



**The Big Picture Project:
Aligning housing plans along the Central Corridor**

Community Forum III: Framing the Recommendations

Wednesday, September 21, 2011

Goodwill / EasterSeals

AGENDA

- 6:00 pm **Welcome** – Cecile Bedor, Saint Paul Department of Planning and Economic Development (PED) Director
- 6:05 **Overview of Forum II, Objectives for Forum III** – Gretchen Nicholls, Twin Cities LISC
- 6:10 **Short Presentations**
- **Listening Circle interim summary** – Erin Scott and Alysa Friedrich, HECUA Interns, District Councils Collaborative
 - **Affordable Housing Production** – Steve Cramer, Project for Pride in Living (PPL)
 - **Metropolitan Growth Projections** – Todd Graham, Met Council
 - Q & A
- 6:45 **Small Group Discussions** – Barbara Raye, facilitator, Center for Policy Planning and Performance
- 7:20 **Large Group report out**
- 7:50 **What's next?**
- 8:00 pm **Adjourn**

The Big Picture is hosted by the Cities of Minneapolis and Saint Paul and Twin Cities LISC, and supported by the Central Corridor Funders Collaborative.



For more information, contact Gretchen Nicholls, Twin Cities LISC, 651-265-2280 or [gnicholls@lisc.org](mailto:g nicholls@lisc.org)

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Summary of Scenario Discussion

Question1 – What is the data telling us about the markets? Who will want to live near transit? What housing types will be needed?

What is the data telling us?

- The data is inconclusive/ doesn't seem realistic.
- The data and model appears to be flawed.
- Markets are diverse.
- Incomes/ rents decrease west to east and population is generally younger west to east.
- Ownership is highest in the middle of the corridor; lowest at the ends.
- People are generally willing to pay more to live near transit/ amenities.
- There is a mix of age/ style on the corridor.
- That the market is depressed and that current "market" rents are naturally affordable relative to the metro market.
- Data does not show that affordable housing is in bad shape and that no one wants to live in/ near it.
- Markets are slow and the economic situation is not improving quickly. The market hasn't rebounded- the vacant homes would be gone if it had.
- There is a big discrepancy between the handout that describes the Gen Y and Boomers who want walkability and the Met Council growth projections (9,000 units) and the neighborhood/ station area plans (22,000 units).

Who will want to live near transit and what housing types will be needed?

- People who already live here want to stay and want their houses to be rehabbed/ improved.
- All income levels should be able to live near transit.
- Housing types should accommodate all stages of life: singles, couples, families, seniors, etc.
- Everyone will want to live near transit (both those who own cars and those who do not.)
- Higher gas prices will force many to want to live near transit.
- New construction on Univ. Ave. should be higher density and target workforce housing, seniors and empty nesters.
- Development near the corridor should be lower density (i.e. townhomes) and be affordable to families.
- Healthy neighborhoods have a mix of incomes.
- Low wealth communities need housing that is affordable.
- Single-family homes are desired.
- Preserving housing for seniors and people with disabilities, including group homes and transitional housing, is important so that they can live in the community that they have enjoyed over the years.
- Need a range of affordable ownership options (i.e. small amount of very inexpensive starter homes <\$35K, larger amount of mid-range \$65K-\$85K, lesser amount of higher range/ market rate >\$100K).

Other

- Architectural standards have not been addressed but will need to be.
- Question/ concern about whether housing will be affordable for those who already live along the corridor.
- Suggestion to use median income of Central Corridor rather than the region as a whole when talking about affordability.
- Question about what will happen with all the scenario summaries.

- Residents are concerned that their home values haven't increased over the last 15 years.
- Concerned about the Riverfront Tax District.

Question 2 – What do we mean by preservation of affordable housing? Give some examples of what that would look like.

- Rehabbing homes that already exist in the surrounding neighborhoods.
- Preserve “naturally” affordable.
- Focus on vacant properties and those most in need of rehab.
- Focus should be on basic rehab needs, maintenance (not cosmetic/ aesthetic) and energy improvements.
- Giving people who already live in the area the ability to affordably stay in the area.
- Preserve subsidized housing.
- Preserve affordability for existing residents but don't necessarily create more affordable housing in the neighborhood.
- Need preservation of affordable single-family rental.
- Some existing housing kept in place with additional provided (i.e., Glendale Housing Development preserved and added to create higher density and access to transit for low-income households).
- Reuse/ convert commercial or industrial buildings into housing (i.e. Aeon's work in downtown St. Paul).

Question 3 – What are your recommendations for:

A. An overall Central Corridor affordable housing goal for the next 10 years

- Low (e.g. 1,000 – 2,500 units)
- Medium (e.g. 3,000 – 5,000 units)
- High (e.g. 5,500 – 9,000 units)

B. Targeting levels of affordability (80%, 60-50%, 30%, or lower)

C. Proportion of preservation vs. production

Overall Goal

- Seems like low goal is realistic given funding constraints.
- The low goal is realistic given today's resources for affordable housing; it could be increased if new money if brought to the table (i.e. foundations).
- Colliers market study estimated 14,000 housing units over 20 years (or 7,000 units over 10 years). Based on this estimate, if 25% of those units were affordable the number would be 1,750 over 10 years, which is right in the middle of the low range.
- Unable to answer this with the level of knowledge and information available.
- Some existing residents don't think there should be any new affordable housing and that the focus should be solely on preserving the existing single-family homes.
- The low goal seems achievable- but there is no preservation number built in.
- Need to be clear about what we mean by preservation for the goal numbers.
- Keep in mind that ~2,800 units have been developed already.

Levels of Affordability

- Prevent concentration of poverty
- 37.5% new units should be affordable to <50% AMI (for rental).
- Focus on <80% AMI for homeownership.

- New development should focus on <50% AMI (because 80% regional AMI is above the local AMI)- or maybe even <30% AMI.
- Possible goal allocation for new units: 1/3 @ 20% AMI, 1/3 @ 30% AMI, 1/3 @ 50% AMI.

Proportion of Preservation vs. Production

- 70% preservation, 30% production (or 60%/40%).
- Preservation should be first priority/ emphasis
- Where are the large family preservation projects? What is at risk (and when) and what is needed to preserve it?

Other

- How do the goals take into account the placement of amenities (i.e. parks, grocery stores)?
- Create an overall goal with affordability targets and implement in a phased approach.

Question 4 – Are there specific policy recommendations that should be considered?

- It makes sense to focus affordable housing resources to transit corridors to lower the overall housing+transit cost burden of lower-income households. This in turn would allow them to spend money on other things besides transportation.
- Property tax relief/ cap to allow existing homeowners to stay in their homes. (i.e. defer a portion of the increased taxes until the owner sells the property).
- Overall preservation goal could focus on keeping rents low but bringing up quality of the property.
- More financial support for affordable housing.
- Rent stabilization and control policies.
- Financial resources to help homeowners with rehab and energy efficiency.
- Code enforcement that encourages home preservation and maintenance. City should help homeowners stay in their home rather than force them out for code violations.
- Halt gentrification with City ordinance.
- Tax increment financing from high price areas to support affordable housing in other areas.
- All housing needs to demonstrate sustainability and connectivity to open space/ public realm.
- Ensure resident participation/ connection to construction jobs (both rehab and new construction). I.e. mandate a certain amount of jobs go to neighborhood residents.
- Focus on foreclosure prevention and encourage banks to work with homeowners (i.e. mandatory mediation).
- Better renter protection policies.
- Consider the Atlanta approach of making decisions about how much \$ is needed versus creating a unit goal and then attracting resources.
- Be sure we talk about regional AND local Area Median Income (AMI).
- “Permanent” affordable housing- use tools that allow long-term housing for a 100 year transit investment (we don’t want affordable housing to expire in 30 years).
- Increase density along the corridor to support businesses.
- Contractors should be accountable to minority hiring requirements.
- Create new products for homeownership.
- Resources: TIF for TOD, value capture, non-profit bonding, density bonus (x2?), inclusionary zoning (require mixed income in private rental projects), abatement.
- Need more subsidy/ unit.