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Housing Goals and Resources

April 25, 2018

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Metropolitan Council Allocations: Housing

Met Council's projects for new households – Saint Paul:

- Present – 2030: 15,000 households
- 2030-2040: 6,000 households

Saint Paul's LCA affordable housing goal:

- 2011-2020: 2,625 units at 60% or less of AMI
 - 1,721 units have been produced towards this goal, through 2017
- 2021-2030: To be determined

Saint Paul's "share" of future regional affordable housing need:

- At or below 30% AMI: 832 units
- 31 to 50% AMI: 128 units
- 51 to 80% AMI: 1,013 units

Affordable Housing: City Goals

Comprehensive Plan Goals (draft)

- Continue to use City/HRA resources to support affordable multifamily housing citywide with at least 30 percent of *total aggregated* multifamily 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.
- Further affordable *ownership* housing goals in HRA/City-financially-assisted projects by working toward 20 percent of all ownership units being affordable to residents earning 80 percent of AMI and 10 percent of all ownership units being affordable to residents earning 60 percent of AMI.

Slide 3

A1

Author, 4/24/2018

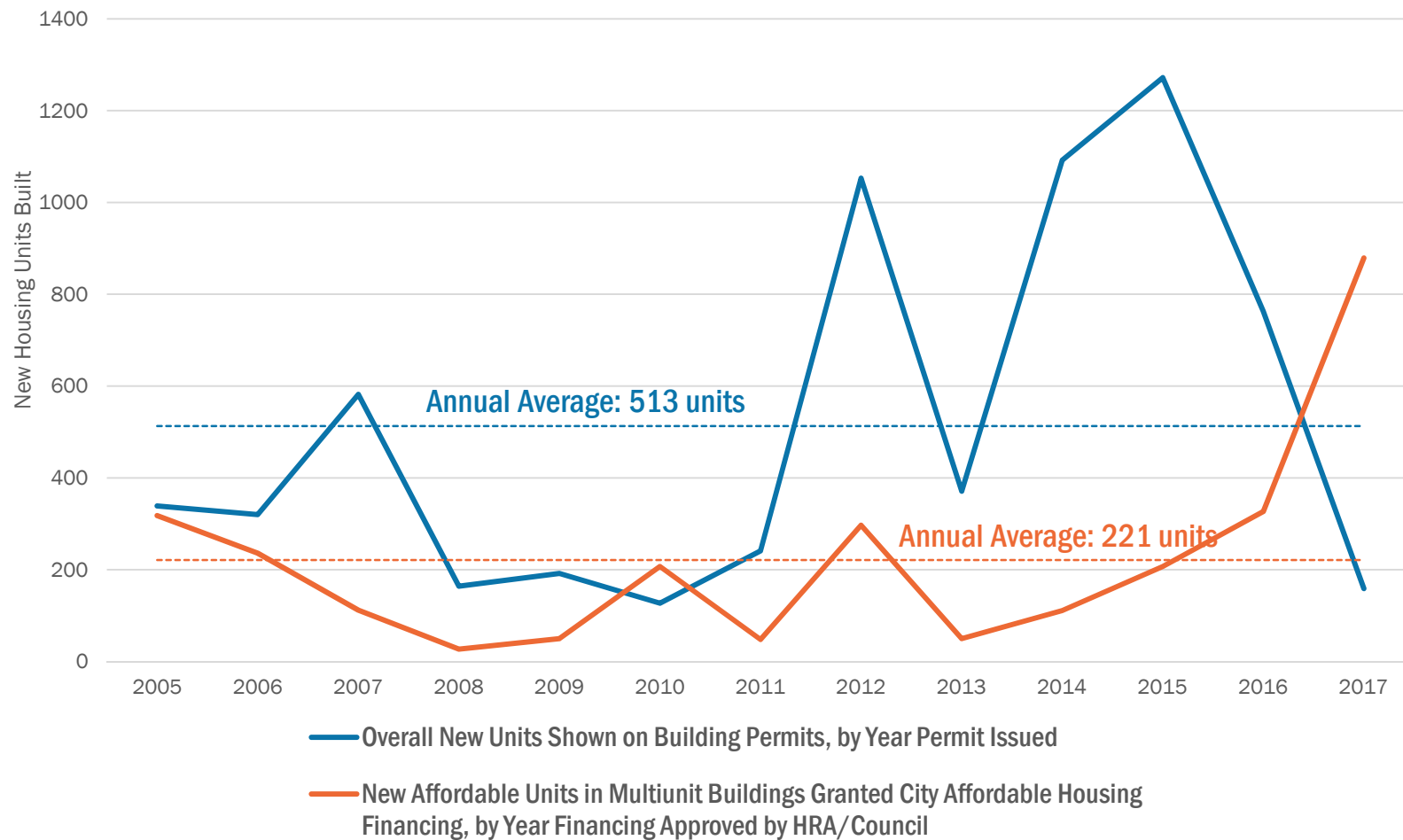
Rental Supply and Demand

Supply and Demand for Saint Paul Rental Housing

<i>Income Bracket</i>	<i>Renter Households (2016)</i>	<i>Rental Units (2016)</i>	<i>Supply Gap (-) or Surplus (+)</i>	<i>Allocation Gap: Number of Affordable Units Occupied by Higher Income HH Gap (-)</i>	<i>Total Gap (-) or Surplus (+)</i>
≤30% AMI	22,335	11,560	-10,775	-2,825	-13,594
>30% & ≤50% AMI	11,940	26,740 ²	+14,800	-9,505	+5,295
>50% & ≤80% AMI	9,200 ²	17,030 ²	+7,830	-6,360	+1,026
>80% AMI	13,355	3,285	-10,070	N/A	N/A
TOTAL	56,830	58,615	+1,785	N/A	N/A

Saint Paul New Housing Unit Production: 2005-2017

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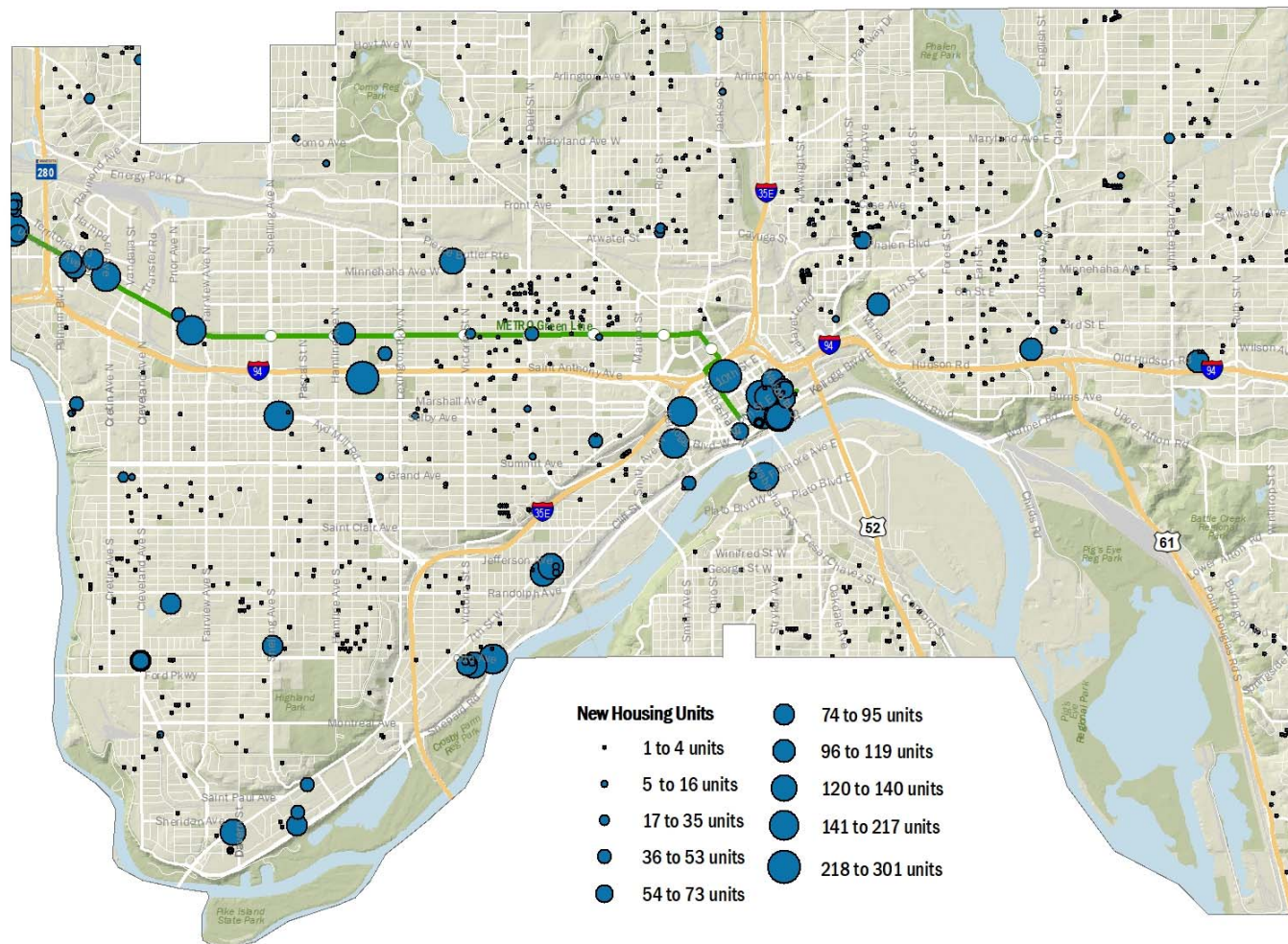


Sources & Notes: Affordable numbers from PED Multifamily Housing Database. Overall new units from AMANDA Permit Database, with deduplication based on PIN/XY coordinates. These two data sources do not harmonize or have parity on dates project-by-project, and so should only be read together to infer broad trends.



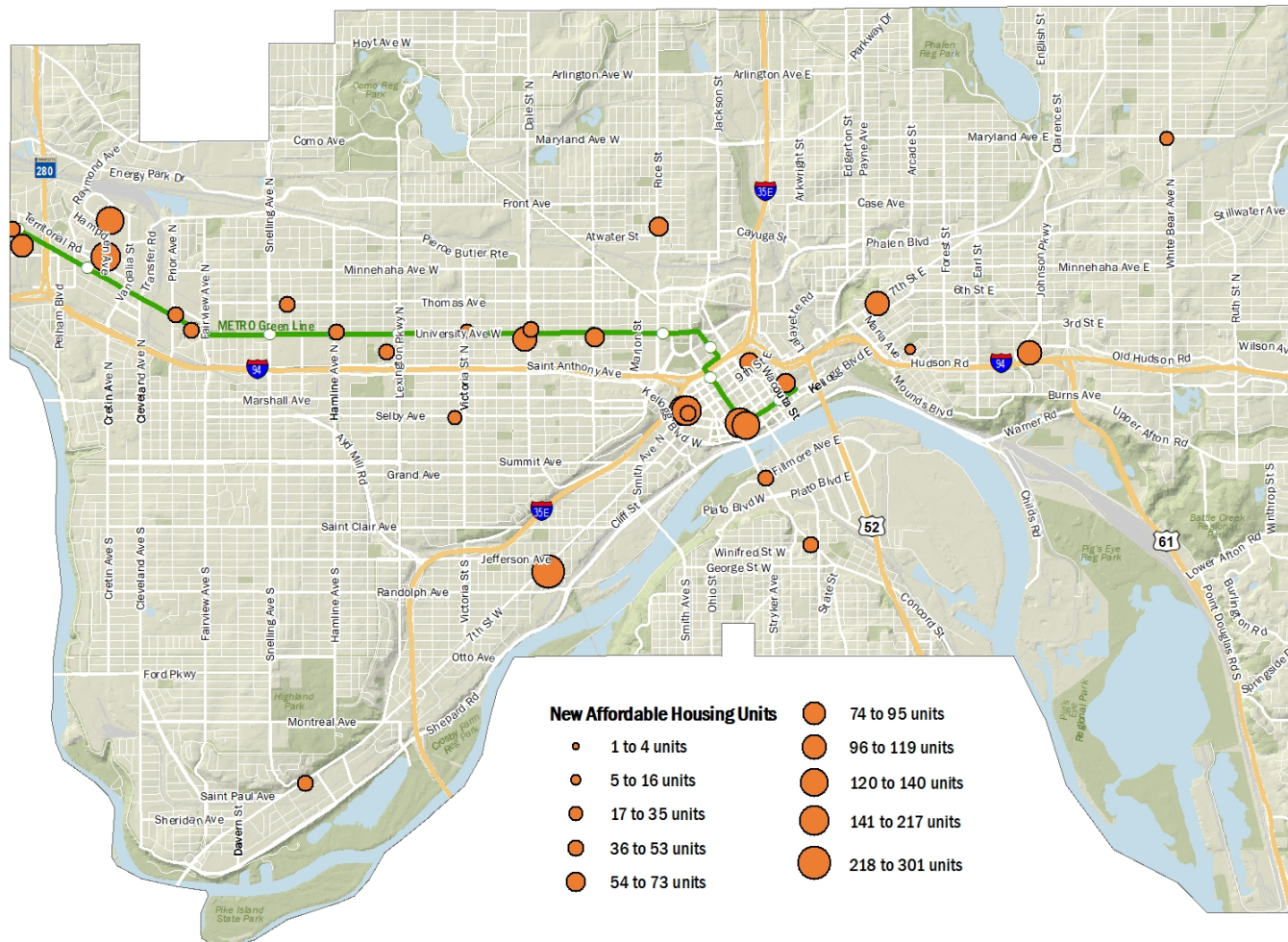
Overall New Housing Unit Production: 2005-2017

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City/HRA-Assisted Affordable Multifamily Housing Production

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Affordable Housing Resources

Program	Allocation
LIHTC	\$972,775 (2019 Allocation)
Pooled TIF restricted to housing	\$2,600,000
HOME Pre-HOME repayments	\$1.2 – 1.7M (estimate) \$ 741,000
CDBG	2018 Allocations:
Homeowner Rehab	\$775,000 (estimate)
Multifamily	\$584,000 (estimate)
Acquisition	\$225,000 (estimate)
ESG (Emergency Solutions Grant Program)	\$570,000 (estimate)
Small Unit Rental Rehabilitation Program	\$750,000 (beginning balance)

2019 Allocation: \$972,775

- Leverages ~\$6.5M in private equity
- HRA Board recommends QAP to the Joint Housing Finance Board
- 2018 Selection Priorities
 1. Substantial renovation that preserves units with rents <50%
 2. HRA owned land
 3. Enhanced services, programming
 4. Economic Integration

2018 Project Awards \$760,022

- Ain Dah Yung
- Selby/Milton/Victoria



Jamestown Apartments
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: \$ 2.6M

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.

- 501(c)3 Borrowers: No cap
- For-Profit Borrowers: 2018 allocation of \$39.5M
- Allocation Bonds eligible for 4% LIHTC
- 2018 Allocation committed
- High demand in 2019 and 2020

2017 Project Closings

- Hanover Townhomes
- Union Flats
- Euclid Flats
- Dorothy Day II
- Pioneer Press



The Cambic Senior Housing
Photo source: Dominion

HOME

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

Housing Eligible Activities:

- New Construction
- Acquisition/Rehabilitation

Est 2018: \$1.2-1.7M

2017 allocation: \$1.2M

Balance/Repayments: \$1.17M

2017 project commitments:

- WSF III Passive House
- Thomas Ave Flats



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

Est 2018 Allocation:

- Multifamily: \$584,000
- Acquisition: \$225,000
- Home Rehab: \$775,000

2017 project examples:

- Willow Reserve alley project
- Acquired 650-652 Sherburne
- Homeownership units (Inspiring Communities \$425,000 and City Deferred Rehabilitation Loan Program \$850,000)



Skyline Tower

Photo Source: 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

Est for 2018 \$570,000
2017 Allocation: \$571,420



Dorothy Day Center

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

RENTAL REHABILITATION LOAN PROGRAM

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Loan Program (0%) to assist responsible landlord with health and safety-related property improvements and preserve affordable units.

Eligible Properties:

- Have up to 4 units
- Are classified as C or D by DSI /or/ classified as A, B, C or D in ACP50 areas
- Have a valid Certificate of Occupancy

2017 Budget: \$750,000

Balance: \$561,195

HRA HOMEOWNER PROGRAMS – CITYWIDE DEFERRED REHABILITATION LOANS

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\$25,000 maximum loan

Income limits based on 60% AMI adjusted for household size

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

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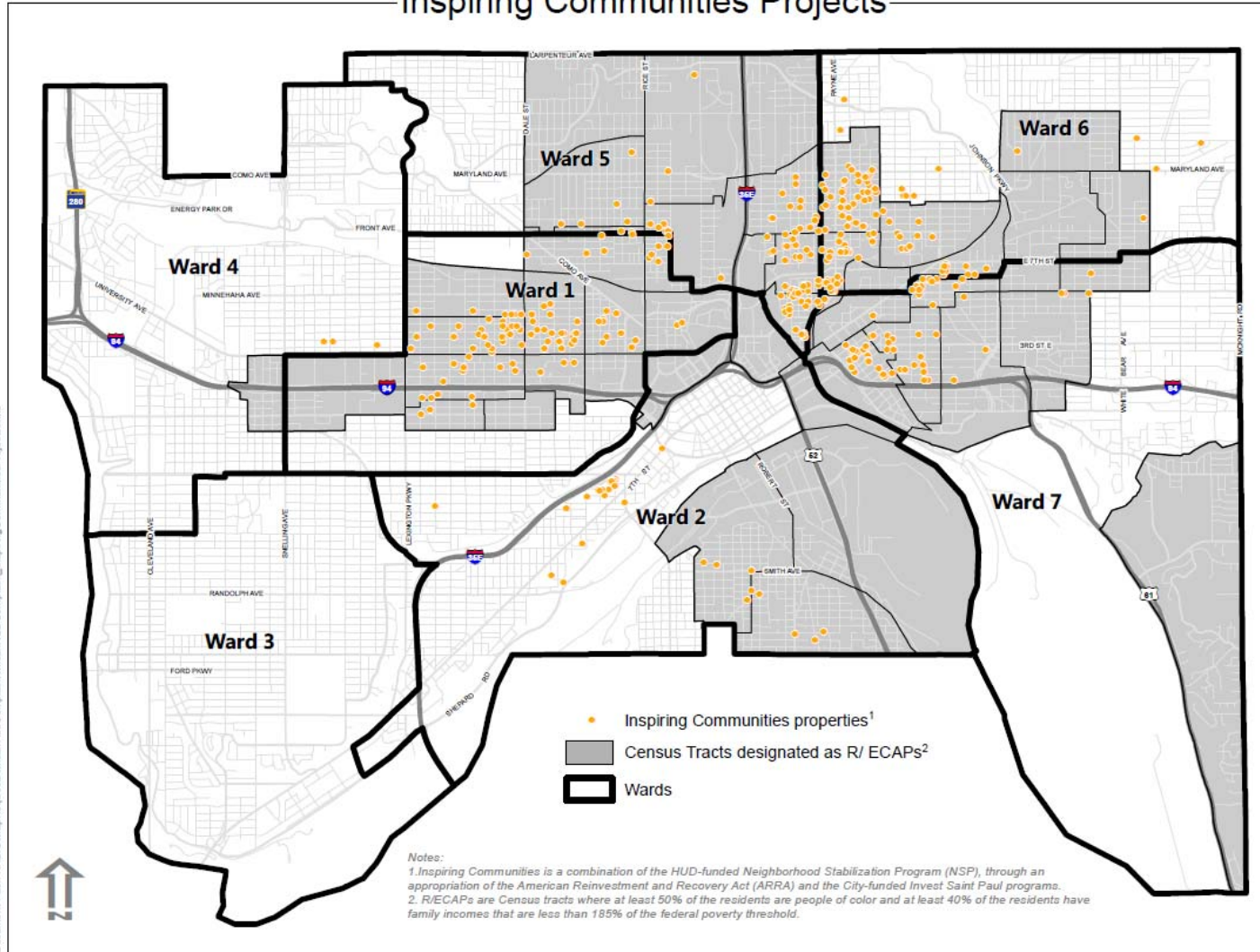
- A scattered site housing redevelopment strategy approved by the Saint Paul HRA Board on October 9, 2013.
- Focused investment in cluster areas in neighborhoods most impacted by foreclosure and vacancy.
- Program funds assist developers with development gap financing for construction of new housing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



HOMEOWNERSHIP: INSPIRING COMMUNITIES

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Inspiring Communities Projects



Date: 8/26/2015



PED Housing Division: 2017 Multifamily Activity

Multifamily Projects Closed in 2017

Project	Type	Affordable Units	Market Rate Units
Euclid Flats/Bates	New	12	
Union Flats	New	217	
Dorothy Day Phase II	New	171	
Pioneer Press Building	New	144	
Ryan Lot Sale	New		175
Raymond Ave Flats	New		119
Total Units		544	294

Multifamily Projects Completed in 2017

Project	Type	Affordable Units	Market Rate Units
Oxbo/Seven Corners Hardware	New		191
Dorothy Day Phase I (Higher Ground)	New	193	
Skyline Towers	Preservation	504	
Cerenity/Dellwood Gardens	New (conversion)	106	
University/Dale Apartments	Refinance	98	
Larpenteur Villa	Preservation	82	
Model Cities/Brownstone	New	35	
Hanover Townhomes	Preservation	96	
Cesar Chavez	New	40	
Wilson Ridge	New	119	
Total Units		1273	191

PED Housing Division: 2018 Multifamily Activity

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Anticipated Multifamily Closings - 2018

Project	Type	Affordable Units	Market Rate Units
Thomas Avenue Flats	New	51	
West Side Flats - Phase II	New		182
West Side Flats Phase III	New	82	
Legends at Berry	New	242	
Millberry Apartments	New	121	
Como by the Lake	Preservation	99	9
Total Units		595	191

Housing Continuum

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ST PAUL AFFORDABLE HOUSING CONTINUUM



INCOME ²	LESS THAN 30% AREA MEDIAN INCOME \$25,750 AND BELOW	31% - 50% AREA MEDIAN INCOME \$25,751 - \$42,900	51% - 60% AREA MEDIAN INCOME \$42,901 - \$51,480	61% - 80% AREA MEDIAN INCOME \$51,481 - \$65,700
HOUSING CONTINUUM	Low market rental Naturally occurring affordable housing Workforce housing			
	Public (subsidized) Housing	Homeownership assistance		
	Section 8 Vouchers			
	Streets Shelters Supportive Housing	Market Rental and Homeownership		
POPULATION ¹	21,424 households Homeless People with disabilities People with service needs People exiting incarceration	16,644 households Working poor People with episodic housing crises and service needs	6,711 households Working poor People with episodic housing crises and service needs	13,059 households People who are accessing market housing but are limited by locational choice
COST BURDEN ¹	 83% of households (17,713) are cost burdened, with 61% (12,982) paying more than half of their income on housing	 69% of households (11,401) are cost burdened, with 20% (3,280) paying more than half of their income on housing	 46% of households (3,115) are cost burdened; 6% (381) severely cost burdened	 29% of households (3,748) are cost burdened, with 3% (346) severely cost burdened, paying more than half of their income on housing
STRATEGIES	<ul style="list-style-type: none"> Harm reduction / Housing First Permanent supportive housing Transitional housing Rapid rehousing 	<ul style="list-style-type: none"> Rental subsidies needed Reduce cost burdens 	<ul style="list-style-type: none"> Low-income housing tax credit Tenant protections Preservation Production 	<ul style="list-style-type: none"> Tax-Increment financing (TIF) Local Housing Trust Funds NOAH Equity Fund
FUNDERS	CAPITAL FUNDERS: Cities, counties, MN Housing Finance Agency (MN Housing), U.S. Dept of Housing & Urban Development (HUD), Metropolitan Council, low-income housing tax credits, equity investors, Federal Home Loan Bank SERVICE FUNDERS: Counties, Dept of Human Services (DHS), foundations RENTAL ASSISTANCE AND OPERATING FUNDERS: Public Housing Authorities, DHS, counties, MN Housing			CAPITAL FUNDERS: Private banking systems, equity investors, MN Housing (homeownership)
SYSTEMS	State Plan to Prevent and End Homelessness Continuum of Care Coordinated Entry County safety nets Detox Jail		Homeownership counseling Downpayment assistance	
PARTNERS	Service providers _____ Nonprofit developers _____	Landlords / owners _____ For-profit affordable housing developers _____		For-profit developers _____

¹ Writer & owner households in the City of St Paul, based on the Council staff analysis of U.S. Census Bureau, 2012-2016 American Community Survey (ACS) PUMS. ² Because population & cost burden are based on 2012-2016 data, income limits are for FY 2016.

Projects Developed with LIHTC (9% and 4%)

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Projects	#Units	New Construction or Preservation	Comments	LIHTC Year	9% or 4%
Completed Projects Approved for Tax Credits					
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	51&57	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%
Total Units	2022				

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