



Center for Urban and Regional Affairs

## KRIS NELSON COMMUNITY-BASED RESEARCH PROGRAM

*...a program of the Center for Urban and Regional Affairs (CURA)*

# Strategies for Affordable Rental Housing

**Prepared in partnership with**  
Saint Anthony Park Community Council

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# STRATEGIES FOR AFFORDABLE RENTAL HOUSING

SAINT ANTHONY PARK  
COMMUNITY COUNCIL

By Liz Engels Morice

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# SECTION I: HOUSING IN S.A.P

This section reviews demographic changes in the neighborhood to provide a picture of housing opportunities and needs.

# 1b. Population Changes

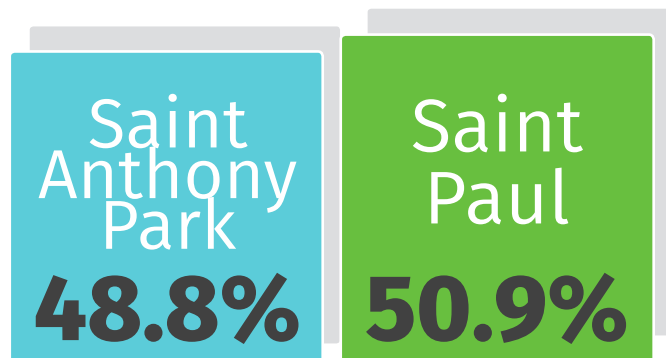
Along with new development has come new population growth, unseen in previous decades. While between 1990 and 2000, population in Saint Anthony Park decreased slightly by around 8.7 percent, between 2000 and 2017 population increased by 33%.

## Population Change 1990-2017: St. Anthony Park & St. Paul

	1990	2000	2017*	Change '90-'17
SAP	6,656	6,076	8,080	21%
St. Paul	272,338	278,521	306,621	13%

\*2013-2017 ACS 5-year Estimate

Overall during this period between 1990 and 2017 the population has increased by 21% compared to St. Paul’s overall growth of 13%. At the same time, median income in Saint Anthony Park has decreased slightly. **The median household income in the neighborhood in 2000 was \$62,652 and by 2017 it had fallen to \$55,308, a 11.7% decline.** This is slightly below the 60% of AMI (Area Median Income is \$94,300) for the Twin Cities for a family of four. In 2017, 45.6% of households surveyed were family households, with 19.1% having children under 18. Around one fifth of households surveyed or 19.5% are living below the federal poverty level. A majority of this group are between the ages of 18-24, however 20.7% are between the ages of 45-54 and 19.4% are 65 and older. Neighborhood residents are cost-burdened. Close to half (48.8%) of SAP renters are spending more than 30% of income on their housing (MNCompass.org).



Cost-Burdened Rental Homes

# 1a. Neighborhood Changes in Housing Stock

Saint Anothy Park (SAP) has seen a number of changes in the last few years. While across the Twin Cities there has been development and population growth due to renewed interest in urban living, SAP has also experienced significant public investment through light rail development. This has contributed to a surge in housing growth, particularly with larger apartment complexes and condominiums. According to parcel data from Ramsey County which aggregates a number of tax-related reporting measures, between 2013 and 2018 there was a 27% overall increase in apartment rental units. While the number of multi-family buildings does not appear to have changed significantly, this is likely due to the slight decrease in smaller unit buildings (2-3 units) and a slight increase in the largest sizes of buildings (20-100 units and 100+ units).

## Rental Housing Growth 2013-2018, by type

Number of Units in Building	2013	2018	Number Change	Percent Change
2-3 units	163	157	-6	-4%
4-9 units	32	32	0	0%
10-19 Units	32	32	0	0%
20-100	12	15	3	25%
100+	8	12	4	50%

Data Source: Ramsey County Parcel Data, Geospatial Commons

Rental housing has also increased in the area of single-family homes and condominiums which saw a 59% increase. This is likely both due to new construction of condominiums and conversion of existing single-family homes into rentals. (Ramsey County Parcel Data 2013 & 2018).

## Neighborhood Change 2013-2018: Multi-Family & Single-Family Rentals

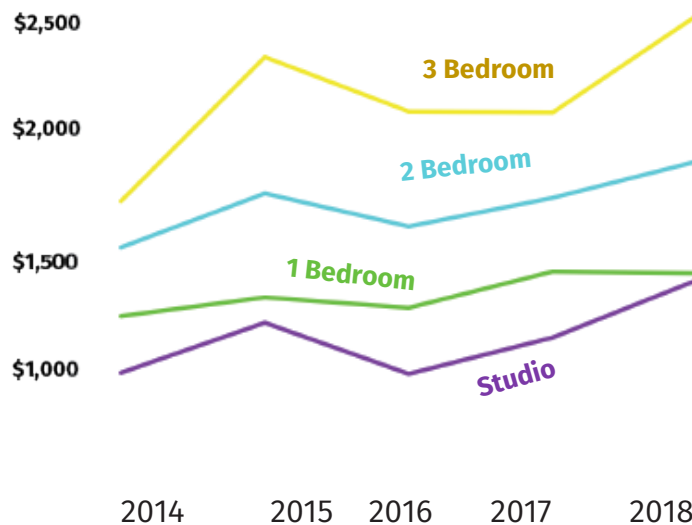
	2013	2018	Change	Percent Change
Total Multi-Family Buildings	247	248	1	0%
Total Units	2774	3512	738	27%
Non-Homestead Single-Family & Condos	180	287	107	59%

# 1c. Changes in Rental Housing

While there has been a significant increase in rental housing stock, there is also a notably low vacancy rate in the neighborhood. According to Minnesota Compass Analysis of five-year American Community Survey (ACS) Census data, the percentage of housing that is vacant in Saint Anthony Park neighborhood is 2.9% compared to 5.7% across St. Paul and 6.1% in neighboring Minneapolis. A number of factors might be contributing to this low vacancy rate including increased demand for housing due to universities in the area, public investment like the light rail and area job growth.

The resulting higher demand and lower vacancy rate may be contributing to a significant increase in asking rental prices. Rent for all sizes of units has increased in the past five years.

**Change in Asking Rent 2014-2018:  
Saint Anthony Park**



Analysis using averaged asking rental prices from Housing Link which agglomerates advertised units from a wide variety of sources shows rents on average have increased for every size of rental units by between 9.9% and 40.6% in St. Anthony Park.

**Percent Change of Asking Rent 2014-2018: SAP**

	Studio	1-br	2br	3br	4br
Change overtime	36.9%	9.9%	18.9%	40.6%	16.8%

# 1d. Definitions of Affordable Rental Housing

## Affordability

Affordability has many different meanings and is based on individual household needs. Generally, affordable living is when household costs do not exceed 20-30% of household income. Households who spend greater than 30% of their income on housing are considered “cost-burdened” for census purposes. Various government agencies use different income measures and guidelines of affordability.

## St. Paul Housing Authority

The St. Paul Housing Authority has income limits for housing assistance based on 80%, 50% and 30% of Median Family Income(MFI). Individuals below these thresholds could qualify for some assistance or public housing. With public housing in limited supply, priority is given to elderly, near-elderly and disabled individuals.

Family Size	Low Income 80% MFI	Very Low Income 50% MFI	Extremely Low Income 30% MFI
1 Person	\$52,850	\$35,000	\$21,000
2 Persons	\$60,400	\$40,000	\$24,000
3 Persons	\$67,950	\$45,000	\$27,000
4 Persons	\$75,500	\$50,000	\$30,000
5 Persons	\$81,550	\$54,000	\$32,400
6 Persons	\$87,600	\$58,000	\$34,800
7 Persons	\$93,650	\$62,000	\$39,010
8+ Persons	\$99,700	\$66,000	\$43,430

Source: St. Paul Housing Authority



# 1e. Definitions of Affordable Rental Housing

## Metropolitan Council

The Metropolitan Council establishes area rent limits for home-ownership and rentals. The limits are based on Area Median Income which for a family of four is established as \$94,300. This means a family can earn up to \$71,900 and still qualify for affordable housing.

# Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI
Efficiency	\$495	\$826	\$991	\$1,321
1 Bedroom	\$531	\$885	\$1,062	\$1,416
2 Bedrooms	\$636	\$1,061	\$1,273	\$1,697
3 Bedrooms	\$735	\$1,226	\$1,471	\$1,961
4 Bedroom	\$820	\$1,367	\$1,640	\$2,187

Source: Metropolitan Council

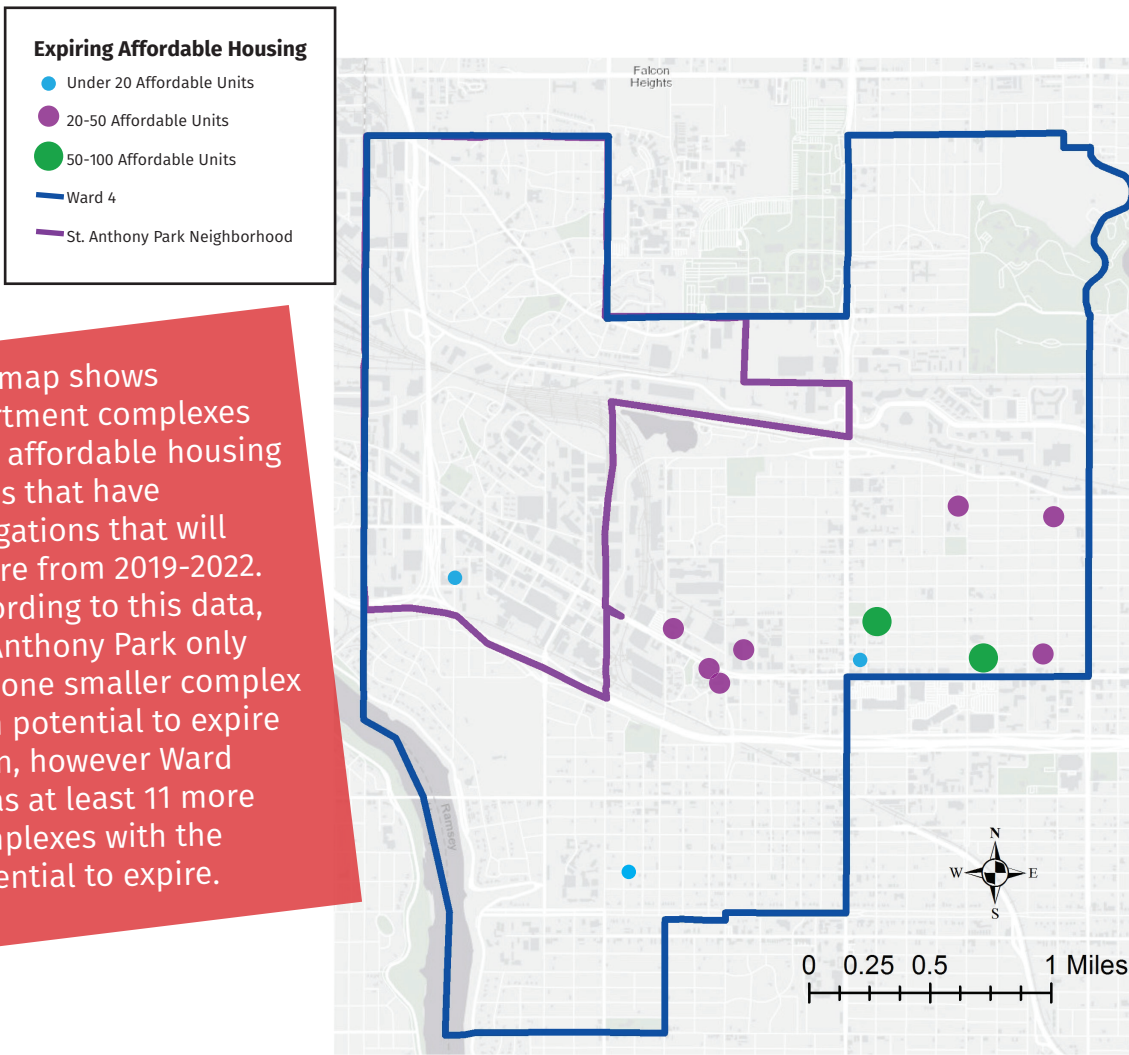
## Cost of Housing Development

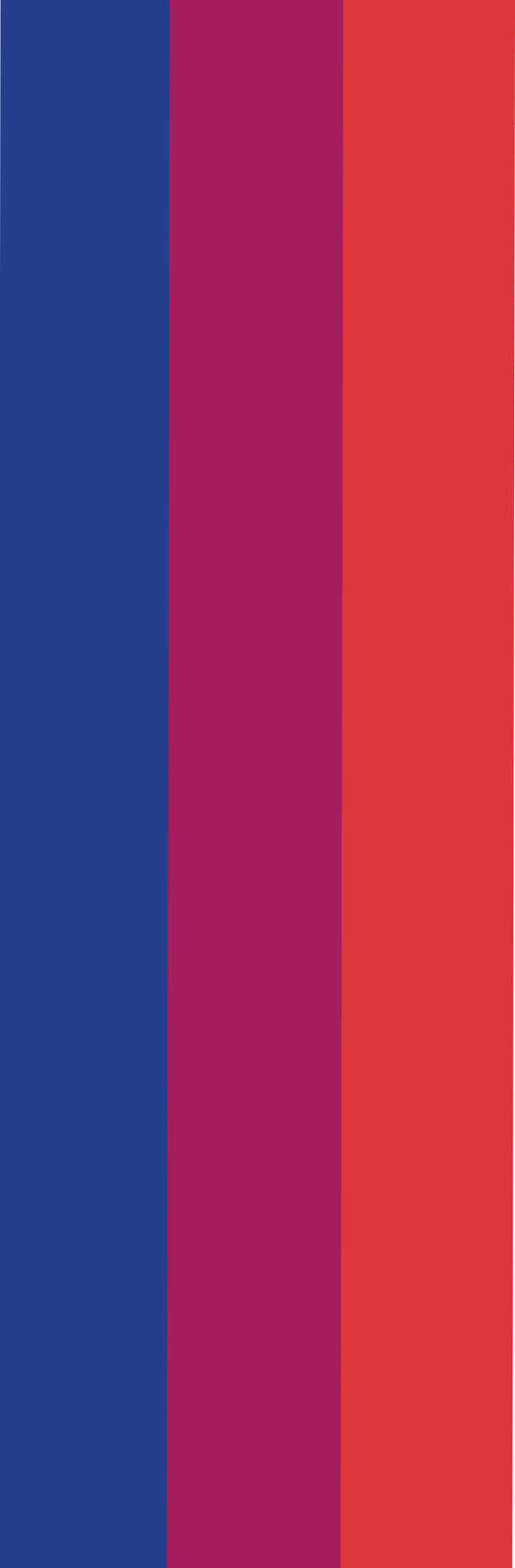
In order for developers to qualify for federal, state and local programs that support affordability they must meet various guidelines. Housing that is considered to qualify for affordable housing development loans must meet extra building requirements, so according to some developers affordable housing construction costs more. Costs for housing construction include construction, design and city fees and approvals. Development can also have a significant cost. In the Twin Cities area, a new apartment unit costs around \$300,000 according to area developers interviewed for this report. The cost varies slightly based on square feet, amenities, and the number of bedrooms.

# 1f. Expiring Affordable Housing

Below is a map of affordable housing developments that used federal, state or local funding sources with time limitations. The time limitations obligate affordable housing developments to keep an agreed upon number of housing units affordable for a certain length of time, designated by the loan or program policy. This map uses information from housinglink.org Streams data base and shows complexes that have either expired or will expire in the next three years. While the expiration dates may free a development up to become fully market rate, developments may stay affordable past their date. For a full list of expiring affordable housing see the following page.

## Expiring Affordable Housing 2018-2022: Saint Anthony Park & Ward 4





# SECTION II: STRATEGIES FOR AFFORDABLE RENTAL HOUSING

This section includes information about commonly used strategies to support affordable housing. The report takes a closer look at strategies that provide an opportunity for local invention and specifically helping renters.

## 2a. Overview of Strategies for Affordability

Many housing advocates name three overarching solutions to the shortage of affordable housing: first to preserve existing affordable housing, second to create more affordable housing, third to increase the economic power of those in need of housing so they can build wealth and have more choices. Some strategies for these are listed below along with the governmental level of intervention that currently impacts these strategies.

Purpose	Strategy	 LOCAL	 STATE	 FEDERAL
	Rent Control		X	
	Tenants Rights Organizing	X	X	
Preservation	Direct Grants & Subsidies	X		X
	Funding Construction	X	X	X
	Inclusionary Zoning	X		
	Accessory Dwelling Unit Ordinances	X		
CREATION	Cooperative Housing	X		
	Rent-to-Own	X		
	Land Trusts	X		
PRESERVATION				

This report focuses on local intervention strategies that specifically help renters.

## 2b. Rent Control

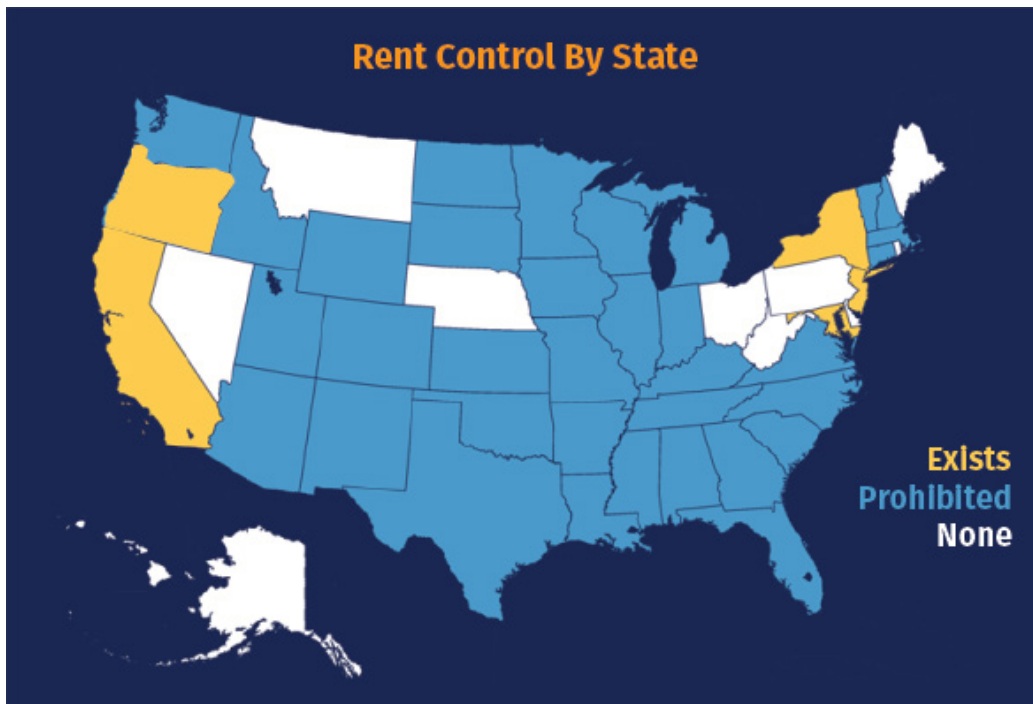


Rent control is a system that is enacted by governments to limit the amount of money a landlord can ask for when leasing a home or renewing a lease (Kenton 2019). Typically, rent control ordinances limit the percentage increase of rent or create a rent ceiling in order to prevent displacement of residents due to unaffordability. Rent control has helped lower-income residents stay in their homes. However, if tenants move, the control has not typically stayed with the apartment, unless the apartment is passed on to a family member. Therefore most rent control policies do not help residents moving into the city or jurisdiction (Penn 2019).

The history of rent control in the U.S. started around 100 years ago. While laws and standard practices around renting began to emerge across the U.S. in the early 1900s, urbanization had created a majority of renters in the U.S. by the 1910s. This was further increased by World War I. These economic and social forces induced the federal government to enact legislation that protected soldiers' families from eviction and rent increases. Similar laws were enacted in Arizona, Delaware, New Jersey and Oregon, but after the war federal courts ruled that housing shortages were over and ended control programs. This happened again in World War II. In the late 1940s several versions of the Housing and Rental Act continued rent control but placed decisions in local hands. This was phased out by 1952, Connecticut, Illinois, Maryland, Minnesota, Missouri, New Jersey, New York, Rhode Island, Virginia and Wisconsin created new rent control ordinances but these ended almost everywhere by the 1950s. There were periodic federal rent freezes in the 1970s to fight inflation. For the most part by the 1970s many rent control policies were more flexible than their previous versions, allowing for some increases in rent.

A recent study by the Urban Institute showed that only 182 municipalities out of 89,000 nationwide have rent control regulations, and all were in New York, New Jersey, California, Maryland or Washington D.C. There are 36 states that forbid local governments from enacting rent control measures, including Minnesota (Kenton 2019). The 2003 American Housing Survey found that only 4.5 percent of occupied rental units in urban areas were rent controlled and for the whole United States that number was lower, at 2.5%. Rent control is still present in cities in California, Maryland, New Jersey, New York, and the city of Washington, D.C. (Plotkin 2007, pg. 4).

Below is a map of rent control across the country with the color blue indicating states where control is prohibited and yellow where rent control exists.



*Source: biggerpockets.com (map was updated for this report)*

As many cities have experienced double-digit rent increases in the past few years, more cities and states are reviewing these laws. In February 2019, Oregon passed a rent increase cap of 7% (Evans 2019). Other states may soon follow as now Illinois and New York are currently reviewing the legislation. Cities that are considering policies include Los Angeles, Providence and Philadelphia (Ivanova 2019).

Numerous studies have said that rent control ordinances have led to inefficient distributions of housing and abandonment and deterioration of existing housing stock as well as a decrease in new construction (Plotkin 2007). Other studies have found that renters in rent-controlled properties stay longer than other apartments, despite changing jobs or other life situations leading to increased commute times (Konop & Lehman 2015). Others have said that rent control units are unfairly subsidized by market rate housing within a building since landlords cannot change rent controlled units, they compensate for these with neighboring leases in the building.

## 2c. Organizing & Tenants' Rights Efforts



Throughout the U.S. there are currently movements to support renters rights. Organizing for better renting conditions has a long history, starting in the 1800s. Tenants' Unions were formed across the U.S. in the late 19th Century and early 20th century, most notably in New York City. Jewish immigrants organized strikes to fight substandard housing from 1904 to 1920. This organizing led to legislation that supported public housing in many U.S. cities. In World War II the government issued wartime rent controls which ended in 1953. The fight continued for lasting rent control at the state and municipal level. The fight was taken to college campuses during the Vietnam War, and in cities across the U.S. was used to fight urban renewal plans, and fight for rights like just admissions and eviction policies. In the 1980s the Reagan Administration tried to implement federal preemption of state and local rent controls. (Keating 2007).

In the Twin Cities, there are a few organizations that are working with tenants to prevent eviction and support other rights. Home Line provides free legal service to tenants experiencing issues with their landlords (HomeLinemn.org 2019). Inquilinx Unidxs por Justicia are fighting for racial justice and rent control in order to stop unfair housing and displacement (InquilinxUnidxs.org 2019). CLUES (Comunidades Latinas Unidas En Servicio), an organization that works mainly with the Latinx community, is advocating for a statewide tenants' bill of rights (www.clues.org 2019).

In times of war and emergency, the Federal government has enacted legislation preventing rent increases and evictions. After World War I several states enacted legislation to prevent discrimination against children and against evictions. The city of St. Paul is currently reviewing just-cause eviction policies which would give renters more protections from eviction when buildings are sold or landlords want to raise the rent (Housing Summit 2019).





## 2d. Inclusionary Zoning

Inclusionary Zoning is a type of ordinance enacted by a municipality to incentivize or require developers to designate a percentage of units in a development at below market rates (BMR). The policy might require the units to be affordable at a specific income level, like 60% of the area median income. The policies vary between cities and might be triggered at a certain size of development (like more than 10 units) or might have steeper requirements based on the size of development. Some cities also include exceptions in their Inclusionary Zoning or allow for developers to pay a fee in lieu of the construction of the space. While often times the units might still be unaffordable to many people, the policy might help create affordable housing for people who earn too much money or otherwise cannot qualify for traditional subsidies like Section 8 vouchers.

Inclusionary Zoning is thought of as a measure to increase affordability but was created in the early 1970s as a means of fighting against “exclusionary zoning” ordinances which were policies that separated wealthy and poor neighborhoods or segregated communities of color from white communities. In places where Inclusionary Zoning is optional, it is sometimes tied to density bonuses or other incentives. Critics say the policies incur costs for developers which then makes them develop less housing overall which contributes to increasing prices for market rate housing.



Many cities have attempted to implement these policies, and they have increased in popularity since the year 2000 (Schneider 2018). Minnesota has inclusionary zoning in a few cities in the Twin Cities area. These are summarized on the following page. St. Louis Park was the first city in the region to create a policy, although their policy is strictly tied to developments receiving funding from the city. Edina had the first comprehensive policy. They were followed by Bloomington and Minneapolis. Bloomington's policy includes many options for alternatives as well as flexibility in the long-term requirements, basing the percentage of affordable units required on economic study and is the favorite of local developers interviewed for this report.



## 2e. Metro Comparison of Inclusionary Zoning

City	Policy Features	Affordability Requirement	Incentives & Exeptions
Bloomington	<ul style="list-style-type: none"> <li>*Phase in period – to test, evaluate, and educate</li> <li>*Routine evaluation to respond to market changes</li> </ul>	Requirements (9% minimum) based on an economic study that will be reviewed on an ongoing basis	Flexibility/incentives increase with the increase in affordability
Edina	<ul style="list-style-type: none"> <li>*Size of 20 units or more that require Planned Unit Development (PUD) or a Comprehensive Plan amendment;</li> <li>Remains for 15 years</li> </ul>	10% of all rental area at 50% affordable or 20% at 60% depending on building size and density	<p>Incentives include: Density bonuses, parking reductions, TIF, deferred low-interest loans from Edina Housing Foundation</p> <p>Exeptions Include:</p> <ul style="list-style-type: none"> <li>*Dedication of a developer’s existing units to 110% of what is proposed which must be of an equivalent quality</li> <li>*New construction of affordable units on a different site</li> <li>*Participation in the construction of affordable units by another developer</li> <li>*Alternative proposed by the developer</li> </ul>
Minneapolis	<ul style="list-style-type: none"> <li>*Flexibility depending on level of city assistance for the project</li> </ul>	<ul style="list-style-type: none"> <li>*10% affordable at 60% of AMI- no city financial assistance- affordable for 20 years</li> <li>*20% affordable to 50% AMI, eligible to apply for city financial assistance- affordable for 30 years</li> </ul>	Exception in some zoning areas-r3 &r4- then applies only if needing a density bonus exceeding 60% or more
St. Louis Park	<ul style="list-style-type: none"> <li>*Affordable for 25 years for developments that require the city’s financial assistance</li> </ul>	5-20% of units must be affordable	In lieu can pay a 5%, 10%, 15%, or 20% fee based on the level of affordability required

## 2f. Accessory Dwelling Units



Accessory Dwelling Units or ADUs are additional homes that are added onto an existing single-family home. They are sometimes referred to as granny flats or carriage houses. They are constructed on top of garages, within the existing homes, adjacent to homes and in the existing yard. Although ADUs have existed for many years, they became less common in the mid 20th century because their construction was disincentivized by federal loan programs and in many places their construction was banned entirely. With all the urban changes that have happened since 2000, ADU policies are becoming more popular in cities across the country (Kirk 2018). Both St. Paul and Minneapolis developed ADU policies in recent years. However, compared to other cities nationwide, development in this region has been limited.

St. Paul's Ordinance at first only allowed for ADUs up to ½ mile from University Avenue between Emerald and Lexington (the light rail transit corridor). One study showed that in St. Paul only one ADU was applied for in the first two years of the policy (Melo 2018) so in 2018 the city expanded the policy across the city.

The current ordinance has:

- Minimum lot size: 5,000 SF
- Maximum footprint size: 1,000 SF or ⅓ of the original building footprint
- Owner occupancy requirement (annual affidavit must be filed)
- No parking requirement
- Annual review fee of \$63.00

While many cities and states have loosened regulations on ADU's, the building movement has especially taken hold in Portland, Vancouver, Seattle and across California. Studies on ADUs have shown there may be financial disincentives



to building them because they are typically not considered part of the income for a house at the time of sale. Homes with ADUs might be undervalued on average 9.8%. Developers do not see the financial benefits; most ADUs are funded by personal savings according to a study in Portland. These policies are further explored in Section III.

## 2g. Cooperative Housing



Cooperative housing is a form of collectively owned and controlled housing in which individual residents own shares in the development that is controlled by all members (NAHC). Cooperative housing can be owned or leased and may be legally and financially structured in several ways (City of Minneapolis). The collective cooperation owns the land and building but residents have the exclusive right to their specific units. Cooperatives take a few forms but can be categorized as market rate, limited equity or senior housing. Market rate cooperatives sell shares in the cooperative at market value. Limited equity cooperatives allow members that are low-income buy shares below the market. Senior housing co-ops are typically geared towards seniors 55 and older.

Cooperatives keep housing affordable by allowing residents to control maintenance costs and avoid giving extra resources in profits to a management or development company. In addition to having more control over costs, cooperative housing is appealing because shares are typically easy to sell since they are in high demand, and members have a built-in community. They are also more demanding on cooperatives members time, which can be a draw back for working families but are not a problem from aging seniors that are living healthier longer than past generations.

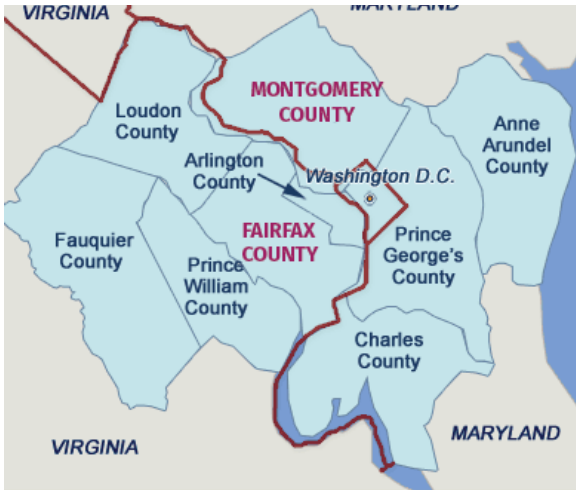
Cooperative housing has a long history in the U.S. and is flourishing in Minnesota. The first cooperative in the US was organized in 1876 in New York City. Now, according to the National Association for Housing Cooperatives (NAHC) more than 23 universities have student cooperatives which help residents keep college affordable by saving members an average of 50% on room and board. Most cooperatives are located in urban areas. Nationally 1.2 million families live in cooperative housing (NAHC). In Minnesota, the University of Minnesota has several student housing cooperatives. The City of Minneapolis has 35 housing cooperatives, most of which are in South Minneapolis and the city council is reviewing plans to convert city-owned housing to cooperatives. St. Paul also has a growing number of housing cooperatives, including for senior housing. According to an article from 2013, Minnesota is home to 79 of the nation's 103 senior citizen housing cooperatives, but the number is growing with several cooperatives planned in Twin Cities suburbs (<https://www.twincities.com/2013/09/28/number-of-minnesota-housing-co-ops-surg-ing-ahead-of-nation>).

# SECTION III: CASE STUDIES & POLICY RECOMMEN- DATIONS

This section features several case studies to show the possibilities of various models described in the previous section. The first two pages feature comparative studies of regional policies and their uses nationally. This includes a comparison of a comparison of inclusionary zoning policies in two counties in the Washington D.C. area, followed by accessory dwelling unit programs in other cities. Case studies featured here include projects in the areas of Washington D.C., Detroit, Minneapolis and St. Louis Park, MN.

## 3a. Inclusionary Zoning Washinton DC Area

An extensive study was conducted to compare two county-wide inclusionary zoning ordinances in the Washington D.C. metro area. These two counties were Montgomery County and Fairfax County, Virginia which have the oldest inclusionary zoning policies in the country. Through many changes over the years, the programs have grown to include different options and have varying strengths.



### Montgomery County

This policy is the oldest in the country, dating to 1974. Today's policy has a threshold for the requirement at 20 units or more. The affordable units must constitute at least 12.5% or if a density bonus is granted, up to 15% of the total units. The maximum density bonus is 22 percent. The inclusionary zoning policy requires affordable units in all building types including developments of detached and semi-detached homes (duplexes), condominiums and apartments.

### Fairfax County

This policy is relatively newer but has existed since 1990. Changes that have occurred over time have been by the recommendation of a stakeholder task force that studies the policy. One major change has occurred in the rates of affordable housing required and the sliding scale applied to density bonuses. The affordability required is 12.5, 6.25 or 5 percent based on whether developers use 20% density bonus, 10% density bonus or no density bonus. The price control changed from 50 years of protection of affordability initially to 15-20 years and is now 30 years. There is also a requirement that the affordable units be dispersed equally throughout a development. The program's exclusion of some building types and change in density bonus structures have made the policy considered more friendly to developers, but are said to have reduced the number of affordable units being built.

### Major Themes in Case Study Comparisons for both counties:

- Predictability is important to developers. They start a development knowing they will not break even on affordable units and will need to make the costs up through the market-rate units so its important they can predict how an inclusionary zoning requirement will impact their project performance.
- Relying on the private market to supply affordable housing has meant varying levels of units are produced each year, which limits the predictability of affordable housing supply for counties.
- Relationships were good between the housing advocates and developers, although changes to the Montgomery County policy to increase affordability requirements seemed to contribute to some strain.
- Developers interviewed said they would not produce affordable units if it were not for the requirement.
- Density bonuses in neither county seemed to impact development plans because the value of the bonuses was not considered sufficient to make building more than the minimum affordable units worthwhile.
- In Lieu fees were rarely approved, so the fees were rarely used in place of affordable construction. In neither programs were the fees for buyout options for the programs set high enough to allow for the counties to construct buildings, so they buyouts were rarely approved by the county.
- Both stakeholders and developers in both counties believed that market-rate housing would be priced lower and supply would be higher in the absence of inclusionary zoning policies.
- Consumers of affordable housing units in both counties have benefited from the requirement that affordable units be comparable in quality with market-rate units.
- The program has been difficult to implement in high-density, in-fill projects.

### Key Takeaway

Inclusionary zoning policies are not a new idea but have been used for the past several decades in some parts of the country. A well-crafted policy gives the government the opportunity for more affordable housing creation while still encouraging developers to maintain profitability. While changes overtime are to be expected, predictability of a program's costs is key for developers and may encourage more housing production. Density bonuses can be a helpful tool, but thorough study of how they will incentivize development is important.



*St. Paul has the opportunity to learn from both experiences nationally and new policies locally. Common themes heard from developers and stakeholders are that inclusionary zoning encourage affordable housing development, but that clarity in the policy and consistency help with their successful use. Care should be taken to assure the correct percentage requirement for St. Paul is determined and in the short-term applying a smaller percentage like that of Bloomington, with review later may help. Giving developers options for alternative building sites like that of Edina and Bloomington, may also help developers ability to comply.*

## 3b. Accessory Dwelling Units: Regional Programs



Several cities across the country have implemented Accessory Dwelling Unit ordinances with varying success. While the market in the Twin Cities has shown slow growth in ADUs, regional programming in several cities nationally could provide models for St. Paul.

### **Austin, TX**

Austin Community Design and Development Center provides design and development support to low and moderate-income homeowners for ADUs. It also helps build partnerships with homeowners and building ventures.

### **Santa Cruz, CA**

The city of Santa Cruz, CA provides an ADU manual, architectural advice, loans, fee waivers and community workshops to encourage ADU construction. There is also a branch of Habitat for Humanity which assists with ADU construction to help seniors age in place.

### **Portland, OR**

Portland has had 2,000 ADU permits since 2010. According to a study by the Berkley Turner Center, their approach success is due to 3 elements:

- Regulatory: no owner occupancy requirement, no design review, a by-right process, and fee waivers.
- Financial: in 2010 the city waived one time System Development Charges (SDC) fees based on ADU in Portland —the new or increased use of a property (impact fees for parks, sewers, water, and streets that average 7% of the total cost of a new home)—a critical step to paving the way to more ADU production.
- Social: in 2008 and 2009, green building advocates joined forces with ADU advocates to host bike tours and additional educational events. This educational push by the two different constituencies has gone a long way in increasing awareness and popularity of ADUs.

### **Key Takeaway**

*St. Paul currently has fees associated with their ADU policy as well as annual proof via affidavit owners fulfill a requirement that the main dwelling is owner-occupied. By easing these requirements, the city could encourage ADUs. Neighborhoods like SAP that have increasing aging populations could partner with organizations to support construction of ADUs for seniors to age in place.*



## 3c. Case Study

### Trellis House: LeDroit Park, D.C.



#### **Project Background**

Howard University bought property in surrounding neighborhoods in the 1970s and 1980s in order to expand their medical complex. In the late 1990s they began to discuss using property to address housing needs for their neighborhood and university community.

#### **Partnering Organizations and Developers:**

Howard University, RISE and Gateway Investment Partners were partners in this project. Howard University created a ground lease where developers created improvements and the university maintains land ownership.

#### **Total Units & Affordable Housing Provided:**

The project was a mixed-use development, mixing some retail with housing. The project overall contained 319 Units. Of those, 283 units were market rate and 36 affordable, 9 reserved for Howard University students. Within the affordable housing 30 were priced at 80% AMI and six were at 60%, for a total of 11.3% affordable within the project.

#### **Best Features:**

The development was made with a community benefits agreement between Howard University, developers and a neighborhood organization to assure equity and environmental goals were met. Some of these include:

- Larger affordable housing units for families
- Environmental design certification
- 50 scholarships to train neighboring residents as heating, ventilation and air conditioning technicians
- Included upgrades to community spaces in public housing buildings outside of their development in the neighborhood

#### ***How does this relate to Saint Anthony Park?***

*This project used a formerly vacant industrial space for development similar to those that exist in Saint Anthony Park. The neighborhood was also experiencing rapid gentrification and rising housing costs. Through partnership with a neighborhood organization, the neighborhood secured a community benefits agreement which supported units geared towards families, environmental goals and job training.*



## 3d. Case Study

### *The Rose: Phillips, Minneapolis*



#### **Project Background**

Hope Community sought redevelopment of a block near their other affordable housing buildings and community center. Through partnership with Aeon, a capital financing campaign and loans from U.S. Bank they were able to put together a nationally and internationally recognized affordable housing development.

#### **Partnering Organizations and Developers:**

Aeon and Hope Community teamed up with architects and designers Meyer, Scherer & Rockcastle. The construction was done by Weis Builders. The project also had research and support from University of Minnesota Center for Sustainable Building Research and sustainability consultant PLACE.

#### **Total Units & Affordable Housing Provided:**

The development is a mixed-income apartment project part of multi-phase redevelopment project. There are 90 units, 43 of which are market rate and of which 47 are affordable. The development has 8 efficiency units, 8 one-bedroom units, 57 two-bedroom units and 17 three-bedroom units.

#### **Best Features:**

The project has several green features:

- designed so both buildings of the complex have sufficient access to light for solar panels which provide energy for 35% of hot water needs
- 5,000 sq. foot community garden
- treats 75% of on-site stormwater
- separate meters for water in each unit so residents can monitor their use and be incentivized to cut back

While the building is over 50% affordable, seven units are also reserved for residents who have experienced long-term homelessness.

#### ***How does this relate to Saint Anthony Park?***

*At \$250,000 a unit, this project managed to keep construction costs generally in line with comparable affordable housing projects while meeting many sustainability goals. The goal was to be replicable across the affordable housing industry so many of the practices could be implemented in developments in Saint Anthony Park. This development also shows the potential of a community green space open to the public within a development.*

## 3e. Case Study

### PLACE's Via Sol: St. Louis Park, MN



#### **Project Background**

PLACE is a non-profit developer that has consulted on several affordable housing projects that feature environmentally friendly initiatives. They reached out to St. Louis Park in order to develop a Transit-Oriented Development along the Green Line Extension. The development is meant to be a complete community

that can be car-free. The developers hope to have the area be a destination as an artist and maker enclave while providing easy transit access for inhabitants.

#### **Partnering Organizations and Developers:**

The project partners are PLACE, City of St. Louis Park and Stahl Construction. The project also has financial and other support from several entities such as the Met Council and investing companies.

#### **Total Units & Affordable Housing Provided:**

The first phase includes 217 mixed income apartments and 5,000 sq ft. of retail space (Via Sol). The final project will include a second building (Via Luna) that will total 300 apartments with over half affordable to 30-80% of AMI.

#### **Best Features:**

The overall project will be over 50% affordable. It includes many green features including a 0.88 acre urban forest, a greenhouse, and green roofing. For energy the complex will use wind turbines, a solar array, and e-generation. E-generation is biomass energy generation using household bi-product to produce energy.

#### **How does this relate to Saint Anthony Park?**

*The original site chosen for E-Generation was in SAP however St. Paul said the development was not permissible. The City of St. Louis Park at the time was the only willing partner that developed policy to support the new ideas. The project features TOD and green technology. The very first aspect of the project is cleaning up a brown-field site. The complex also shows the potential of car-free possibilities by supporting live/work opportunities. It is a project that provides jobs and commercial opportunities.*

## 3f. Case Study

### Treymore Apartments: Detroit, MN



#### **Project Background**

Detroit has been known for years of declining population and economic issues. In the early 2000s the regional governmental bodies began investing in the city's Midtown neighborhood. This project was a renovation of a historic building that had been vacant for over 20 years. Rehabilitation helped support the neighborhood by improving area property and providing much needed affordable housing.

#### **Partnering Organizations and Developers:**

The developer was Robin Scovill of Paradise Valley Investment Group. The project was made possible by contributing investors namely the City of Detroit, Michigan State Housing Development Authority, and the Detroit Brownfield Redevelopment Authority as well as private equity investors.

#### **Total Units & Affordable Housing Provided:**

The project has 28 one- and two-bedroom apartments for residents with incomes at or below 50 and 60 percent of the area median income.

#### **Best Features:**

This project provided much-needed neighborhood revitalization. It cleaned contamination from the building site and building to ensure healthy living. It is a great example of rehabilitation of a historic building from 1916 that added character to the neighborhood. It also provides renters and the neighborhoods with a different style of housing stock. The building was made ADA compliant which is uncommon for a historic building. Interior improvements included restoring decorative cornice, stonework, and tile. Exterior improvements included new bricks, roof, outdoor lighting, and green space as well as sidewalk and alley improvements.

#### ***How does this relate to Saint Anthony Park?***

*This case shows that not all affordable housing needs to be on a big scale, nor does it need to be new construction. There may be buildings within SAP, and certainly in neighboring areas of St. Paul that are older apartment stock that could be re-imagined to provide safe, healthy housing while maintaining traditional neighborhood charm.*

