

## 7. Housing

*Goal: Develop and maintain a strong, vital, diverse and stable housing supply for all members of the community.*

To achieve this housing goal, the following policies are proposed:

- Promote the development of a variety of housing options by preserving and increasing high-quality housing opportunities that are suitable for a mix of ages, incomes and household types.
- Encourage the incorporation of affordable and life-cycle housing into new development and redevelopment where feasible.
- Maintain the quality, safety, and unique character of the City's housing stock.
- Preserve and strengthen the community's neighborhoods to maintain a high-quality of life for residents.
- Encourage housing development and redevelopment that is complimentary to and enhances the character of the City's established neighborhoods.

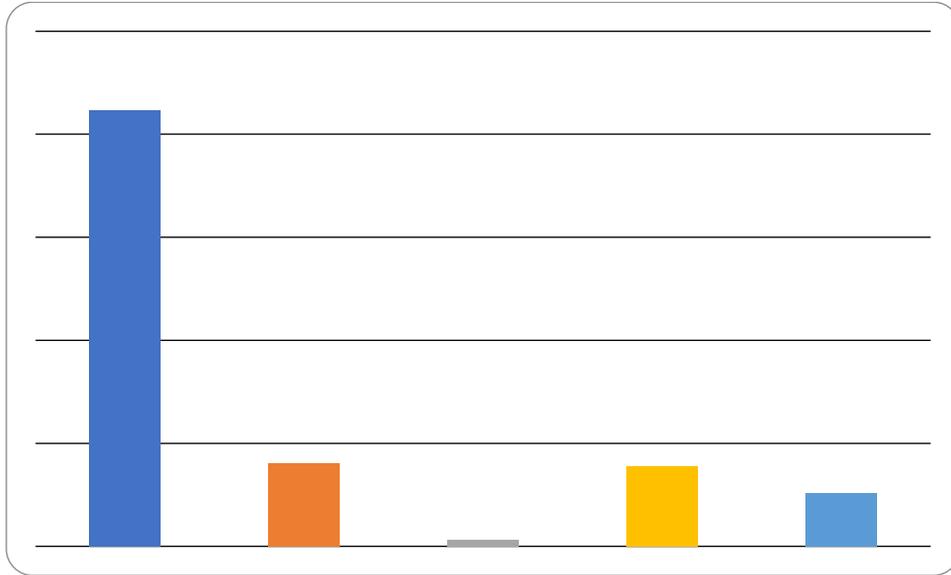
### 7.1 INTRODUCTION

One of the principal roles of a community is to serve as a place to live. In Arden Hills, 21.2 percent of all of the land area in the community is currently used for housing (not including TCAAP). The approved TCAAP Master Plan envisions that 38.0 percent of the total 427 acre site will be developed for residential uses. Because housing is such an important part of Arden Hills, maintaining the quality of the current housing stock while providing long-term opportunities for new housing is important to the ongoing vitality of the community and to retaining Arden Hills' reputation as a highly desirable place to live.

### 7.2 CONTEXT

According to the Metropolitan Council, Arden Hills had 3,198 housing units in 2015. A housing unit is the actual structure while a household refers to the people living in a housing unit. Approximately 66 percent of the housing units in Arden Hills are detached single-family homes, 13 percent are attached single family homes (commonly referred to as townhomes), 12 percent are multifamily, with five units or more, and finally eight

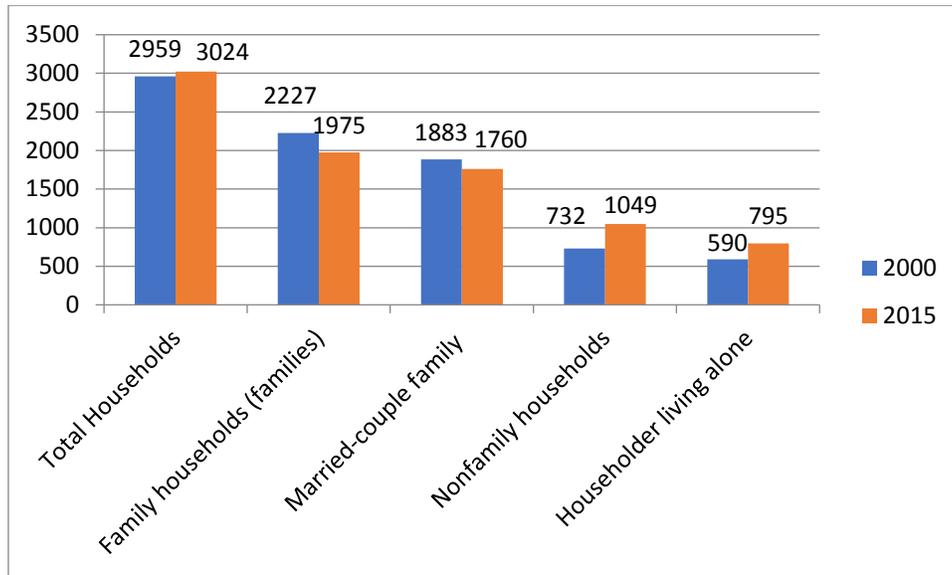
percent of units are manufactured homes. According to data obtained from the American Community Survey (2013-2017), there is an estimated 3,138 occupied housing units, with 2,741 units (87.3 percent) being owner-occupied and 397 units (12.7 percent) being renter-occupied.



**Figure 7.1 – Arden Hills Housing Type**

Source: Metropolitan Council

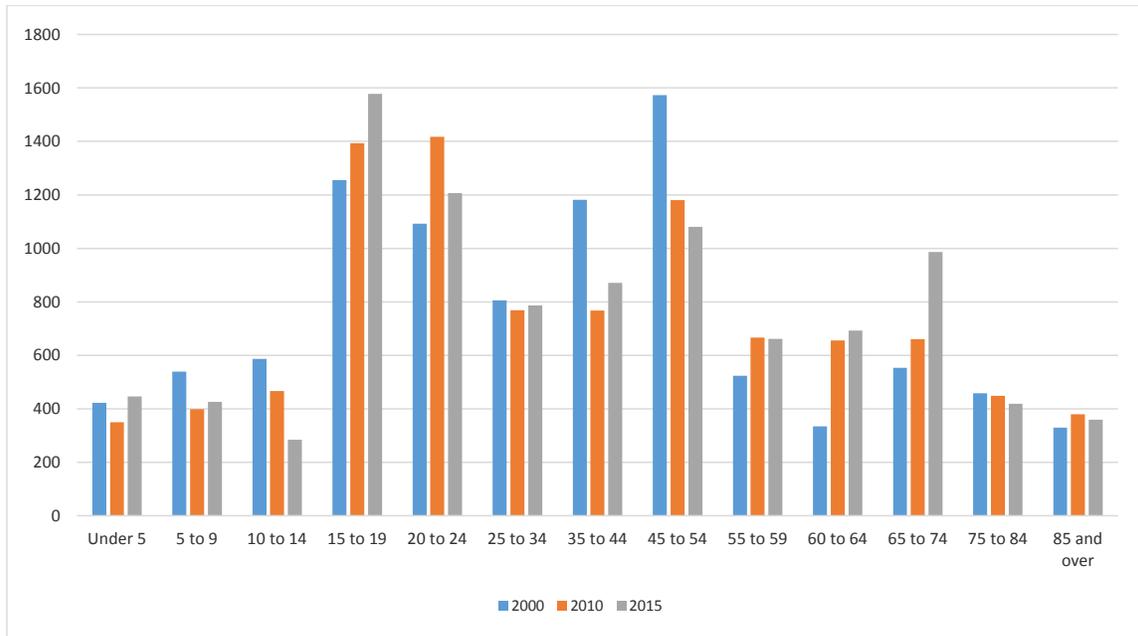
Household composition will play a role in defining future housing needs in Arden Hills. Between 2000 and 2015, increases were seen in both the number of non-family households and in householders living alone.



**Figure 7.2 – Arden Hills Household Type**

Source: US Census

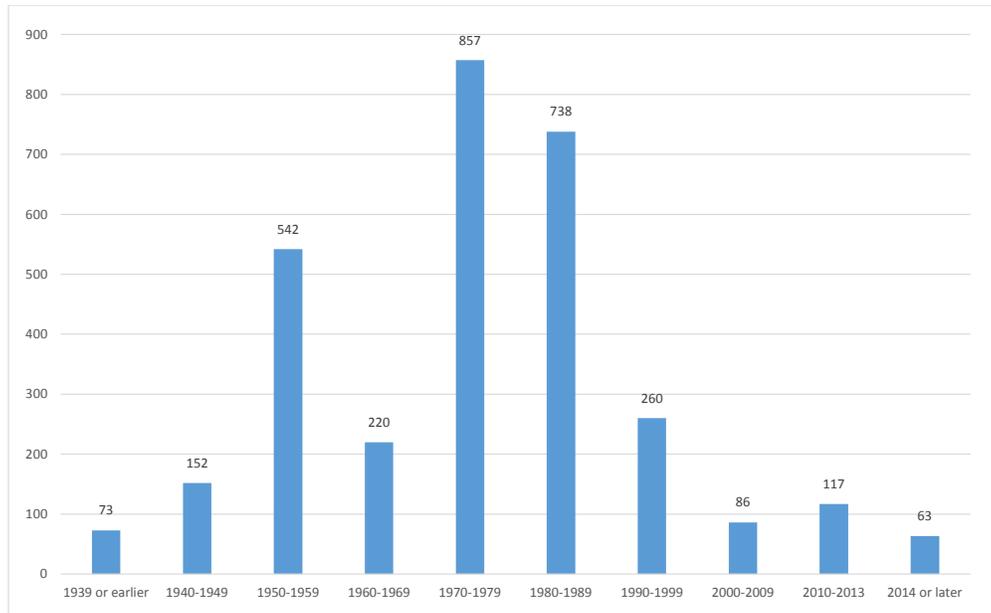
Additionally, the age of Arden Hills’ residents will also impact housing choices. From 2000 to 2015, there was a significant decrease in residents between 45 and 54 years of age. Additionally, there have also been notable increases in the population between 65 and 74 as well as the 75+ age group.



**Figure 7.3 – Arden Hills Age Distribution 2000, 2010 and 2015**

Source: US Census and American Community Survey

The age of the existing housing stock is also an indicator of potential future needs. From 1970 to 1979, 920 housing units were built in Arden Hills, the most of any decade to date. Of note is the fact that 50 percent of the housing in the community was constructed prior to 1974 (not including the manufactured homes). Homes that are older than 30 years may typically need more repairs and renovations.



**Figure 7.4 – Age of Housing Stock**

Source: 2015 American Community Survey

Group quarters, which include college dormitories, nursing homes, and group homes, are calculated separately from traditional types of housing such as single family homes, townhomes, and apartments. Since 1990, group quarters and the number of people living in group quarters have increased:

**TABLE 7.1 – ARDEN HILLS GROUP QUARTERS POPULATION**

	1990	2000	2016
College Dormitories	631	1,557	1,655
Nursing Homes	384	411	623
Other Group Quarters	10	20	20
<b>Total</b>	<b>1,025</b>	<b>1,988</b>	<b>2,298</b>

Source: US Census, Bethel University, Presbyterian Homes

Almost the entire group quarters population is at Bethel University or Johanna Shores, a senior housing community owned and operated by Presbyterian Homes & Services. For the 2016/2017 school year, Bethel University had an occupancy of 1,655 students. The Johanna Shores housing facility has 126 units and is typically at capacity. The remaining group quarters population lives in group homes in residential areas of the City. The University of Northwestern is partially located in Arden Hills; however, the residence halls for the university are located in the adjacent community of Roseville.

While group quarters housing is calculated separately from traditional housing, it is important to recognize this type of housing can impact the City’s sewer, water, transportation, parks, and recreation systems differently than traditional types of housing. It is likely that the number of people living in group quarters at Bethel University, Johanna Shores, and other group homes will increase as those facilities do have additional land to expand. Therefore, it is important for the City to work with these institutions to manage the potential impacts as well as promote a diversity of housing.

### 7.3 Household Forecasts

The total number of households in Arden Hills is forecasted to increase by 1,300 households between 2020 and 2040.

**TABLE 7.2 - HOUSEHOLD FORECASTS BY CITY**

	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2040</b>	<b>% Change 2010-2040</b>
<b>Arden Hills</b>	2,959	2,957	3,200	4,100	4,600	55.6%
<b>Mounds View</b>	5,018	4,954	5,100	5,200	5,200	4.7%
<b>New Brighton</b>	9,013	8,915	9,500	10,000	10,400	14.3%
<b>Roseville</b>	14,598	14,623	15,300	15,700	16,100	9.2%
<b>Shoreview</b>	10,125	10,402	11,000	11,200	11,300	7.9%
<b>Ramsey County</b>	201,236	202,691	223,460	236,090	246,050	21.4%
<b>7 county Metro</b>	1,021,456	1,117,749	1,257,730	1,378,830	1,490,470	33.3%

The rate of forecasted household growth in Arden Hills surpasses all adjacent communities as well as Ramsey County. In establishing its forecasts, the Metropolitan Council is assuming full development of the buildable portion of the TCAAP property by 2030 which will also represent essentially a full build-out of Arden Hills.

**TABLE 7.3 - PEOPLE PER HOUSEHOLD**

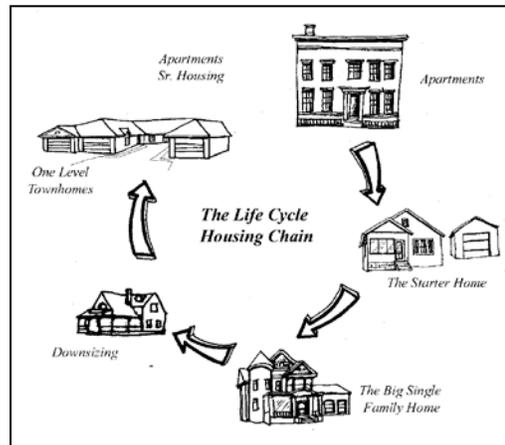
2010	2020	2030	2040
2.45	3.13	2.93	2.93

Arden Hills’ households are projected to grow by more than 50% between 2010 and 2040. It is expected that most of those new households would be occupied by young families which would increase the persons per household.

Three primary housing issues will need to be addressed by Arden Hills in the next 20 years. They include housing diversity, housing affordability, and housing quality. Each is discussed below.

### 7.4 Housing Diversity

Life-cycle housing, which was referenced in the housing goals, is a common term used to describe the provision of housing types for all stages of life. Life-cycle housing is based on the premise that as people go through life, their housing needs change. A young person getting out of school and just starting out usually cannot afford to own a home so they often begin by renting. As a person grows older, they often establish a family and buy their first home, sometimes either a starter home or townhome. As a family’s income grows, they may move up to a larger home. Once the children leave and



the family size decreases, parents often move back to a smaller home with fewer maintenance needs or to one of the growing number of either single-family or multi-family housing options that has an association that take care of home and property maintenance. Eventually, as a person ages, there is often a need for assisted living or an extended care facility.

Housing in Arden Hills today is primarily focused on one stage of the housing life-cycle, move-up housing. Ironically, a significant number of units constructed in Arden Hills during the 1970s were oriented to the first-time homebuyer market. As housing prices have risen over the past three to four decades, what was once priced for a first-time buyer is now classified as move-up housing due to escalated prices. Arden Hills does still have a limited supply of more entry level housing. In 2014, there were 283 units in the Arden Manor manufactured home community, serving approximately 840 residents.

Rental housing is another component of life-cycle housing that needs to be addressed. Rental housing is an important component of the overall housing supply since it provides options for both the beginning and later stages of the life-cycle chain. It may also serve the needs of several segments of the population including retail service employees, seniors, young adults just entering the workplace and economically disadvantaged households. Based on the homestead data from Ramsey County, 10 percent of the housing in Arden Hills is classified as non-homesteaded, which is a rough indicator for rental housing. According to the 2010 Census, slightly more than 86 percent of the occupied single family homes and townhomes (not including manufactured homes or condominiums) were owner occupied in 2010.

Arden Hills promotes housing diversity through its long-term goals, policies, and strategies. The market is also expected to exert pressure on the City for more housing diversity. As was noted earlier, factors such as an aging population, a population that has more non-family households, and increased numbers of householders living alone is expected to drive demand for more attached, multi-family housing. Multi-family units expected to be in demand are likely to be oriented toward both owners and renters.

## **7.5 Housing Affordability**

Affordable housing is an issue in every Twin Cities area community. With housing costs outpacing many wages, it is becoming increasingly important to focus on affordable

housing. Because of the disparity of housing costs and wages throughout the Twin Cities, affordable housing continues to be a major initiative of the Metropolitan Council.

According to the Metropolitan Council, housing is considered affordable if it is priced at or below 30 percent of the gross income of a household earning 80 percent of the Twin Cities median family income. In 2017, the area median income for the seven-county Minneapolis-St. Paul area adjusted by the Department of Housing and Urban Development for a family of four was \$90,400. Therefore, in 2017, housing was considered affordable if annual housing costs for a family of four do not exceed 80 percent of \$72,320, which translates to \$1,807 per month for housing. While the purchasing power of \$1,807 per month depends on interest rates and other household factors, it could be sufficient to purchase a home that is priced in the range of \$150,500.

To implement the Livable Communities Act in 2007, the Metropolitan Council uses as the upper limit of affordability for ownership purchase price and monthly rents, the following dollar amounts:

**TABLE 7.4 - 2015 OWNED OCCUPIED AFFORDABLE HOUSING PRICES**

<b>Household Income Level:</b>	<b>Affordable Home Price</b>
80% of area median income	\$238,500
50% of area median income	\$151,500
30% of area median income	\$84,500
Source: Metropolitan Council	

**Table 7.5 - Rental Housing Affordable Prices**

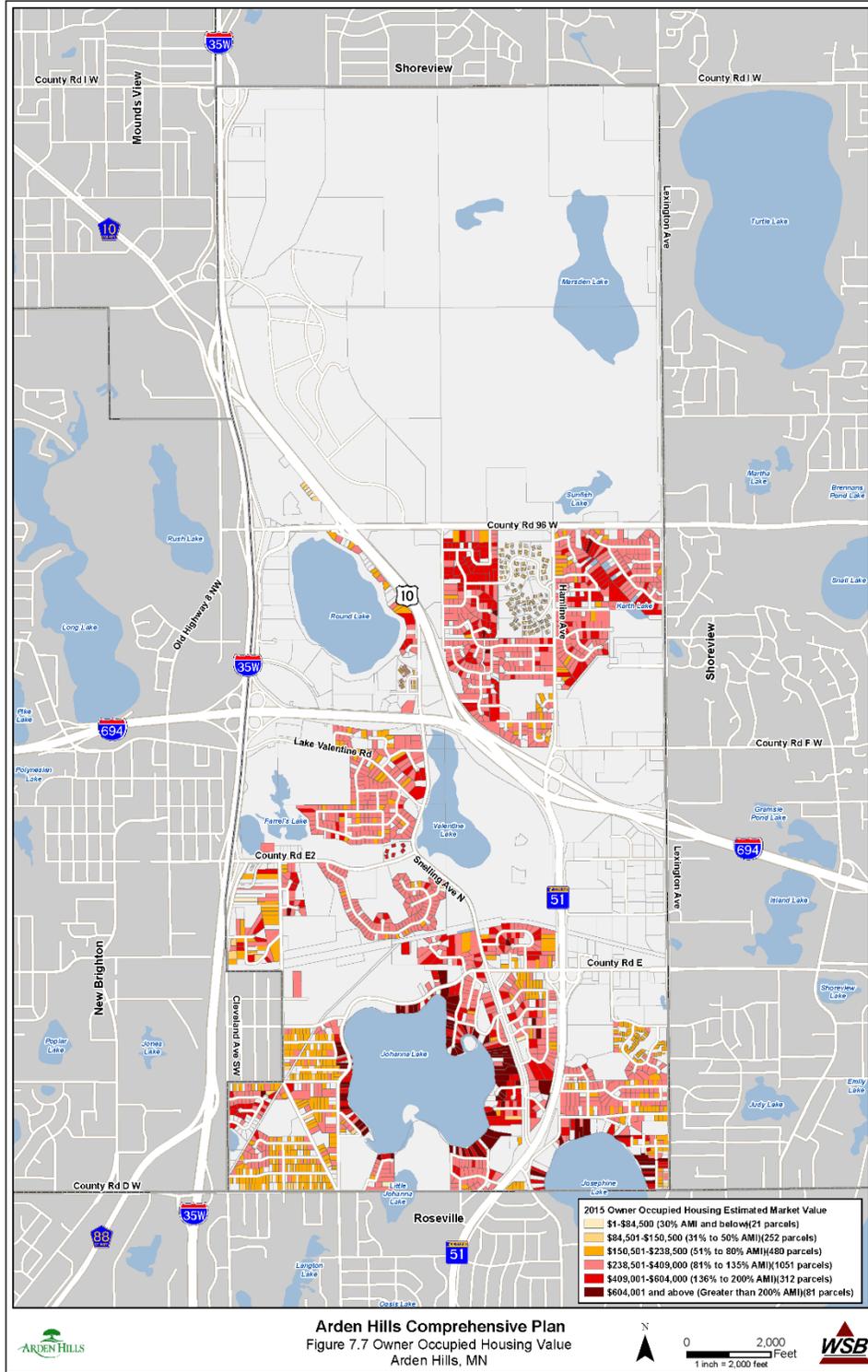
Number of Bedrooms	Affordable Rent at 30% of AMI	Affordable Rent at 50% of AMI	Affordable Rent at 80% of AMI
Studio	\$450	\$751	\$1,201
1-BR	\$483	\$805	\$1,288
2-BR	\$579	\$966	\$1,545
3-BR	\$669	\$1,115	\$1,784
4-BR	\$747	\$1,245	\$1,992

The average housing value in 2015 was \$281,300. Based on 2015 assessed property values from Ramsey County (Figure 7.6) 34.3 percent of the housing was at or below the affordable home price of \$238,500 and approximately 12.5 percent was at or below \$150,500.

The following table illustrates the assessed values of owner-occupied housing units in Arden Hills. Values are differentiated above and below the 80% Area Median Income of \$240,000.

Table 7.6 – Owner Occupied Housing in Arden Hills by Affordability Bands

Housing Values	Affordability Band	Parcels	Percent
\$1 - \$84,500	30% and Below AMI	21	1.0%
\$84,501 - \$150,500	30% - 50% AMI	252	11.5%
\$150,501 - \$238,500	50% - 80% AMI	480	21.8%
\$238,501 - \$409,000	81% - 135% AMI	1051	47.8%
\$409,001 - \$694,000	136% - 200%	312	14.2%
\$604,001 and Above	Greater than 200% AMI	81	3.7%
Total Owner Occupied Housing Units		2,197	100%



Approvec



In May of 2015, the Metropolitan Council amended the *2040 Housing Policy Plan*. The Plan not only forecasts the regional need by 2030 for newly constructed, affordable housing but it allocates each community's share of the regional need. The total need for newly constructed affordable housing in the Twin Cities is estimated to be 37,900 units between 2021 and 2030. Each community's share of the regional need is allocated based on a number of factors. According to the Metropolitan Council, 33.2 percent of new housing units in all cities should be affordable. Allocations are then adjusted by the balance of low-wage jobs and workers and the and existing affordable housing stock. Based on the formula, the Metropolitan Council has allocated a need for 373 affordable housing units to Arden Hills between 2021 and the year 2030.

Housing—along with food, clothing, transportation and medical care—is a necessity. For many households, it is their largest monthly expense. When households spend more than 30% of their monthly income on housing costs, they are considered “cost-burdened.”

### **7.5.1 Existing Affordable Housing Need**

Tables 7.7 through 7.11 provide a comparison of the existing number affordable housing units with the number of Arden Hills households that fall within the affordable income ranges identified by the Metropolitan Council. While the Census Bureau does not report household incomes in the ranges identical to the affordable income limits of the Metropolitan Council, Tables 7.8 and 7.9 represent an approximation of the number of Arden Hills households that fall within the three AMI ranges. On a pro-rated basis, there are 302 households with incomes at 30% of AMI and below, 334 households with incomes between 30% and 50% of AMI, and 500 households with incomes between 50% and 80% of AMI.

Initially the 242 cost burdened households with incomes of 30% of AMI or below, the 150 cost burdened households with incomes between 50% and 80% AMI, and the 201 cost burdened households with incomes between 50% and 80% AMI listed in Table 7.11 would indicate that Arden Hills needs more affordable housing units. The 318 existing housing units affordable at 30% AMI and below exceeds the approximately 302 households in Arden Hills with incomes at 30% and below. The 384 existing housing units affordable between 30% and 50% AMI exceeds the approximately 334 households in Arden Hills with incomes between 30% and 50% AMI. The 790 existing housing units affordable between 50% and 80% AMI exceeds the approximately 500 households in Arden Hills

with incomes between 50% and 80% AMI. What appears to be happening is that households with incomes greater than affordability bands are occupying the affordable housing units.

The data suggests that Arden Hills has naturally occurring affordable housing. The existing affordable housing stock includes a variety of housing types which includes manufactured housing units and multi-family units in addition to the townhomes and single-family homes. The existing housing stock exceeds the numbers of households within the affordable income bands naturally. The City cannot restrict the incomes of the existing housing stocks that does not already have such a restriction in place. Tools available, and the use of those tools, to maintain housing with income restrictions currently in place are discussed in Section 7.5.3.

**TABLE 7.7 - 2015 PUBLICLY SUBSIDIZED UNITS<sup>1</sup>**

All publicly subsidized units	Publicly subsidized senior units	Publicly subsidized units for people with disabilities	Publicly subsidized units: All others
42	0	0	42

*Source: HousingLink Streams*  
<sup>1</sup> In 2016, the City of Arden Hills added 42 number of publically subsidized units.

**TABLE 7.8 - 2015 AFFORDABLE HOUSING UNITS AND COST BURDENED HOUSEHOLDS**

Affordability	Housing Units			Cost Burdened Households <sup>3</sup>
	Owner Occupied <sup>1</sup>	Rental	Total <sup>2</sup>	
30% AMI and Below	21	297	318	242
30% to 50% AMI	252	132	384	150
50% to 80% AMI	480	310	790	201

*AMI = Area Median Income*  
*Source 1: Ramsey County 2015*  
*Source 2: Metropolitan Council 2015 Housing Stock Estimates*  
*Source 3: U.S. Department of Housing and Urban Development 2009-2013 Comprehensive Housing Affordability Strategy*

**TABLE 7.9 – 2015 AFFORDABLE INCOME LIMITS**

<b>Affordability</b>	<b>Income Limits</b>
30% AMI and Below	\$26,000
30% to 50% AMI	\$43,300
50% to 80% AMI	\$65,800
<i>Source: Metropolitan Council</i>	

**TABLE 7.10 – 2015 HOUSEHOLD INCOME**

<b>Income Range</b>	<b>Households</b>
\$24,999 and Below	289
\$25,000 - \$44,999	381
\$45,000 - \$74,999	714
\$75,00 and Above	1,640
<i>Source: U.S. Census Bureau</i>	

**TABLE 7.11 - 2015 AFFORDABLE HOUSING UNITS AND 2015 HOUSEHOLD INCOME**

<b>Affordability</b>	<b>Total Housing Units<sup>1</sup></b>	<b>Households (Pro-Rated)<sup>2</sup></b>	<b>Excess Housing Units</b>
30% AMI and Below	318	302	+16
30% to 50% AMI	384	334	+50
50% to 80% AMI	790	500	+290
<i>AMI = Area Median Income</i>			
<i>Source 1: Metropolitan Council 2015 Housing Stock</i>			
<i>Source 2: WSB Pro-Rated from U.S. Census Bureau</i>			

## 7.5.2 Land Guided for the 2021-2030 Affordable Housing Allocation

Thrive MSP 2040 states that communities must guide a sufficient amount of land at minimum densities to provide opportunities for affordable housing to be developed. Communities have two options to provide this density: Option 1 is to guide sufficient land at a minimum of 8 dwelling units per net acre (du/ac), and Option 2 is to guide sufficient land at a minimum of 12 du/ac for the affordable housing allocation of 50% AMI and below and sufficient land at a minimum of 6

du/ac for the affordable housing allocation between 51% and 80% AMI. Arden Hills has proposed to use Option 2 to achieve the affordable housing allocation.

**Table 7.12 – 2021-2030 Affordable Housing Allocation**

Affordability	Units
At or Below 30% AMI	129
31 to 50% AMI	100
51 to 80% AMI	144
Total Units	373

In order to ensure that the 50% AMI or below housing need can be met, Arden Hills has 15.9 acres guided for Town Center zoning within the TCAAP development. At the minimum density required, this could provide 334 units.

**Table 7.13 – Option 2 – 50% AMI and Below Likely Development between 2021 – 2030**

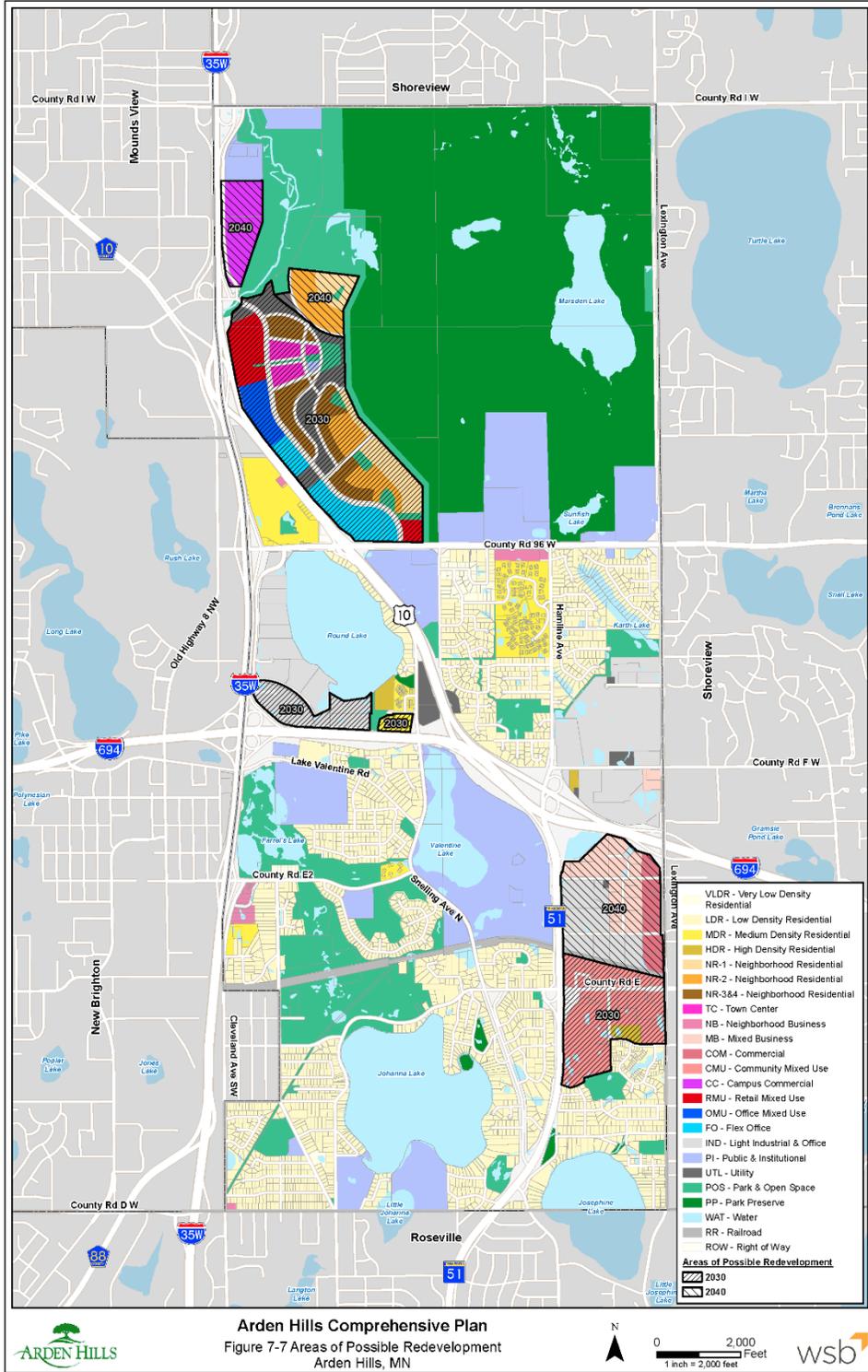
50% AMI and Below Requirement	Arden Hills Designation	Acres	Minimum Density	Minimum Units	Difference
229 Units	Town Center	15.9 Acres	21 Units/Acre	334 Units	+105 Units

In order to ensure that the 51% to 80% AMI housing need can be met, Arden Hills has guided several areas of the City with land uses that require a minimum of 6 dwelling units per acre or greater. These areas include the surplus Town Center units from TCAAP, the Parkshore Drive and Old Highway 10 area, which is guiding Medium Density Residential (MDR), and the B-2 District around County Road E, which is guided Community Mixed Use (CMU). The City expects that 10% of the CMU area will redevelop between 2021 and 2030 for residential uses. The areas that are likely to redevelop are shown on Figure 7.7. At the minimum required densities, these areas could provide 162 units.

The City would not seek to concentrate affordable housing in any particular area.

**Table 7.14 – Option 2 – 51% to 80% AMI Likely Development or Redevelopment between 2021 – 2030**

<b>51% to 80% AMI Requirement</b>	<b>Arden Hills Designation</b>	<b>Acres</b>	<b>Minimum Density</b>	<b>Minimum Units</b>	<b>Difference</b>
144 Units	MDR	7.0 Acres	6 Units/Acre	42 Units	+18 Units
	CMU (10% Residential)	100.2 Acres	12 Units/Acre	120 Units	
	Total	114.0 Acres	≥6 Units/Acre	162 Units	



Approved:



Arden Hills Comprehensive Plan  
 Figure 7-7 Areas of Possible Redevelopment  
 Arden Hills, MN



0 2,000 Feet  
 1 inch = 2,000 feet



The City of Arden Hills will continue its participation in the Metropolitan Livable Community Program. As a participant, the City of Arden Hills continues to be eligible to compete for grant funding provided by the Livable Communities Act (LCA) to assist with clean-up operations for polluted land for redevelopment, creating development or redevelopment opportunities that demonstrate efficient use of land and infrastructure through connected development patterns, and opportunities to create more affordable housing.

### 7.5.3 Programs

However, merely making land available does not lead directly to affordable housing. The barrier to new construction of affordable housing is not a land use barrier; but, rather, an economics barrier. Some of the barriers are within the City's control and some are not. Therefore, a more active approach is needed to actually produce and maintain affordable housing. Numerous programs are available to help cities meet their housing goals and policies. Cities can consider utilizing certain programs such as fee waivers and/or adjustments to facilitate affordability. In addition, cities may also consider encouraging and working with potential developers who plan to use federal low income housing tax credits to construct affordable rental housing. Other options include: affordable housing assistance or development and preservation programs available through the local, county, state, and federal government. Cities may consider the following programs in order to meet its housing goals:

**Minnesota Housing Consolidated Request for Proposals:** The Minnesota Housing Finance Agency provides a once annually request for proposal (RFP) where affordable housing developers can apply for funding to construct affordable housing. Arden Hills will consider encouraging and supporting developers to apply to the Consolidated RFP to preserve and/or rehabilitate existing affordable housing for those Arden Hills residents in need and to provide new housing between 2021 and 2030 to provide affordable housing for future residents. Developers can apply to the Consolidated RFP to provide affordable housing for those Arden Hills residents in need. The RFP is a useful tool to support the development of rental housing units affordable at 50% AML or below.

**Community Development Block Grants (CDBG):** The U.S. Department of Housing and Urban Development (HUD) provides CDBG funds to communities

with over 45,000 residents for the use of providing and maintaining affordable housing. Ramsey County Community and Economic Development (CED) administers these CDBG funds for the City of Arden Hills. Ramsey County CED can use CDBG funds to provide affordable housing for those Arden Hills residents in need. Arden Hills encourages the Ramsey County to use CDBG funds to provide affordable housing for those Ramsey County residents in need whenever the CDBG funds are available. Arden Hills will consider applying for CDBG funding on behalf of the developer when a housing project qualifies for CDBG funds and the project complies with the other objectives of the Comprehensive Plan. CDBG is a useful tool to preserve both rental and ownership units affordable at 80% AMI and below.

**HOME Funds:** The HOME Investment Partnerships Program (HOME) is a flexible federal grant program that allows Ramsey County to fund affordable housing activities for very low and low-income families or individuals, homeless families, and persons with special needs. Ramsey County CED can use HOME funds to provide affordable housing for those Arden Hills residents in need. Arden Hills will consider applying for HOME funding on behalf of the developer when a housing project qualifies for HOME funds and the project complies with the other objectives of the Comprehensive Plan. HOME funds are a useful tool for both the preservation and development of both rental and ownership units affordable at 50% AMI and below.

**Neighborhood Stabilization Program (NSP) Grants:** The NSP was established by HUD for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. The focus of this program is the purchase, rehabilitation and resale of foreclosed and abandoned properties. Currently there are no NSP funds available in Ramsey County, but Arden Hills supports the continuation of the NSP program should funding become available again in the future. NSP funds were a useful tool to preserve ownership units affordable at 80% AMI and below.

**Homebuyer Assistance Programs:** Homebuyer assistance programs funded directly by Ramsey County CED are available to first time homebuyers. Arden Hills will encourage residents to contact the Minnesota Homeownership Center regarding homebuyer assistance programs that are currently available. Homebuyer assistance funds are a useful tool to preserve ownership units affordable at 80% AMI and below.

**Repair and Rehabilitation Support:** Ramsey County offers a residential rehabilitation deferred loan program to assist homeowners with home repair projects. Arden Hills encourages Ramsey County CED to continue its rehabilitation deferred loan program. Repair and rehabilitation support is a useful tool to preserve ownership units affordable at 80% AMI and below.

**Foreclosure Prevention:** The Housing Crisis Response in Ramsey County provides foreclosure counseling to Arden Hills residents. The Minnesota Home Ownership Center and Lutheran Social Services may also be resources to the residents of Arden Hills. Arden Hills encourages the Minnesota Home Ownership Center and Lutheran Social Services to continue providing these services. Foreclosure prevention funds are a useful tool to preserve ownership units affordable at 80% AMI and below.

**Energy Assistance:** Ramsey County offers an energy conservation deferred loan program to Arden Hills residents. EnergySmartsPays.com is also an energy conservation program that is available. Arden Hills encourages Ramsey County to continue to provide and fund the energy conservation deferred loan program. Energy assistance is a useful tool to preserve both rental and ownership units affordable at 80% AMI and below.

**Rental Assistance:** Renters interested in suburban rental housing assistance can contact the Metro Housing and Redevelopment Authority, which is the program that administers the Section 8/Housing Voucher program to Arden Hills residents. Arden Hills encourages Metro Housing and Redevelopment Authority to continue to administer the Section 8/Housing Voucher program. Rental assistance is a useful tool to preserve rental units affordable at 80% AMI and below.

**Livable Communities Grants:** Arden Hills is a participating community in the Metropolitan Council's Livable Community Act (LCA) programs. Arden Hills will consider applying for LCA grant(s) on behalf of developers who are provide level of affordable housing and the guaranteed length of affordability that generates a public benefit greater than the resources required to apply for and administer the livable community grants. LCA grants are a useful tool for the development of both rental and ownership units affordable at 80% AMI and below. The City will evaluate the cost versus benefit of the grant application and administration with preferences of housing unit affordability for the lowest incomes; the longest length of guaranteed affordability with a minimum of a 10-year term; housing that is eligible to, or provides services for, disadvantaged populations; and/or the developers

reimbursement of the application and administrative costs. The Council will require a local Fair Housing policy as a requirement to draw upon LCA awards beginning in 2019.

**Local Fair Housing Policy:** The federal Fair Housing Act prohibits the consideration of race, color, religion, national origin, sex, disability, or family status in rental, sales, or lending decisions. Ramsey County works with the Twin Cities Metro Area Fair Housing Implementation Council to stop discrimination and promote integration. Any Arden Hills residents that feel they have been subjected to unfair housing practices should contact this organization. Ramsey County CED can continue the implementation of its fair housing policy.

Arden Hills will consider adoption of a local fair housing policy if the City applies for and is awarded an LCA grant. Arden Hills will adopt a fair housing policy within one year of being awarded an LCA grant. Local fair housing policy is a useful tool to prohibit discrimination in housing against protected classes of both rental units affordable at 80% AMI and below.

**Land Trusts:** The Rondo Community Land Trust can serve any community in Ramsey County and is in operation within Shoreview. Should the Rondo Community Land Trust desire to operate within Arden Hills, Arden Hills will consider applying for CDBG funds on behalf of the land trust if that is the best use of that year's CDBG funding and the land trust staff assists in the preparation of the application. A land trust can be a useful tool for both the development and preservation of ownership units affordable at 80% AMI and below.

**Effective Referrals:** The City may offer referrals to State and Ramsey County housing support organizations, including the following housing Programs:

Minnesota Housing Programs for Homebuyers:

- Start Up for First-Time Homebuyers Program
- Mortgage Credit Certificate for First-Time Buyers
- Down payment & Closing Cost Assistance
- Step Up Program for Buying Again or Refinancing
- Participating Lender Search for Homebuyers
- Homebuyer Education

Minnesota Housing Programs for Existing Homeowners:

- Fix Up Program (interest-bearing program)
- Fix Up Program Lender Search
- Community Fix Up Program
- Rehabilitation Loan Program

Ramsey County Programs:

- FirstHOME
- Energy Conservation deferred loan program
- Residential Rehabilitation deferred loan program
- Foreclosure Prevention
- Fair Housing

**Rental Licensing/Inspections:** The City currently has a rental registration program in place to protect the health, safety, and welfare of residents living in rental property, as well as to provide a mechanism for a city to maintain property values and ensure the quality of the community's housing supply. The City will consider expanding this program with the adoption of a rental license ordinance requiring licensure and inspection of all residential property rented to an outside party.

**Low-Income Housing Tax Credit (LIHTC):** With LIHTC, developers apply for tax credits to offset costs at the time of development. Although the City does not fund this type of assistance, Arden Hills will consider stating its intent to support developers who pursue LIHTC and especially those who intend to seek ways to retain the affordability of the LIHTC property after the terms of LIHTC are up. LIHTC is a tool used to support projects that support residents in the 50 percent AMI and below.

Arden Hills currently does not have the resources to track the status of housing that has used LIHTC. Should another group, agency, or government unit make Arden Hills aware of a housing development in which their affordability requirement would soon expire, the City would consider partnering with other entities such as the Ramsey County CED or the Metropolitan Council to preserve or extend the affordability requirement.

The Cottage Villas of Arden Hills is obligated to provide 42 units at 60% AMI or below until at least July 1, 2025. The City would consider participating in discussions with the Ramsey County CED and/or Metropolitan Council about options in which the affordability at Cottage Villa could be maintained beyond 2025.

**Site Assembly and/or Acquisition:** Cities have the authority to acquire properties for housing through a number of mechanisms including through transfer of tax-forfeit properties from Ramsey County or through outright purchase. Arden Hills will monitor and consider acquisition of properties that can be assembled and developed into a public good project, including the production of affordable housing or maintenance of existing affordable housing. Such a strategy could be used to allow the City to put out specific RFP requirements to developers in order to achieve a project that includes housing affordability, specifically that meet thresholds for 50 percent AMI and below for rental housing and 80 percent AMI and below for ownership.

**Preservation of Existing Manufactured Home Parks:** The City will actively support the creation of additional affordable housing units if manufactured housing units are removed from the City's housing stock as part of a redevelopment of an existing manufacturing home park. In addition, the City will explore programs that may assist in the maintenance of existing manufactured homes. assist in the maintenance of existing manufactured homes.

**Participation in Housing-Related Partnerships and Organizations:** The City will consider participating in applicable housing-related partnerships and organizations.

#### 7.5.4 Fiscal Devices

Fiscal devices, such as revenue bonds, tax increment, financing, or tax abatement can be used to help ease the construction and availability of affordable housing in the City of Arden Hills.

**Development Authorities:** Arden Hills does not have its own Housing and Redevelopment Authority (HRA) and depends on Ramsey County Coordinate HRA for affordable housing and redevelopment services. Ramsey County can

construct, finance and/or partner with private developers to provide affordable housing for those Arden Hills residents in need. Arden Hills encourages the Ramsey County Coordinate HRA to consider developing, or supporting a developer through financing or other partnership, affordable housing between 2021 and 2030 to support the needs of future Arden Hills residents. Arden Hills will not create their own HRA. Development authorities are a useful tool to support the development of both rental and ownership housing units affordable at 50% AMI or below.

**Housing Bonds:** Minnesota State Statute allows HRAs and Cities the ability to issue housing bonds to provide affordable housing. Ramsey County HRA can issue housing bonds to provide affordable housing for those Arden Hills residents in need. Arden Hills will not consider the issuance of housing bonds because that could end up with the public being fiscally responsible for paying off the bonds. Arden Hills believes that a pay-as-you-go arrangement that support the development of privately-owned affordable housing through tax abatement or tax increment financing is safer financial arrangement. Housing bonds are a useful tool to support the development of both rental and ownership housing units affordable at 50% AMI or below.

**Tax Abatement:** Arden Hills will consider supporting the construction of affordable housing and through the use a portion of the property tax received (tax abatement) from the development to finance the affordable housing. This removes this property taxes revenue from paying for the services needed for this property, its residents and the community in general. Tax abatement will only be considered when the level of affordability, the guaranteed length of affordability and the long-term quality of the affordable housing provides a benefit greater than the services needed that go unpaid during the abatement term. Tax abatement is a useful tool to support the development of both rental and ownership housing units affordable at 80% AMI or below.

**Tax Increment Financing:** Arden Hills will consider creating a housing district to create a tax increment financing (TIF) district. The TIF bonds issued, or the preferred method of pay-as-you-go finance arrangement, on this district are to be used to support the construction of affordable housing and entire property taxes received above the original tax value (increment) from the development to finance these bonds. This removes this property taxes revenue from paying for the services needed for this property, its residents and the community in general. TIF will only be considered when the level of affordability, the guaranteed length of

affordability and the long-term quality of the affordable housing provides a benefit greater than the services needed that go unpaid during the TIF term. TIF is a useful tool to support the development of both rental and ownership housing units affordable at 50% AMI or below.

### **7.5.5 Official Controls**

Official controls and land use regulation can be used to assist in the construction of affordable housing units. Controls and regulations can also be used to simplify the process of expanding local housing options also.

**Fee Waivers or Adjustments:** Arden Hills will consider waiving or reducing fee to reduce the cost of construction of affordable housing. Conversely, State rules require that the fee that a city charges be related to the cost of providing the services for which the fee are collected. This waiver or reduction could create a deficiency in the funding for services which would be required the use of general funds to resolve. Arden Hills will develop a fee waiver or reduction policy within three years of the adoption of this Comprehensive Plan to determine when the level of affordable housing and the guaranteed length of affordability provides a public benefit great enough to justify the reduction or waiver of development fees. Fee waivers or adjustments are a useful tool to support the development of both rental and ownership housing units affordable at 80% AMI or below.

**Zoning and Subdivision Policies:** Cities have the ability to adjust their zoning and subdivision regulations through a planned unit development (PUD). Zoning and subdivision regulation are created in part to mitigate the impacts that a development may have on adjoining properties. When considers a PUD for affordable housing, Arden Hills will determine when the level of affordable housing and the guaranteed length of affordability provide a public benefit great enough to justify the potential impacts that would result from a deviation in the zoning or subdivision regulations. Arden Hills will consider relaxed zoning and subdivision standards when the public benefit is demonstrated. A PUD is a useful tool to support the development of both rental and ownership housing units affordable at 80% AMI or below.

**4(d) Tax Program:** Rental properties may receive a property tax break provided that the property has income and rent restricted units serving households at 60%

AMI and below. Arden Hills will consider using 4(d) tax incentives to further promote the creation and preservation of affordable multifamily housing during the period of 2021 thru 2030. 4(d) tax bond funds are a useful tool to support the development of rental housing units affordable at 50% AMI or below.

**TABLE 7.15 – AFFORDABLE HOUSING TOOLS**

Arden Hills Housing Goals/Policies	Arden Hills EDA	Tax Abatement	Tax Increment Finance	Fee waivers or adjustments	Zoning and subdivision policies	Ramsey County HRA	Housing Bonds	MN Housing Consolidated RFP	4(d) tax program	CDBG grants	HOME funds	NSP Funds	Livable Communities grant	Land trusts	Homebuyer assistance programs	Repair & Rehab Support programs	Foreclosure prevention programs	Energy Assistance programs	Rental Assistance	Local Fair Housing Policy	Effective Referrals	Rental Licensing/Inspections	Low-Income Housing Tax Credit (LIHTC) Properties	Site Assembly	Existing Manufactured Home Parks	Housing-Related Partnerships
Promote the development of a variety of housing options by preserving high-quality housing opportunities that are suitable for a mix of ages, incomes and household types.				X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X		X		X		X
Encourage the incorporation of affordable, life-cycle, and workforce housing into new development and redevelopment where feasible.	X	X	X	X	X	X	X	X	X		X		X							X		X	X	X		X
Preserve and strengthen the community's neighborhoods to maintain a high-quality of life for residents.					X	X				X	X	X			X	X	X	X	X	X	X	X	X		X	X
Encourage housing development and redevelopment that is complimentary to and enhances the character of the City's established neighborhoods.	X	X	X	X	X	X	X	X	X				X							X		X		X		X

## **7.6 Housing Quality**

Except for the TCAAP property, much of Arden Hills is considered developed. As was pointed out earlier, the age of the majority of the current housing stock makes ongoing maintenance a community concern. If Arden Hills' existing neighborhoods are going to remain attractive places to live, owners will need to continue maintenance and reinvestment efforts. Encouraging housing maintenance can be done in two ways, either through voluntary efforts or through regulatory requirements. Many communities rely on both. Ideally, all residents will maintain their property in a sound and attractive manner. Realistically, however, a small percentage of properties will not be adequately maintained and in such cases, they can have a significant negative impact on surrounding properties and even the neighborhood as a whole.

Arden Hills relies primarily on individual owners to maintain property. The City has nuisance provisions in its local code, it enforces the Minnesota State Building Code, and the International Property Maintenance Code was adopted in 2015. In 2009, the City approved the Rental Registration Ordinance that requires owners of rental units to register with the City annually. Additionally, Arden Hills will continue to work with programs offered by county, regional, state and federal agencies as appropriate. Such programs are more limited than they were in the past due to changes in priorities and reductions in funding.

## **7.7 Future Opportunities**

While Arden Hills does have a limited number of smaller, infill vacant parcels south of Highway 96, future housing opportunities will largely come from the development of the TCAAP site. TCAAP offers an unparalleled opportunity to create a mix of housing integrated with employment, entertainment, recreation and transit service. The flexibility included in the design and development regulations for the site will help the community address its goals of housing diversity and housing affordability.

The TCAAP site will include approximately 427 acres of gross development area. Of this total, approximately 162.2 acres of land has been designated specifically for residential development. Residential areas are divided between several zoning districts with varying gross density requirements. A range of different housing types will be accommodated, including single-family detached homes, twin homes, townhomes, manor homes, apartments, condominiums, and senior housing. The City expects that up to 1,460 housing units will be constructed on the site at the time of full development.

The residential component of the TCAAP site will offer a future mix of housing that will compliment Arden Hills' current supply of predominately single-family detached housing. It will provide opportunities to address the changing needs of the local population and it will attract new people to the community. Combined with the City's efforts to maintain the current supply of housing, the development of the TCAAP site will continue Arden Hills' position in the marketplace as a highly desirable place to live.

## **7.8 Implementation Strategies**

In order to advance the policies and ideas identified in this chapter, the following implementation strategies could be used:

- Review City codes to consider and encourage a range of housing opportunities and innovative site design.
- The City will pursue grants or other funding opportunities that help reduce the development and construction costs of affordable housing.
- Implement the adopted rental regulations to ensure the safety, functionality and maintenance of rental properties.
- The City will explore programs that assist in the maintenance of existing manufactured homes..
- The City will continue to monitor housing maintenance in neighborhoods and identify tools, if needed, to assist residents with improvements..
- Ensure safety, livability and durability of the housing stock through enforcement of the Minnesota State Building Code, which includes educating property owners and residents on housing and property maintenance codes.
- Work with owners of existing naturally occurring affordable housing properties to preserve and maintain quality, affordable housing throughout the city.
- Implement adopted standards to protect lakes, wetlands, trees, and other open spaces during redevelopments and infill projects.

- Recognize existing residential development patterns and neighborhood character when considering infill and redevelopment projects that are near or adjacent to established neighborhoods..
- Identify programs, policies, and strategies that encourage aging in community for senior citizens.

The above strategies should not be considered all-inclusive. New opportunities and strategies should be identified to further advance the City's housing goal and policies.