consolidated-plan-2015-2019>
- Inspiring Communities HRA presentation dated July 13, 2016: <https://www.stpaul.gov/departments/planning-economic-development/housing/inspiring-communities>
- St. Paul Comprehensive Plan: <https://www.stpaul.gov/departments/planning-economic-development/planning/citywide-plans>
- ULI: The cost of affordable housing: Does it pencil out? <http://apps.urban.org/features/cost-of-affordable-housing/>

## Department of Safety and Inspections

**Vision:** To be the leader in creating the safest, healthiest, most livable, and vibrant city in America.

**Mission:** To preserve and improve the quality of life in Saint Paul by protecting and promoting public health and safety for all.



<https://www.stpaul.gov/departments/safety-inspections>

**Fire Certification of Occupancy Program:** A proactive, effective, successful program designed to protect public health, safety, and welfare by establishing and enforcing minimum property standards.

Our Fire Safety Inspectors look at:

- Interior
- Exterior
- Construction & rated assemblies
- Exiting & means of egress
- Mechanical, electrical, plumbing
- Fire detection, alarms, suppression
- Hazardous materials & processes
- Special requirements of the occupancy

Type of Building	Number of Units
Commercial	4,500
Mixed Residential-Commercial	500
Rental 1 & 2 Family Dwellings	13,000*
3+ Unit Multi-Family	3,500*

\*These buildings total more than 70,000 individual dwelling units.

# REGULATING FOR DIGNIFIED HOUSING

Points are calculated at the first inspection. The more points you receive, the sooner your next inspection cycle begins.

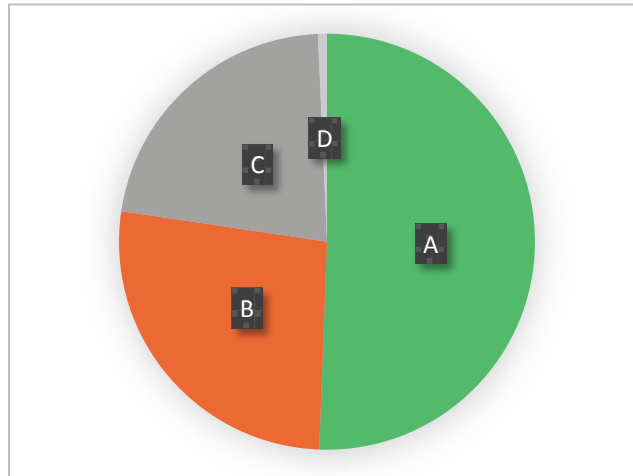
Code violations = Points

Severe safety violations = More Points

Class A = 6 Years, Class B = 4 Years, Class C = 2 Years, Class D = 1 Year

Examples of Code Violations	Points
Repair/replace window frame	4 Points
Repair/replace water heater	6 Points
Maintain exterior walls	6 Points
Structurally unsound stairs	8 Points
Damaged electrical wiring	8 Points
Unsafe heating equipment	10 Points

# REGULATING FOR DIGNIFIED HOUSING

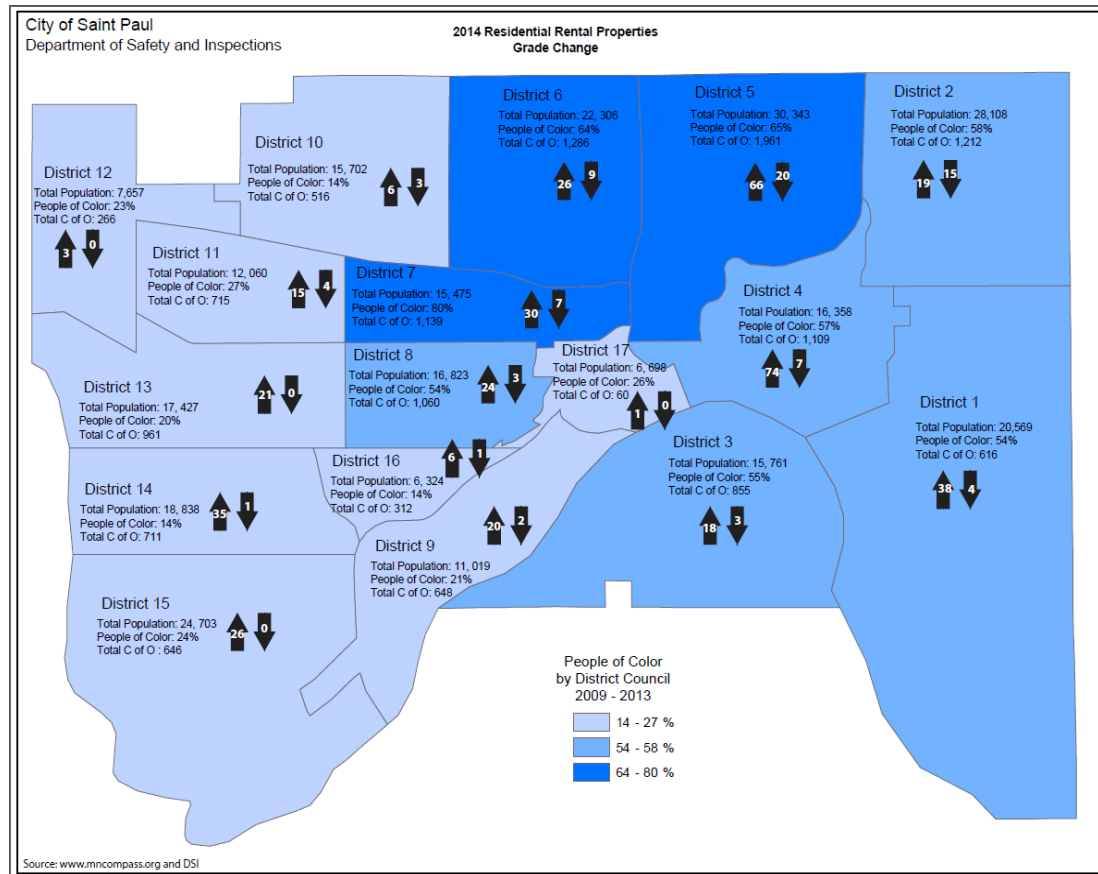


## Class counts

- A = 7489
- B = 3960
- C = 3249
- D = 104

Single Family Dwelling		10 Unit Apartment Building	
Initial Fee	\$202.00	Initial Fee	\$322.00
First Re-Inspection	Included	First Re-Inspection	Included
1.5 Re-Inspections	\$151.50	1.5 Re-Inspections	\$241.50
<b>Total</b>	<b>\$353.50</b>	<b>Total</b>	<b>\$563.50</b>
Annual Cost		Annual Cost	
Class A	\$58.92	Class A	\$93.92
Class B	\$88.38	Class B	\$140.88
Class C	\$176.75	Class C	\$281.75
Class D	\$353.50	Class D	\$563.50

# REGULATING FOR DIGNIFIED HOUSING



In 2014, 509 Fire certificate of Occupancy renewals experienced grade changes. 84%, or 427 renewals, improved their grade.

## Landlord 101:

Designed for first time and inexperienced landlords in the city of Saint Paul, and for landlords who wish to better understand tenant-landlord relationships and responsibilities.

The pilot class was offered in 2015 to 25 more experienced landlords as a test of the course content and delivery, and received excellent reviews from those attending.



<https://www.stpaul.gov/departments/safety-inspections/fire-inspections/landlord-101>