



# 6. HOUSING

The City of South St. Paul is a fully developed, first-ring suburban community. While there is little land available for new residential development, opportunities exist for redevelopment within the City. A majority of the housing in the City is made up of single family detached homes, many of which are over 20 years old. Over the next several decades, the focus on housing in South St. Paul will continue to be on the maintenance of existing homes, infill development, and redevelopment.

## Existing Housing Supply

### Housing Mix

According to the Metropolitan Council, there were an estimated 6,177 single family housing units (including detached and attached) and 2,505 multifamily units in South St. Paul in 2016. The majority of the housing stock in South St. Paul is single family detached homes which comprise 66.5% of the total housing supply.

### Age of Housing Stock

Over 60% of South St. Paul’s housing stock was built before 1960. These units are now almost 60 years old. Of the City’s 8,621 housing units, 26 percent of the units were constructed before 1939, making these units over 80 years old. These dwellings are concentrated above the bluff (west of Concord Street), between 1st and 10th Avenues and 5th Street South and Congress Street. A number of homes in this age range were also constructed in the area north of Butler Avenue.

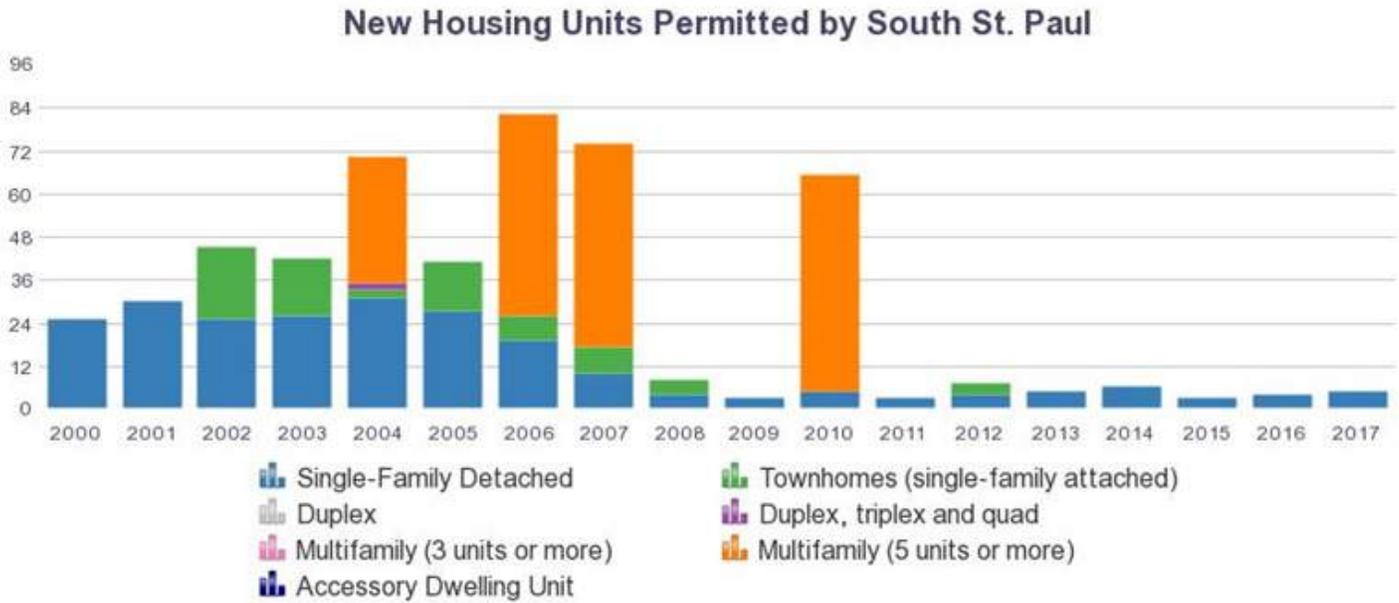
Only 107 units, or 6.7%, of South St. Paul’s housing units were built after 2000. 60 of these housing units were multifamily units constructed in 2010. Between 2008 and 2017, South St. Paul issued fewer than 10 single-family residential building permits per year. This is shown in Figure 6.1.

Table 6.1: Housing Stock

	2016	
	Number of Units	Percentage
Single Family Units	6,177	70.7%
Multifamily Units	2,505	28.7%
Manufactured Homes	38	0.4%
Other Housing Units	12	0.1%
<b>Total</b>	<b>8,732</b>	<b>99.9%</b>

Source: Metropolitan Council Housing Stock Estimates, 2016.

Figure 6.1: New Housing Units Permitted by South St. Paul



Source: Metropolitan Council Residential Building Permit Survey.

Table 6.2: Housing Age

Year	Number of Houses	% Housing Stock
2014 or later	12	0.14%
2010-2013	95	1.10%
2000-2009	474	5.50%
1990-1999	350	4.06%
1980-1989	324	3.76%
1970-1979	978	11.34%
1960-1969	1,180	13.69%
1950-1959	2,267	26.30%
1940-1949	737	8.55%
1939 or earlier	2,204	25.57%
<b>Total</b>	<b>8,621</b>	<b>100.01%</b>

Source: American Community Survey 2012-2016.

Table 6.3: Tenure in 2016

	# of Units	% Units
Ownership Units	5,796	66.4%
Rental Units	2,936	33.6%
<b>Total</b>	<b>8,732</b>	<b>100%</b>

Source: Metropolitan Council Existing Housing Assessment 2018.

Because so much of the housing stock is over 20 years old and because the community is completely built out, making it more difficult to build new residential units, it is of critical importance to ensure the community has the available resources for residents to maintain their homes. The maintenance of existing housing stock has been an ongoing issue for South St. Paul and will continue to be a major focus for the City through 2040. Table 6.2 illustrates the breakdown of housing by age.

## Housing Tenure

According to 2016 data from the Metropolitan Council, owner-occupied homes made up 66.4% of the total amount of housing units in the City, leaving 33.6% for rental housing.

Apartment rental units in South St. Paul are in short supply, totaling only 690 units in 2016, as identified in Table 6.4. The overall rental vacancy rate for South St. Paul in 2016 was 3.19%. This means that in 2016, at the time of the survey, there were only 22 vacant apartment units in South St. Paul. This inflexibility in the rental market shows the need for more rental units of all types in the City. This trend is reflected in Table 6.5, which shows that rentals are even more rare and expensive in Dakota County as a total. As the City focuses on growth of employment centers such as industrial, business parks, retail, and services, the need for a more flexible rental market and affordable workforce housing will be needed.

Table 6.4: Summary of South St. Paul's Rental Data, 2016

	0 BR	1 BR	2 BR	3 BR	Totals
# of Units	35	274	349	32	690
% of Market	5.07%	39.71%	50.58%	4.64%	100.00%
Average Rent	\$605.56	\$765.19	\$954.48	\$1,376.65	\$925.47
# of Vacancy	2	8	9	3	22
Vacancy Rate	5.71%	2.92%	2.58%	9.38%	3.19%

Source: Dakota County CDA - 2016 Rental Housing Survey.

Table 6.5: Summary of Dakota County Rental Data, 2016

	0 BR	1 BR	2 BR	3 BR	Totals
# of Units	546	7,798	10,659	1,713	20,716
% of Market	2.64%	37.64%	51.45%	8.27%	100.00%
Average Rent	\$702.98	\$915.87	\$1,185.47	\$1,527.34	\$1,082.67
# of Vacancy	15	125	219	89	448
Vacancy Rate	2.75%	1.60%	2.05%	5.20%	2.16%

Source: Dakota County CDA - 2016 Rental Housing Survey.

## Cost of Housing

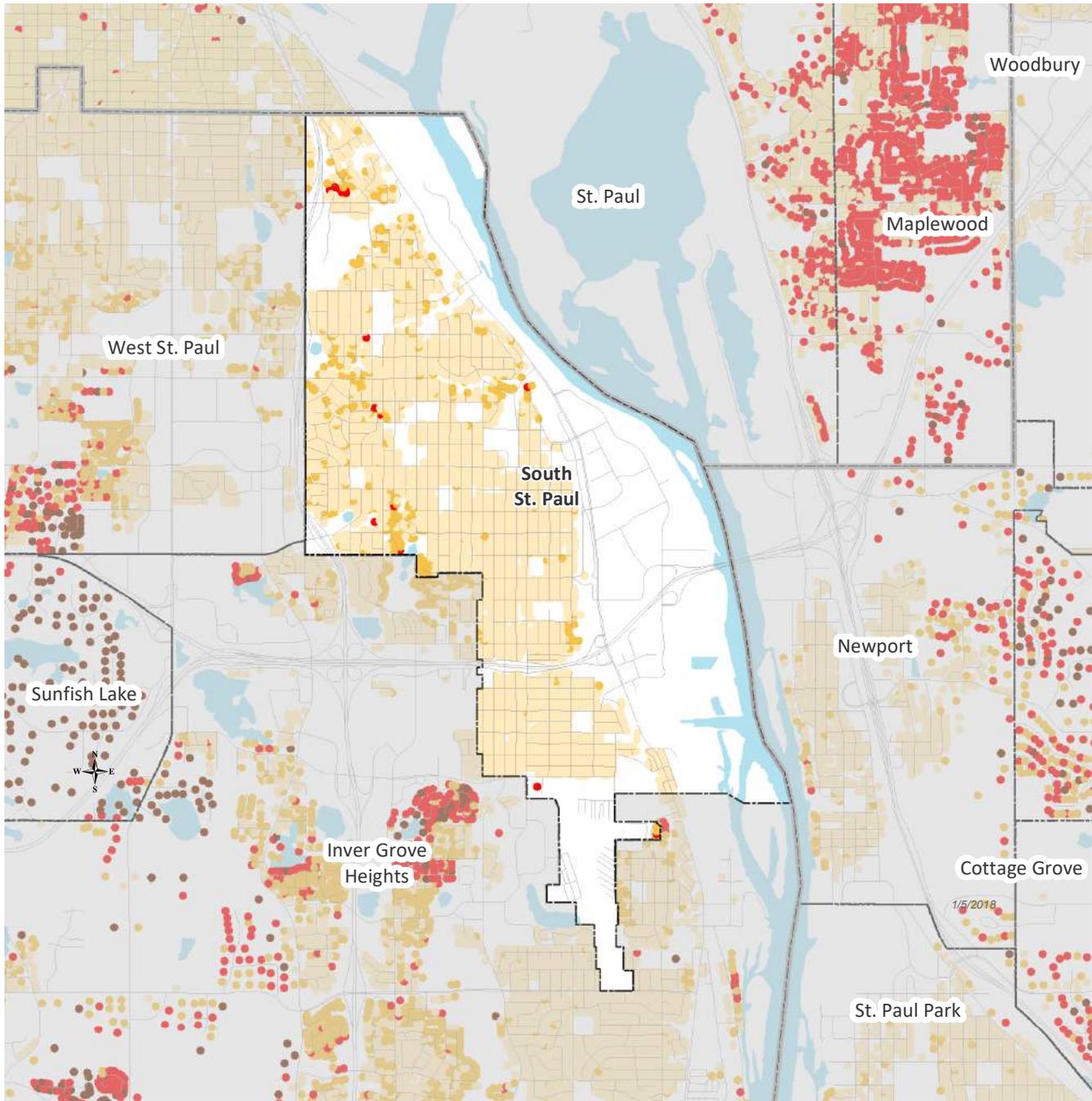
The cost of housing is typically the most significant expense in a household's budget. According to the American Community Survey, in South St. Paul, the median value for an owner-occupied home in 2016 was \$160,800 and the median household income was \$54,777. The median gross monthly rent in 2016 dollars was \$850.

### Market Value

According to the 2016 ACS, 68.1% of owner-occupied housing units in South St. Paul are valued between \$100,000 and \$200,000. Figure 6.2 represents 2016 estimated market values for owner-occupied housing units as presented by the Metropolitan Council. As seen in the graphic, a number of owner-occupied homes in South St. Paul are \$243,500 or less in value, which is considered the "affordable" threshold for owner-occupied homes. Many of these units are those that are considered "Naturally Occurring Affordable Housing" or NOAH. NOAH are market-rate units, typically older homes on small lots, that are affordable to moderate income (80% AMI) households. These units are found throughout South St. Paul.

Figure 6.2: Estimated Market Value of Owner-Occupied Units, 2016

## Owner-Occupied Housing by Estimated Market Value South St. Paul



- County Boundaries
- City and Township Boundaries
- Streets
- Lakes and Rivers

### Owner-Occupied Housing Estimated Market Value, 2016

- \$243,500 or Less
- \$243,501 to \$350,000
- \$350,001 to \$450,000
- Over \$450,000

1 in = 0.78 miles



Source: MetroGIS Regional Parcel Dataset, 2016 estimated market values for taxes payable in 2017.

Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

## Housing Cost Burden

The cost of housing is typically the most significant expense in a household's budget. A residence is considered "affordable" when 30% or less of the household's gross income is spent on housing. If a household spends more than 30% of their gross income on housing, it is experiencing a "Housing Cost Burden." According to the Metropolitan Council, South St. Paul has the following breakdown of households experiencing housing cost burden, as seen in Table 6.6.

Another important aspect when looking at housing costs is the total number of households that are cost burdened, and what their tenure looks like. As seen in Table 6.7, 33% of all households in South St. Paul are housing cost burdened, according to the American Community Survey. This percentage rises significantly when looking at just renters. 53% of rental households in South St. Paul experience a housing cost burden; this trend is not unique to South St. Paul, as reflected in the table, however, tools should be looked at to decrease housing burden for renters.

Table 6.6: Housing Cost Burdened Households, 2016

	# of Households	% of Households
Income at or below 30% of AMI	983	11.77%
Income 31% to 50% of AMI	746	8.93%
Income 51% to 80% of AMI	481	8.76%
Subtotal at or below 80% AMI	2,210	26.46%
<b>Total Households</b>	<b>8,351</b>	<b>100%</b>

Source: Metropolitan Council Local Planning Handbook, 2016.

Table 6.7: Percent of Households Spending 30% or More on Housing Costs, 2016

	Renter Occupied	Owner Occupied	All Households
South St. Paul	53%	23%	33%
Dakota County	46%	21%	27%
TC Metro Region	49%	22%	31%

Source: American Community Survey 2012-2016.

Table 6.8: Affordability of Units to Different Income Levels

	Units Affordable to Households	% of Total Housing Units
Income at or below 30% of AMI	730	8.36%
Income 31% to 50% of AMI	2,666	30.53%
Income 51% to 80% of AMI	4,829	55.30%
<b>Total Housing Units</b>	<b>8,732</b>	<b>100.00%</b>

Source: Metropolitan Council Local Planning Handbook, 2016.

### Unit Affordability

As seen in Table 6.8, the City has a limited number of housing units that are considered affordable to very low income households (those households with 30% or less of the Area Median Income [AMI]). Very low income households are the most difficult to find units that are affordable, as they often require public subsidy to house at an affordable threshold. There are a fair number of homes considered to be in the affordable range for low income households (31% to 50% AMI) and moderate income households (51% to 80% AMI).

### Publicly Subsidized Housing

Table 6.9 shows the number of publicly subsidized units currently located in South St. Paul.

Table 6.9: Publicly Subsidized Units

All Publicly Subsidized Units	Publicly Subsidized Senior Units	Publicly Subsidized Units for People with Disabilities	Publicly Subsidized Units: All Others
518	40	0	478

Source: Metropolitan Council Local Planning Handbook, 2016.

## Housing Needs Assessment

### Current Housing Needs

Through community engagement and analysis of current housing trends, the City has identified the following needs related to housing for South St. Paul:

- » Need for maintenance and improvement of existing housing stock - With its aging housing stock, it is important that the City supports maintenance and reinvestment efforts. This can be particularly important given South St. Paul’s numerous neighborhoods of naturally occurring affordable housing.
- » Need for a variety of housing types - the City has predominantly single-family residential or larger multi-family complexes. There is a need for more twinhomes and townhomes, as well as for senior housing options.
- » Need for affordable housing - While South St. Paul is more affordable than some surrounding communities, almost 33% of households still experience housing cost burdens. The City needs to continue to support and partner on affordable projects. The diversification of options to appeal to seniors, like association-maintained townhomes and senior living options, may also help as it may open up naturally occurring, single-family affordable housing.

These issues are the primary concerns facing South St. Paul today and will be the primary focus of goals and policies for the future of housing in South St. Paul.



**Aspects of Sustainability:**

- » Land Use/Buildings
- » Maintenance

## Anticipated Housing Needs

Future housing needs reflect those of a mature community. South St. Paul's housing stock has reached an age at which maintenance of existing homes becomes critical to the vitality of housing and neighborhood stabilization. The primary housing need in South St. Paul is making sure homes and neighborhoods are maintained as they age.

### Projections

The Metropolitan Council has projected population and household growth for the City of South St. Paul. The Metropolitan Council estimates an additional 1,277 housing units will be added between the years 2010 to 2040. The estimated total number of households in 2040 is 9,400. Between 2010 and 2040 it is expected that the number of people per household will decrease slightly from 2.46 in 2010 to 2.32 in 2040.

### Affordable Housing Allocation

Through its regional planning efforts, the Metropolitan Council has prioritized housing affordability in the Thrive MSP 2040 Regional Policy. The Metropolitan Council determined the allocation of affordable housing needed to meet the rising need of affordable housing across the Twin Cities metropolitan region. Housing is considered "affordable" when no more than 30% of household income goes to housing. As such, households with different income levels have different thresholds of "affordable," as seen in Table 6.10.

Table 6.10: Twin Cities Metropolitan Regional Household Income Levels, 2015

Household Size	30% AMI*	50% AMI	80% AMI
One-person	\$18,050	\$30,050	\$46,000
Two-person	\$20,600	\$34,350	\$52,600
Three-person	\$23,200	\$38,650	\$59,150
Four-person	\$25,750	\$42,900	\$65,700
Five-person	\$28,440	\$46,350	\$71,000
Six-person	\$32,580	\$49,800	\$76,250
Seven-person	\$36,730	\$53,200	\$81,500
Eight-person	\$40,890	\$56,650	\$86,750

\*Area Median Income

Source: Metropolitan Council Local Planning Handbook, 2016.

### Housing Variety:

In order to meet the housing needs of a diverse population, the City's housing stock should include a variety of housing types, including single-family, multi-family, and senior housing units. The City utilizes several programs and tools (see Housing Implementation Tools section) that assist in the development and maintenance of single-family and multi-family housing throughout the City. The City supports Dakota County's Senior Housing Program which has created three senior housing developments in South St. Paul.



Single-Family Home, New Construction - 1st Ave S



Wakota on 4th Multifamily Building



Senior housing building at 15th and Thompson

Figure 6.3: Percentage of Income Needed for Housing in the Twin Cities Metropolitan Area

**Assembly Worker** | Median Salary: \$34,640



**Child Care Worker** | Median Salary: \$23,587



**Grounds Keeper** | Median Salary: \$27,602



**Restaurant Cook** | Median Salary: \$24,690



**Security Guard** | Median Salary: \$28,350



**School Bus Driver** | Median Salary: \$33,987



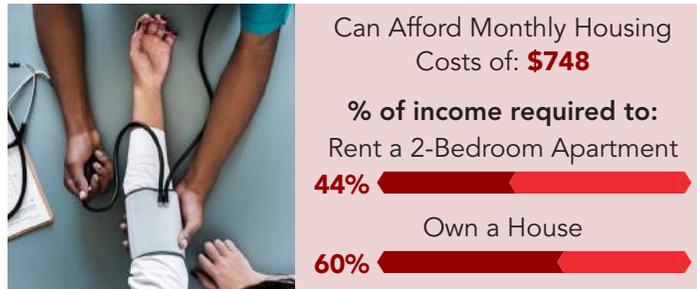
**Maid/Housekeeper** | Median Salary: \$21,778



**Salesperson** | Median Salary: \$21,424



**Nursing Assistant** | Median Salary: \$29,931



**Receptionist** | Median Salary: \$29,910



Source: Family Housing Fund "Working Doesn't Always Pay for a Home". Updated July 2015

The Metropolitan Council has selected the four-person household thresholds as a general measurement for affordable housing needs at each income level. This allocation of affordable housing need is calculated based on a variety of factors:

- » Projections of growth of households experiencing housing cost burden
- » Current supply of existing affordable housing, whether subsidized or naturally occurring
- » Disparity of low-wage jobs and housing for low-wage households within a community

Through these calculations, the Metropolitan Council has determined the Affordable Housing Need Allocation for South St. Paul between now and 2030, as shown in Table 6.11.

The way that communities accomplish this affordable housing allocation is by designating adequate vacant land or redevelopable land at minimum densities (units/acre) that are high enough for affordable housing to be an option. Essentially, the more units/acre allowed on a site, the less cost per unit to be built, which makes the development an option for affordable housing developers as well as market-rate developers. The affordable housing allocation does not mean that the City must force the building of this many affordable units by 2030. Rather, through future land use guidance, the City needs to ensure that the opportunity for affordable housing exists by having adequate vacant or redevelopable land guided for higher densities to meet the stated share.

In order to determine if South St. Paul can achieve the calculated number of units, we need to determine which South St. Paul residential future land use designations count towards Affordable Housing Allocation need. According to the Metropolitan Council, any residential future land use designation that has a minimum density of six units per acre or more can count towards affordable housing allocation calculations for AMI 51%-80% and any future land uses with minimum densities of 12 units per acre or higher may count towards the allocation for AMI at or below 50%. Table 6.12 features all residential future land use designations with at least 8 units/acre for South St. Paul and their minimum units per acre.

Table 6.11: Affordable Housing Need Allocation 2021-2030

Household Income Level	# of Units
At or below 30% AMI	50
30 to 50% AMI	7
51 to 80% AMI	44
<b>Total Units</b>	<b>101</b>

Source: Metropolitan Council, December 2021. This table was updated in 2022 due to the Grand/Exchange Mixed Use Area Comprehensive Plan Amendment.

Table 6.12: Affordable Housing Potential, 2021-2030

Future Land Use	Density (u/ac)		% Res	Net Acres	2021-2030	
	Min	Max			Min Units	Max Units
High Density Residential	20	60	100%	2.8	56	167
Mixed Use	25	60	40%	3.4	34	82
Grand/Exchange Mixed Use	25	75	40%	8.6	86	258
<b>Total</b>				<b>14.8</b>	<b>176</b>	<b>507</b>

Note: This table was updated in 2022 due to the Grand/Exchange Mixed Use Area Comprehensive Plan Amendment.

Any vacant or redevelopable land designated as high density residential or mixed use that is phased to be developed between 2021-2030 may count toward affordable housing calculations.

As seen in Table 6.12, the net developable or redevelopable acres of each applicable land use have been multiplied by the minimum units per acre to determine the minimum number of units that could be developed on this available land. Mixed Use areas only require a proportion of their developable land to be residential, so those percentages apply to the unit count for this calculation.

As seen in Table 6.12, land designated as High Density Residential (HDR) and Mixed Use (MU) will have minimum densities consistent with the 20 units per acre requirement and will allow South St. Paul to meet its allocation of affordable housing need.

## Housing Implementation

Table 6.13 outlines tool that can be utilized by the City, residents, developers, and financiers to meet Housing Needs in South St. Paul. The table identifies each widely-available tool/action, when it would be considered, and what housing need(s) it addresses.

- » Need for maintenance and improvement of existing housing stock
- » Need for a variety of housing types
- » Need for affordable housing

Table 6.13: Housing Matrix

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
South St. Paul Economic Development Authority	Entity which distributes funds and guides housing and redevelopment in South St. Paul.	The City actively uses its EDA for economic development and housing functions. The circumstances under which the EDA will be "used" are well spelled out in State Statute, and the City will exercise its authority whenever appropriate and beneficial to advance the public good.	Tool addresses multiple housing need categories
City Code Enforcement	The City's Code Enforcement Officer enforces compliance with the zoning code and responds to property maintenance concerns in order to maintain property values in the City.	The City currently employs one Code Enforcement Officer.	Maintenance and improvement of existing housing stock

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Community Development Block Grants (CDBG)	<p>The Dakota County Community Development Agency (CDA) administers the CDBG program. Funding is split between Municipalities (75 percent) and County-wide Activities (25 percent). These county-wide programs include:</p> <ul style="list-style-type: none"> <li>» Homeowner well-sealing program</li> <li>» Septic system repair</li> <li>» Fair housing activities</li> </ul>	<p>Following HUD's schedule of annual CDBG allocations, the City will continue to reserve a portion of its CDBG allocation each year to continue the home rehabilitation loan program</p>	<p>Tool addresses multiple housing need categories</p>
Home Improvement Loan Program	<p>Administered through CDA utilizing CDBG and MHFA funds to provide rehabilitation loans to low- and moderate-income homeowners for projects ranging from:</p> <ul style="list-style-type: none"> <li>» Roof replacement</li> <li>» Furnace replacement</li> <li>» HVAC</li> </ul>	<p>The City will continue to allocate CDBG funds and to refer those that may benefit from said programs to the CDA.</p>	<p>Maintenance and improvement of existing housing stock</p>
Housing Choice Voucher	<p>The CDA administers this Federal program that provides rental assistance for over 300 families.</p>	<p>The City will continue to refer those that may benefit from said programs to the CDA.</p>	<p>Affordable Housing</p>
Public Housing	<p>The City owns two highrises with a total of 296 one-bedroom apartments. This housing is designed for independent living for individuals with low to moderate incomes.</p>	<p>Beginning in 2019, the City will contract with CommonBond for the management of the two highrises.</p>	<p>Affordable Housing</p>
CAP Agency Weatherization Program	<p>Program administered by the CAP Agency and Dakota County CDA that provides income qualified homeowners a grant to help make their home more energy efficient.</p>	<p>The City will continue to refer those that may benefit from said programs to the CDA.</p>	<p>Maintenance and improvement of existing housing stock</p>
CAP Agency Energy Assistance Program	<p>CDA partners with Scott-Carver-Dakota County CAP Agency and provides grants to help income qualified homeowners pay their heating bills.</p>	<p>The City will continue to refer those that may benefit from said programs to the CDA.</p>	<p>Maintenance and improvement of existing housing stock</p>
Tax Increment Financing (TIF)	<p>State Statutes allow for the use of TIF for affordable housing. The City mainly uses TIF for commercial and industrial properties. Could look into using TIF for residential properties.</p>	<p>The city will consider utilizing tax increment financing to support the creation of a broad range of housing options. The EDA supports the creation of both Redevelopment Districts and Housing Districts as needed to address funding gaps in residential projects.</p>	<p>Tool addresses multiple housing need categories</p>

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Rental Licensing and Inspections Program	All property owners operating their residential properties as a rental property must secure a rental license annually from the City to do business.	The City will continue its annual rental licensing program. The City requires rental licenses for all multi-family and single-family rental properties.	Maintenance and improvement of existing housing stock
Single Family Home Rehabilitation Loans	Dakota County CDA program with deferred loans of up to \$25,000 are available to home owners to cover improvements or repairs such as roof replacement, furnace replacement, insulation, electrical and plumbing repairs. The loans do not require monthly payments and the interest on the loans is forgiven if the loan is repaid within the first five years.	The City will continue to refer those that may benefit from said program to the CDA.	Maintenance and improvement of existing housing stock
Rental Rehabilitation Loan Program	The Center for Energy & Environment provides technical assistance and financing for rental property owners. The Dakota County CDA administers a Rental Rehabilitation Loan Program to help improve the safety, integrity, accessibility and curbside appeal of affordable rental housing throughout the County.	Rehabilitation and renovation of existing units	Maintenance and improvement of existing housing stock
Senior Housing Program	The CDA has partnered with Dakota County to develop and construct affordable senior housing throughout the county.	Project has been new development; program provides low subsidy senior housing.	Housing Variety Affordable Housing
Fair Housing Policy	Fair housing policy is a means to identify how the City will advance Federal Fair housing requirements.	The City will consider adopting a local fair housing policy in order to ensure that the City is aware of fair housing obligations with regard to housing decisions and providing sufficient resources to educate and refer residents who feel their fair housing rights have been violated.	Tool addresses multiple housing need categories
Zoning and Subdivision Ordinances	Adopted ordinances are the way the city implements the Comprehensive Plan	These ordinances apply to new development and expansion of existing uses or changes to existing uses. The City will regularly review its zoning and subdivision ordinances to identify any regulations that inhibit the housing priorities in this document.	Tool addresses multiple housing need categories

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Guiding land at densities that support affordable housing	High Density Residential and Mixed-Use are deemed to provide more opportunities for future affordable housing.	City has guided areas along Concord Street and along Concord Exchange for mixed use. These are likely areas for high density residential uses.	Tool addresses multiple housing need categories
Tax Base Revitalization Account (TBRA)	Program through the Livable Communities Act promoting Brownfield redevelopment, job creation, and affordable housing with link to existing transit.	New development or redevelopment.	Tool addresses multiple housing need categories
Livable Communities Demonstration Account (LCDA)	Program through the Livable Communities Act promoting development/redevelopment to create efficient and connected jobs housing, and services.	Planning and development of new housing.	Tool addresses multiple housing need categories
Local Housing Incentives Account (LHIA)	Program through the Livable Communities Act (Metropolitan Council) to preserve and create affordable housing.	New development or redevelopment, affordable housing.	Affordable Housing
Tax Abatement	State Statutes allow for the City to abate city portion of property taxes for various purposes including affordable housing.	The city does not intend to utilize Tax Abatement to support residential development.	Tool addresses multiple housing need categories
Scattered Site Housing Program	The CDA's "scattered site" concept disperses and integrates affordable rental housing in neighborhoods throughout Dakota County.	Housing ranging from single family homes through apartments for low to moderate incomes	Housing Variety Affordable Housing
HOME – Home Investment Partnership Program	The CDA administers the HOME program, which allocates funding from a consortium with Anoka, Ramsey, Washington, and Dakota Counties as well as the Cities of Coon Rapids and Woodbury. Funds are used to develop affordable medium and high density housing development.	The City will continue to support the CDA's efforts in the procurement and spending of HOME funds to provide rental assistance to very low-, low-, and moderate-income households.	Tool addresses multiple housing need categories

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Site Assembly	The South St. Paul EDA can assemble small sites to create parcels large enough to accommodate new development.	The City, through its HRA (now defunct) and EDA, has historically been the primary agent in assembling sites for future redevelopment, including site assembly for housing and mixed-use development.. The EDA's focus in the near-term is on marketing and conveying existing assembled properties for residential and mixed-use development. As additional opportunities arise, the EDA may attempt to assemble additional sites for residential development.	Tool addresses multiple housing need categories
Workforce Housing Program	The CDA partners with private corporations to fund the construction of workforce housing for moderate-income families. These developments often utilize low income housing tax credits in their financing as well.	New workforce housing development.	Housing Variety Affordable Housing
HOPE (Housing Opportunities Enhancement) Program	CDA and Dakota County program to provide gap-financing for the acquisition, new construction, and preservation of affordable housing – both rental and ownership. HOPE assisted units are rental units affordable to households at or below 50 percent AMI, or home ownership units affordable to households at or below 80 percent AMI	New construction, acquisition, rehabilitation, or indirect or direct assistance with home ownership opportunities. Funding is via deferred loan and requires a 2:1 match.	Maintenance and improvement of existing housing stock
Low-Income Housing Tax Credits (LIHTC)	CDA allocates Minnesota housing tax credits to housing developers for projects that have subsidized units. The CDA has also been a developer of units that utilize low-income housing tax credits.	Allocated to new developments on a competitive basis depending on guidelines and selection criteria set forth in the CDA Qualified Action Plan. Once allocated, the credits are sold to an investor to generate equity for construction. The investor becomes a limited partner in the project and uses the tax credits to receive a reduction in federal tax liability each year for 10 years.	Affordable Housing

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
MHFA Rehabilitation Loan Program	The South St. Paul EDA works directly with the Minnesota Housing Finance Agency (MHFA) that loans funds through their Home Improvement Loan Program (see above). MHFA Rehabilitation Loan Program funds are specifically meant to serve very low-income homeowners at or below 30 percent AML.	Existing single family homes	Maintenance and improvement of existing housing stock
Housing Counseling	CDA provides free one-on-one sessions as well as in-depth classes for a fee regarding a variety of topics for home ownership and financing. <ul style="list-style-type: none"> <li>» Homebuyer education</li> <li>» Pre-purchase counseling</li> <li>» Refinance counseling</li> <li>» Foreclosure counseling</li> </ul>	Home ownership; education for existing and potential homeowners.	Tool addresses multiple housing need categories
First Time Homebuyers Program	CDA provides low-interest mortgage financing for first time-homeowners.	Home ownership; 30-year fixed amortizing fixed-rate FHA or VA mortgage loans or HFA Preferred conventional mortgage loans.	Tool addresses multiple housing need categories
Down Payment & Closing Cost Assistance Program	CDA program designed to help the first time homebuyer with the initial costs of owning a home. The CDA offers down payment and closing cost assistance 2nd mortgage loans. These loans are 0% interest deferred loans of up to \$8,500 in down payment and closing cost assistance to those who qualify.	Home ownership; Participants must not exceed the maximum income limits or maximum purchase price.	Tool addresses multiple housing need categories
Family Housing Partnership Program	The CDA program forms public-private limited partnerships to syndicate low income housing tax credits and to raise the equity from the private sector through the financing of below market loans and grants.	New development or redevelopment.	Affordable Housing
Family Townhome Program	CDA program designed for moderate-income families with children under the age of 18 years. Applicants must meet eligibility requirements prior to becoming a resident of the program. This includes meeting program income.	New development or redevelopment.	Housing Variety Affordable Housing
Land Bank Twin Cities	Land Bank is a Twin Cities-based organization specializing in land acquisition, development and preservation, as well as real estate financing and brokering.	The City does not plan on becoming an active partner with Land Bank Twin Cities.	

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Locally Issued Housing Bonds	Housing Bond financing is a tool that can provide direct financing or indirect conduit financing support. The City is not a direct financier of housing projects and relies on the CDA to finance public affordable housing programs in the City. The City from time to time may engage in conduit financing for affordable housing projects.	The City will continue to work with the County's Community Development Agency (CDA) to identify a variety of housing funding options on a project specific basis. Currently, there is no scenario under which the City of SSP would consider issuing housing bonds.	Affordable Housing
Consolidated Request for Proposals from Minnesota Housing	Process through Minnesota Housing provides a means of "one stop shopping" by consolidating and coordinating multiple housing resources into one multifamily application process.	The City would consider supporting/sponsoring an application to the Consolidated RFP programs through MHFA for residential project proposals in areas guided for high density residential and mixed use, prioritizing projects that provide units that are affordable to very low-, low-, or moderate-income households.	Affordable Housing Housing Variety
City participation in housing-related organizations, partnerships, and initiatives	Regional Council of Mayors: A group facilitated through Urban Land Institute (ULI) Minnesota as an opportunity for mayors within the Twin Cities Metropolitan Regional to collaborate	The City is committed to participating in housing related partnerships. The Mayor is active in the ULI Regional Council of Mayors. The current EDA Executive Director is a board member for Affordable Housing Connections.	Tool addresses multiple housing need categories
Preservation of existing Low Income Housing Tax Credit Properties (LIHTC)	CDA allocates Minnesota housing tax credits to housing developers for projects that have subsidized units. The CDA has also been a developer of units that utilize low-income housing tax credits.	The city will continue to support the County's Community Development Agency (CDA) in its Low-Income Housing Tax Credit projects. The City will also work with Dakota County, advocacy organizations, and property owners to explore opportunities to preserve properties currently under low-income tax credit programs.	Affordable Housing
Housing Improvement Areas (HIAs)	CDA program to provide homeowners associations loan funding to make improvements to common areas within their subdivisions.	The City does not currently have a local HIA policy. The city will explore the adoption of an HIA policy.	Maintenance and improvement of existing housing stock

TOOL	DESCRIPTION	CIRCUMSTANCES AND SEQUENCE OF USE	HOUSING NEED
Supporting the development or expansion of a Community Land Trust	A community land trust model can create and preserve affordable homeownership opportunities	The City will explore opportunities to collaborate with a community land trust to support affordable housing options at various levels of density.	Affordable Housing
Tools that preserve private unsubsidized affordable housing (NOAH Impact Fund, MN Housing, 4(d) tax incentives)	NOAH Impact Fund: Program through the Greater Minnesota Housing Fund to preserve naturally occurring affordable housing (NOAH)	The City will explore opportunities with the Minnesota Housing Fund on the use of NOAH Impact Funds to finance the acquisition and preservation of naturally occurring affordable housing.	Affordable Housing
Tools that preserve private unsubsidized affordable housing (NOAH Impact Fund, MN Housing, 4(d) tax incentives)	4(d) Tax Incentives: A possible program where cities help apartment building owners obtain property tax reductions if they agree to keep a certain percentage of their rental units affordable	The City will evaluate the appropriateness of a local 4d tax incentive policy.	Affordable Housing
Manufactured Home Park preservation tools, including right of first refusal and making repair funds available to stick built homeowners available to manufactured home owners	Tools to help preserve manufactured housing include education, referrals and grants.	The City will explore the use of manufactured home park preservation tools to support the health of the manufactured home park in the community.	Affordable Housing

# Housing Goals and Policies

**Purpose:** Reinvestment in the City's housing stock is a priority. As seventy five percent of the City's taxable market value is residential property; reinvestment in housing also provides potential dividends for the City's economic health.



Aspect of  
Sustainability:  
» Maintenance

**Goal 6.1:** The City will support existing rehabilitation efforts and will explore options for reinvestment in the City's housing stock to ensure the best return on investment in these programs.

- Policy 6.1.1: Encourage housing rehabilitation and modifications that increase housing value.
- Policy 6.1.2: Continue the Time of Sale housing inspection program.
- Policy 6.1.3: The City and South St. Paul EDA/HRA, will continue to work collaboratively with Dakota County Community Development Authority (CDA) and other agencies to improve the residential neighborhoods through selective redevelopment and through programs such as the home rehabilitation loan program that is run by the CDA.
- Policy 6.1.4: Continue existing home improvement programs by the City, Economic Development Authority, Dakota County CDA, and local banks.
- Policy 6.1.5: Periodically review funding opportunities for housing reinvestment programs; explore public partnerships and public-private partnerships as means to provide new funding sources.
- Policy 6.1.6: Evaluate the housing condition every five years.

**Goal 6.2:** Keep neighborhoods safe, attractive, and vital and improve their livability through urban design.

- Policy 6.2.1: Identify neighborhoods where increased lighting or other infrastructure changes would improve safety and livability.
- Policy 6.2.2: Identify vacant parcels too small for development that could become pocket parks or neighborhood green space to be adopted and beautified by neighborhood groups.
- Policy 6.2.3: Evaluate existing programs relating to neighborhood beautification and determine possible change or improvements (i.e. tree trimming and planting).
- Policy 6.2.4: Evaluate implementation of a neighborhood specific streetscape theme (neighborhood identification signs, replacement trees specific to a neighborhood, etc.).

**Goal 6.3:** Adopt subdivision and zoning regulations that require interconnected local streets, sidewalks on at least one side of all local and collector streets, and trees along all streets.

Policy 6.3.1: Use regulations and incentives to produce new infill neighborhoods that are attractive, diverse and have lasting value.

Policy 6.3.2: Explore revised residential design and streetscape standards for development of new residential neighborhoods and redevelopment of existing residential neighborhoods.

**Goal 6.4:** Maintain and improve the existing housing stock in South St. Paul. Promote ongoing maintenance of owner occupied and rental housing and respond quickly and appropriately to concerns about properties that are not adhering to City regulations.

Policy 6.4.1: Continue to recognize homeowners and rental property owners that maintain or improve their homes in an extraordinary manner.

Policy 6.4.2: Encourage responsible property ownership; owners are responsible for the property maintenance and upkeep of their properties.

Policy 6.4.3: Implement improved rental-housing regulations, ensuring that rental properties exhibit proper maintenance.

Policy 6.4.4: Use systematic code enforcement program to ensure proper maintenance and upkeep of properties.

Policy 6.4.5: Continue the Graffiti Abatement program.

Policy 6.4.6: Develop and implement an aggressive housing maintenance code.

Policy 6.4.7: Identify apartment buildings eligible for rehabilitation and restoration.

Policy 6.4.8: Utilize the tools available, such as City codes and housing programs to remove blighted properties from neighborhoods.

Policy 6.4.9: Develop and implement procedures expediting the hazardous building condemnation process.

Policy 6.4.10: Continue partnerships with realtors and rental property owners to enforce ordinances.

Policy 6.4.11: Establish criteria for City involvement in helping to manage vacant buildings and properties.

Policy 6.4.12: Continue to encourage preservation of the livability of existing residential neighborhoods by the City's proactive graffiti abatement program and the code enforcement program to address property maintenance issues.



### Aspects of Sustainability:

» Land Use/Buildings

» Maintenance

**Purpose:** Encourage a range of high-quality housing options to meet the needs of the varying demographics of South St. Paul.

**Goal 6.5:** Promote safe, affordable and high-quality housing options for all.

Policy 6.5.1: Support housing development opportunities that will yield high-quality community amenities.

Policy 6.5.2: Support housing development opportunities that will yield a diverse array of housing affordability options.

Policy 6.5.3: Encourage partnerships with programs that reduce the home improvement and maintenance cost burden for low-income households.

Policy 6.5.4: Encourage partnerships with programs that reduce the cost burden for first-time homebuyers looking to purchase a home in the community.

Policy 6.5.5: Evaluate opportunities to add flexibility in the City's zoning ordinances that would allow for greater housing diversity and quality.

Policy 6.5.6: The City and South St. Paul HRA will also work with the Dakota County Community Development Authority, Minnesota Housing Finance Agency, and Metropolitan Council to assist in meeting the City housing goals.

**Goal 6.6:** Continue to work towards building and maintaining a community that is attractive to both long-time residents and new residents.

Policy 6.6.1: Support, incentivize, and encourage a diverse array of housing options for people of all ages and life stages.

Policy 6.6.2: Encourage housing and land use policies that produce and maintain housing that is attractive to families, younger residents and newcomers.

Policy 6.6.3: Encourage housing and land use policies that allow residents to "age in place" and stay in South St. Paul as they become older.

Policy 6.6.4: Encourage housing development that provides single-level housing options such as apartments, condominiums and patio homes, for seniors and other residents that want to remain in the community but need the accessibility of single-level housing units.

Policy 6.6.5: Encourage universal design in housing to allow housing units that are designed to meet the needs of more potential residents.

**Goal 6.7:** Encourage different housing types, including more opportunities for life-cycle housing in order to provide housing that meets a variety of needs.

- Policy 6.7.1: Identify areas in the City appropriate for diverse housing types: single-family homes, attached and detached townhouses, cottage homes, cluster developments, senior housing developments, apartments, condominiums and mixed-use housing developments.
- Policy 6.7.2: Evaluate the use of vacant and underutilized lands for housing opportunities. Consider acquisition or work with partners to realize housing opportunities on these sites.
- Policy 6.7.3: Consider redevelopment of existing residential areas where density is low, amenities plentiful, and housing condition is poor.
- Policy 6.7.4: Assist and encourage developers of diverse housing types to develop available land within the City.
- Policy 6.7.5: Amend zoning and subdivision ordinances to allow for the construction of diverse housing types.

**Goal 6.8:** Identify areas for potential housing development/ redevelopment within the community.

- Policy 6.8.1: Expand the range of housing options in and around the Southview Hill area.
- Policy 6.8.2: Explore the potential of the North Stickney Area (west of Stickney Avenue, north of Wilson Avenue, south of Bircher Avenue) to accommodate and area for larger homes.
- Policy 6.8.3: Explore residential housing opportunities at redevelopment sites.
- Policy 6.8.4: The former Jefferson School site offers a potential area for either civic/institutional uses or residential development. Work with the School District to explore potential reuse of this site and preserve space for recreational uses.
- Policy 6.8.5: The redevelopment of the Dawn Way Landfill offers an opportunity for residential development at the northwest corner of the site. Existing residential uses adjacent to the site should be buffered from other non-residential uses.

- Policy 6.8.6: Explore opportunities for Mixed-Use Housing. This may include the vertical integration of mixed uses within a building (first floor commercial, offices or residential above) or a horizontally integrated mixture of uses on the block. Concord Exchange, Southview Hill, North and South Concord Street, and the properties east and west of Central Square Park are possible locations for these type of developments.
- Policy 6.8.7: Explore opportunities for High Density Residential uses such as at the northeast corner of 5th Avenue South and South Street, and on Bryant Avenue hill west of Concord Street.
- Policy 6.8.8: Provide more opportunities for life cycle housing from workforce, senior, market-rate, as well as opportunities for higher end housing products. Encourage preservation and reinvestment in existing housing stock. Make changes to zoning to accommodate these housing goals.



Action	Time Frame	Same As
Action 6.8: Implement improved rental-housing regulations, ensuring that rental properties exhibit proper maintenance.	0-5	
Action 6.9: Establish criteria for City involvement in helping to manage vacant buildings and properties.	5-10	