

2023 Housing Activity Report

Executive summary

The purpose of this report is to provide an overview of the 2023 housing program activity. The report provides information on new initiatives and updates as well as historical trends, program descriptions, and data on city and federally funded housing programs and activity that support the city's housing goals.

1. City housing policies, page 3

- a. Inclusionary Housing (30%, 50% and 60% AMI)
- b. Tenant Protection Ordinance (60% AMI and below)
- c. Housing Trust Fund
- d. NOAH preservation strategies:
 - i. 4D tax incentive program (60% AMI and below)
 - ii. Multifamily rental rehab program (60% AMI and below)
 - iii. Legacy program (60% AMI and below)

2. Remodeling activity, page 9

- a. Housing rehab projects (general remodeling) in 2023 decreased compared to 2022. Most projects were financed without using city loans.
- b. The city's Architect Design Services and Remodeling Advisor Services usage decreased in 2023; additional marketing efforts will be undertaken in 2024.
- c. Major remodeling projects and additions decreased in 2023. There were 38 additions and 93 major remodels in 2023 with average valuations at \$190,500 and \$74,000 respectively.
- d. The Construction Management Plan (CMP) program has been in place since November 2014. In 2023 there was a decrease in the number of projects requiring a CMP with only 12. The number of additions was also down in 2023, consistent with permit data. CMP letters were sent in 2023 for eight major additions and four demo/rebuilds. A map is included on page 13 of the report showing the location of these projects.

3. Affordable home ownership, Community Development Block Grant and emergency rental assistance, page 16

- a. The down payment assistance (DPA) program was utilized to maximum capacity in 2023. The city provided loans to 22 first-time homebuyers (at or below 120% AMI) in 2023.
- b. The city launched the first-generation homeownership program in late 2021. The first loan closed in 2022 and four additional loans closed in 2023.
- c. West Hennepin Affordable Housing Land Trust dba Homes Within Reach added two homes in St. Louis Park in 2023, for a total of 24 affordable homes in the community.
- d. CDBG funds were used to fund the Deferred Loan Program for low-income residents in St. Louis Park and Homes Within Reach. (80% AMI)
- e. The city provides an emergency repair grant for low-income homeowners in St. Louis Park. There were four emergency repair grants issued in 2023 (50% AMI).
- f. The city provides funds to STEP annually for emergency rental assistance. In 2023, STEP received \$65,000 in rental assistance, in addition to administrative and program-specific funding.

4. Housing matrix, page 18

- a. Owner occupied (properties without a rental license) properties comprise 53% of the housing market with rental properties (units with a rental license) at 47%.

- b. The single-family home ownership rate is 93%.
- c. There are 1200 units of senior housing in St. Louis Park.
- d. Maxfield Research completed their rental study in 2023. Among the 8,101 market rate units inventoried by unit mix and monthly rent, 26.4% are affordable to households with incomes at 50% AMI while 24.5% are affordable to households with incomes at 60% AMI.
- e. The 2023 affordable ownership purchase price decreased to \$304,700, nearly \$50,000 less than 2022 due to interest rate increases. The significant reduction in the affordable purchase price also decreased the percentage of affordable homes. 32% of homes in St. Louis Park are assessed at or below this affordability limit. These homes are comprised of single family, condominiums, and townhomes.

5. Foreclosures, page 23

- a. The foreclosure rate remains extremely low.

6. Housing Authority rental assistance programs (30% AMI), page 24

- a. The St. Louis Park Housing Authority affordable rental housing and rental assistance programs served approximately 615 households with rental assistance in 2023. Income eligibility limits are 50% AMI for the housing choice voucher (HCV) program and 80% for public housing, although the majority of households served in public housing and the HCV program are below 30% AMI. 95% of households served by housing authority rental assistance programs are at or below 50% AMI with the majority (79%), below 30% AMI. All federally funded housing programs are counted as 30% AMI units because households typically pay 30% of their income towards rent.
- b. The Housing Authority serves households with several special purpose vouchers including the Family Unification Program, Mainstream Vouchers and VASH which serves veterans (50% AMI and below).
- c. The St. Louis Park Housing Authority, in partnership with Hennepin County, has continued administering the Stable HOME rental assistance program which provides housing assistance to homeless or previously homeless individuals and families in Suburban Hennepin County. 48 households were served in 2023 (50% AMI).
- d. Kids in the Park program – funding was increased in 2023 to serve 30 families (50% AMI and below). Prior years the program served 20 families.
- e. Lou Park Apartments – 20 tenants residing at Lou Park with project-based vouchers were transitioned to tenant-based vouchers administered by the Housing Authority (50% and below AMI).

Housing authority rental assistance programs by AMI in 2023

	30% AMI	50% AMI	60% AMI	80% AMI and over
Percentage of Households	79%	16%	3%	2%

7. Program Descriptions, page 28

This section gives detailed descriptions of the various housing programs.

1. City housing policies

The City of St. Louis Park has undertaken new initiatives and updates to current policies to address affordable housing needs in the community.

Inclusionary housing

In June 2015, the city council adopted an Inclusionary Housing Policy that requires the inclusion of affordable housing units for lower income households in new market rate multi-unit residential developments receiving financial assistance from the city. The goal of the Inclusionary Housing Policy is to increase the supply of affordable housing and promote economic and social integration. The policy is regularly reviewed and updated as needed.

Table 1: Inclusionary housing policy requirements

	Current Policy
Rental Projects	<ul style="list-style-type: none">• 20% of units at 60% AMI• 10% of units at 50% AMI• 5% of units at 30% AMI
Ownership Projects	Payment in lieu

Table 2: Affordable units created and approved since adoption of the Inclusionary Housing Policy

Development	Year built	Length of affordability	Total Units	Affordable Units	Affordability Level	0-bedroom Affordable Units	1-bedroom Affordable Units	2-bedroom Affordable Units	3+bedroom Affordable Units
Completed projects									
Shoreham	2017	25	148	30**	50%	4	13	13	
4800 Excelsior	2017	25	164	18	60%	1	10	7	
Central Park West Phase 1 (199 units total)	2017	25	119 in SLP	6*	60%	1	2	2	1
Parkway 25	2018		112						
Arlo West End	2020	25	164	5*	50%	1	1	2	1
The Quentin	2020	25	79	8	50%	3	4	1	0
Elmwood	2021	25	70	17	60%		5	12	
Urban Park Flats	2021		61	0					
Parkway Place	2022		94	0					
Zelia on 7	2023	25	217	22 65	50% 60% 60%	36	29	15	5 – 3BR 2 – 4BR
Parkway Residences – rehab	2023	25	24	24	50%	1	15	8	
Parkway Flats	2023	25	6	6	60%			6	
Caraway	2023	25	207	8*	60%	2	3	2	1
Volo at Texa Tonka	2023	25	112	23	50%	7	12	4	0
Rise on 7	2023	26 city 30 HTC	120	19 22 21 58	30% 40% 50% 60%		57	39	24
Risor	2023	25	170	18	50%	1	11	5	1
Corsa	2023	25	250	25	50%	5	15	3	2
Parkway Commons	2023		37	0					
Totals			2,154	395					

Development	Year built	Length of affordability in years	Total Units	Affordable Units	Affordability Level	0-bedroom Affordable Units	1-bedroom Affordable Units	2-bedroom Affordable Units	3+bedroom Affordable Units
Under construction									
Arbor Court		26 city 30 HTC	114	5 5 104	30% 50% 60%		27	50	37
Union Park Flats		26 city 50 LURA	60	16 27 17	30% 50% 60%	10	5	30	10 - 3 BR 5 - 4 BR
Mera (formerly 9920 Wayzata)		25	233	47	50%	10	19	16	2
Totals			407	221					
Approved									
Parkway Plaza			73	0					
Beltline Station Dev. Bldg 1			152	0					
Beltline Station Dev. Bldg 2		40 city	82	5 77	30% 60%		15	45	22
Beltline Station Dev. Bldg 3			146	0					
Totals			453	82					

*Central Park West Phase 1 and Phase 2 and Luxe were not subject to the Inclusionary Housing Policy and voluntarily included affordable units

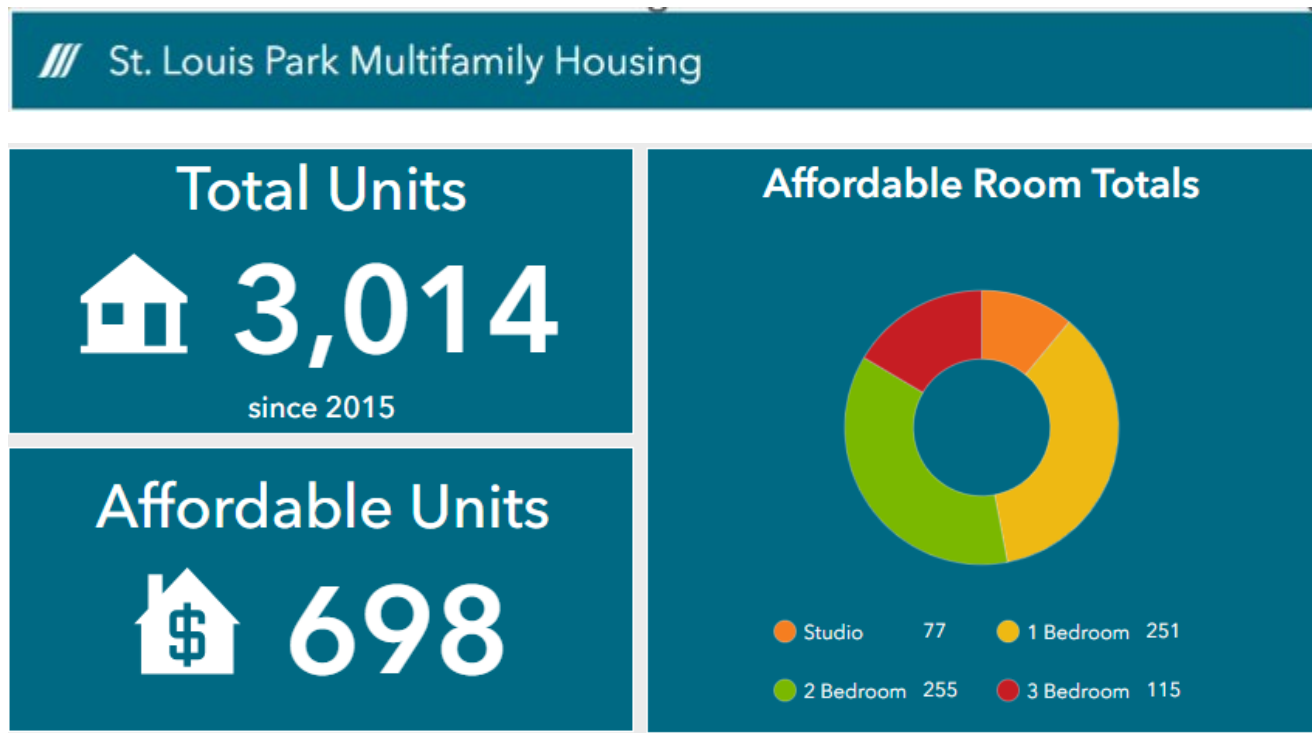
**Shoreham is a tax credit property resulting in 20% of units affordable at 50% AMI

***Parkway Residences, Parkway Place, Parkway Flats, Parkway Commons and Parkway Plaza were all approved under Parkway Residences and all of the affordable units are in Parkway Residences and Parkway Flats

Some properties have a longer affordability term than the terms required by the inclusionary housing policy. The additional affordability period is noted below the inclusionary housing policy affordability period. Housing tax credit (HTC) and Land use restrictive covenants (LURA) for tax credits may have varying requirements.

Housing Dashboard

The City of St. Louis Park is committed to promoting quality multifamily development and affordable housing options for low- and moderate-income households. The [multifamily housing dashboard](#) shows the total number of rental units and the number of affordable units created since the inclusionary housing policy was adopted. Note that it does not reflect the total number of affordable rental units in the city, nor does it reflect affordable units that have been approved but have not yet been completed. The dashboard also includes a second tab, affordable housing goals, that shows the progress the city is making towards the affordable housing goals set by the Metropolitan Council.



Tenant Protection Ordinance

The city council adopted a tenant protection ordinance in 2018. The tenant protection ordinance requires a three-month period following the ownership transfer of a NOAH multifamily residential property during which the new owner would be required to pay relocation benefits to tenants if the rent is increased, existing residents are rescreened, or non-renewals are implemented without cause. NOAH properties are defined as buildings where at least 18% of the units have rents affordable to households with incomes at or below 60% Area Medium Income (AMI) to match the inclusionary housing policy affordability requirements at the time the policy was adopted.

The ordinance does not prohibit a new owner from taking the management actions listed above; however, the owner would be required to provide resident relocation benefits if they do take any of those actions during the tenant protection period and a tenant decides to move as a result. The three-month protection period provides a period for residents to work with housing support resources and seek alternative housing if they are facing unaffordable rent increases, new screening criteria requirements that would be problematic for them, or a thirty-day non-renewal without cause notice to vacate. The ordinance requires the new owner of a NOAH building to provide notice of the ordinance protections to tenants of affordable housing units within 30 days of the sale of the building. The three-month tenant protection period begins once the notice has been given to the tenants.

The sale of a NOAH property does not necessarily mean it will no longer be affordable. Some sales include rent restricted units and others remain affordable without rent restrictions. One sale in 2019 and one sale in 2023 have HUD project based units that required the property to remain affordable.

NOAH properties required to comply with the tenant protection ordinance based on sale date:

- 3 in 2019
- 2 in 2020
- 2 in 2021
- 1 in 2022
- 3 in 2023

Local housing trust fund

The city council approved establishing a local affordable housing trust fund in 2018. Housing trust funds are distinct funds established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing. Housing trust funds can also be a repository for private donations.

The Minnesota Legislature passed a bill in 2017 that allows local communities to establish housing trust funds. The housing trust fund may be established by ordinance and administered by the city. Money in a housing trust fund may only be used to:

- pay for administrative expenses not to exceed 10% of the balance of the fund;
- make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
- match other funds from federal, state, or private resources for housing projects; or
- provide down-payment assistance, rental assistance, and homebuyer counseling services.

The city may finance the fund with any money available to a local government, unless expressly prohibited by state law. The proposed primary source of funding for the city's trust fund is an annual budgeted allocation of HRA Levy funds, which was available beginning in 2020. The local housing trust fund guide was approved in 2019.

Land banking

Land banking is the practice of aggregating parcels of land for future sale or development. The Economic Development Authority (EDA) purchased parcels near the Beltline and Wooddale stations to facilitate future redevelopment which will include housing. The EDA also purchased four single-family homes on Minnetonka Blvd between 2018 and 2022 for future affordable homeownership redevelopment purposes.

NOAH Preservation (Naturally Occurring Affordable Housing)

Housing staff continued to participate in a Regional Housing Workgroup to review and discuss strategies for preservation of NOAH. Additional preservation strategies including the multifamily rental rehab program, Legacy program and 4d were approved in 2018 and implemented in 2019 to preserve NOAH properties.

Legacy program – 60% AMI and below

Investors are buying NOAH apartment properties across the Twin Cities, often renovating the properties and increasing the rents. The City of St. Louis Park created the legacy program to encourage multifamily NOAH property owners in our community who are thinking about selling their property to consider connecting with a socially driven investor who will preserve the affordability of their development. The city created a legacy program brochure outlining how an owner can make a difference by providing a legacy of affordable housing in St. Louis Park. The brochure was mailed to all class B and C multifamily rental properties.

In 2021, the city expanded the Legacy program to include single family homes to connect potential sellers with Homes Within Reach to expand the land trust program in St. Louis Park and preserve affordable homeownership in the community. Homes Within Reach has communicated with homeowners about the program and one home in 2022 and two homes in 2023 were sold directly to Homes Within Reach through the legacy program and will remain affordable homeownership opportunities in perpetuity.

4d - 60% AMI and below

St. Louis Park's 4d affordable housing incentive program helps preserve affordable homes in the city by providing financial incentive to qualified apartment owners for state property tax reductions if they agree to keep 20 percent or more of their rental units affordable. The program also offers grants to help owners make energy efficiency and safety improvements to their properties.

This program was developed, approved, and marketed in 2018 to preserve affordable housing in St. Louis Park. One apartment building applied for 4d in 2019. Two property management companies covering four properties applied in 2023 to the 4d program preserving approximately 460 units at or below 60% AMI for a minimum of five years.

Multifamily rental rehab program - 60% AMI and below

The multifamily rental rehab program provides moderate rehabilitation assistance to eligible owners of St. Louis Park multifamily residential rental properties with three or more units. The targeted properties are NOAH properties that have been maintained, are in good standing, and wish to make improvements to their properties. Buildings must be at least 30 years old and meet the St. Louis Park definition of a NOAH property. The maximum loan amount per qualified rent restricted unit is \$5,000 with a maximum loan per building/development of \$50,000. Loans have 0% interest and are due upon the sale of the property. Owners must restrict the rents for a 10-year term or until the sale or transfer of the ownership of the property.

The goal of this program is to provide a rehab incentive for NOAH properties to improve their property without raising rents above the 60% AMI rent level. No properties participated in this program in 2019. Staff began evaluating the program in 2020 and modifying the program in 2021. In 2022, housing staff worked with the city's environment and sustainability staff on a grant to evaluate housing and energy efficiency programs for multifamily properties to identify barriers to the use of the current programs and identify what changes would make the programs more beneficial to both property owners and tenants. One multifamily rental rehab loan closed in 2022 and three loans covering 149 units were closed in 2023.

2. Remodeling activity

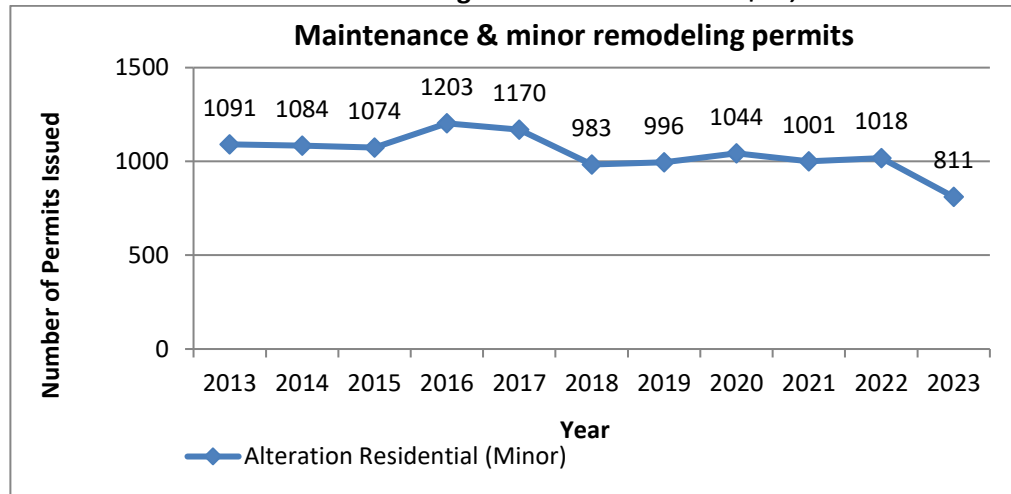
Residential permitted activity measures remodeling and maintenance activity. This section shows historical trends of remodeling activity.

Permit Trends

- **“Alteration Residential” or General Remodeling**

General remodeling work includes residential projects with permit valuations less than \$37,500. The average value per job in 2023 is just over \$10,000, a slight increase compared to 2022. There was a decrease in the number of permits in 2023 compared to previous years. Permits include a wide range of projects including remodeling of existing spaces, window and door replacement, drain tile, insulation, foundation work, etc.

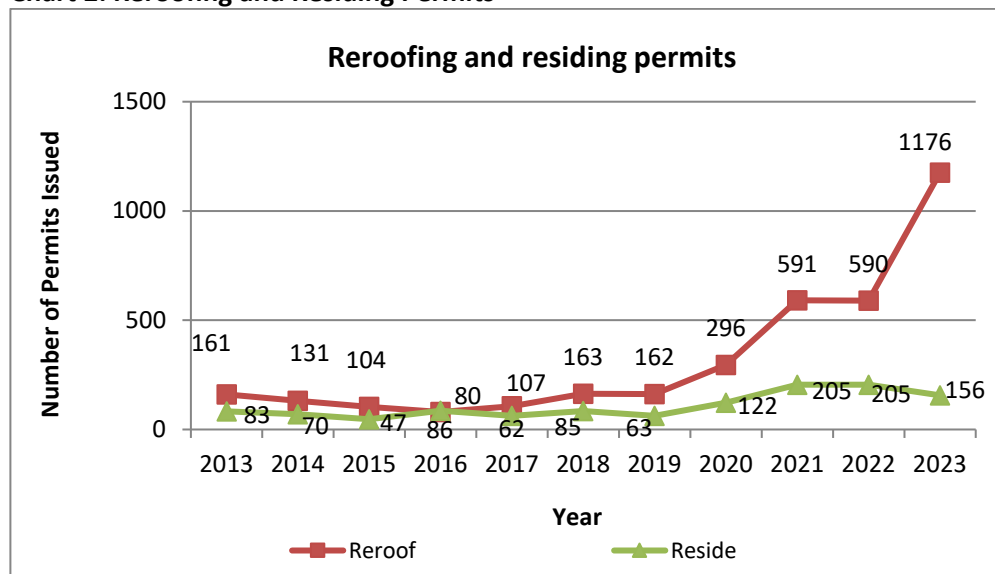
Chart 1: Trend of General Remodeling Permits valued under \$37,500



- **Roofing and Siding Activity**

Reroofing and residing permits are tracked separately. Almost 60% of the homes in the city had roofs replaced between 2008 and 2011 due to storm damage. In 2020 the number of permits started to increase. The number of reroofs in 2023 nearly doubled 2022 and 2021 which may be attributed to a large hail storm. Residing has been more consistent over the last 10 years.

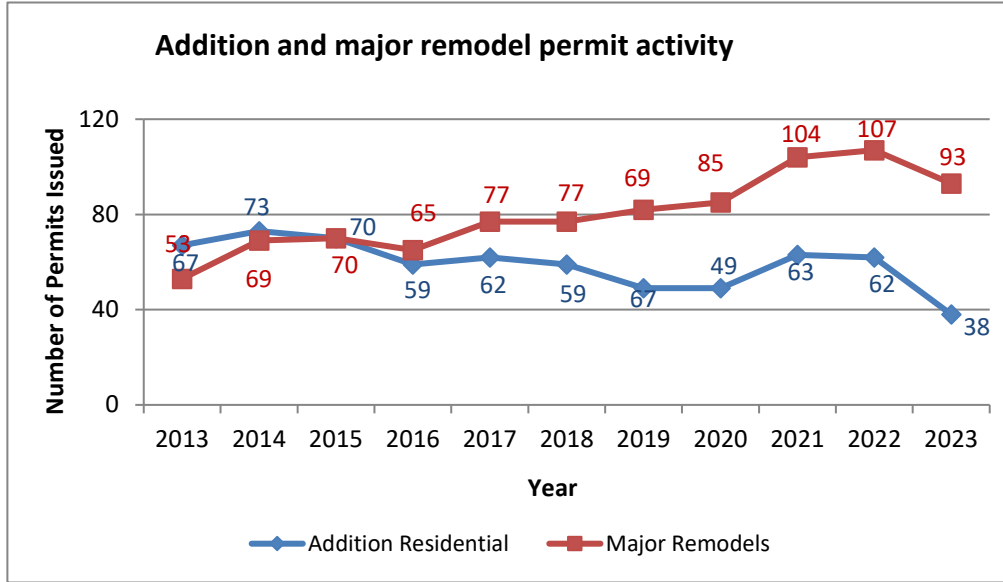
Chart 2: Reroofing and Residing Permits



- Additions and Major Remodeling**

The number of major remodeling permits (valued at more than \$37,500) and additions decreased from last year. The average permit valuation for additions during 2023 is \$190,500, which is approximately \$40,000 more than the average permit valuation in 2022. The 2023 average valuation for major remodels is approximately \$74,00 which is consistent with 2022.

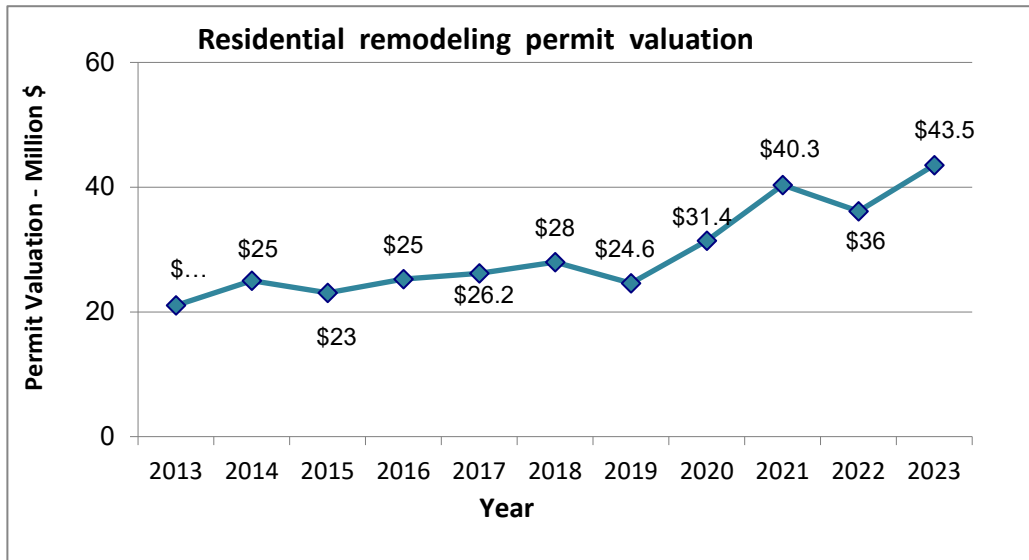
Chart 3: Number of Addition and Major Remodeling Permits



- Permit Valuation**

The following chart shows historical remodeling permit valuation for additions, major remodels, remodeling and maintenance, garages/decks, reroofs, and siding. Permits with additional valuations were issued for plumbing, heating, and electrical work are not shown here. The 2023 valuation is higher than previous years, but does include a significant increase in roofing permits with a total valuation of approximately \$17 million.

Chart 4: Permitted Residential Remodeling



City Housing Improvement Services, Loans Trends and Program Descriptions

Home Improvement Services

The city's architectural design service, remodeling advisor and Home Energy Squad Visits are great programs for residents who are considering a remodel or energy improvements. The sustainability division of the building and energy department now administers the home energy visits.

Chart 5: Architect and remodeling advisor visits

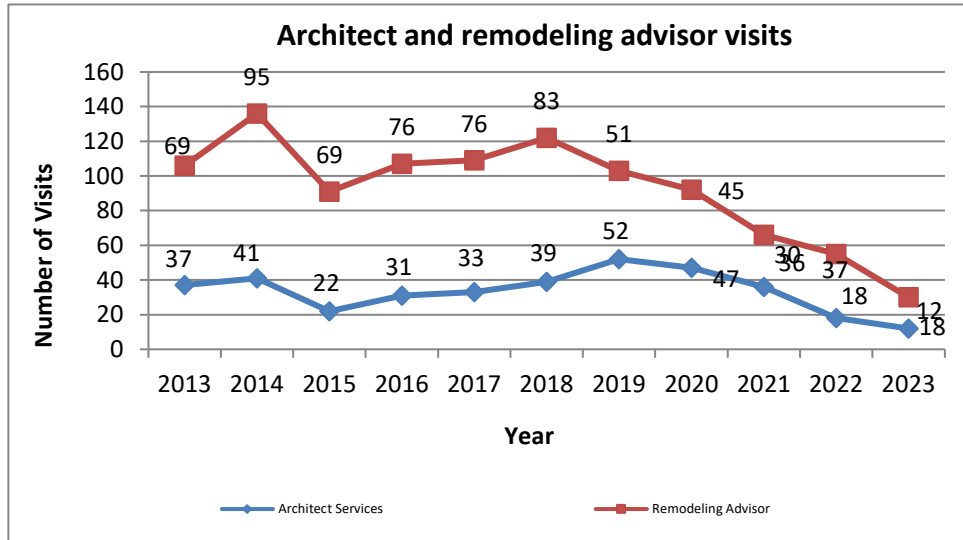
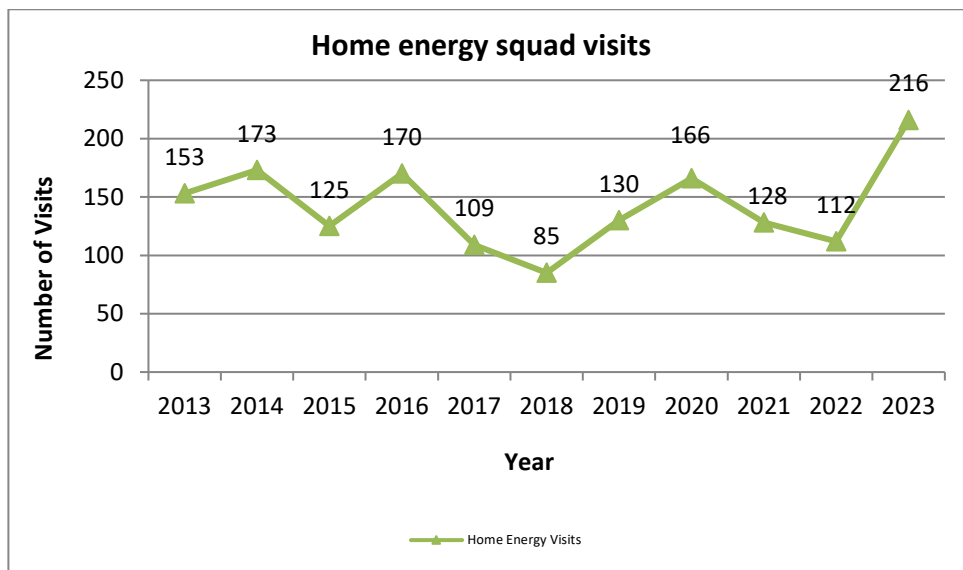


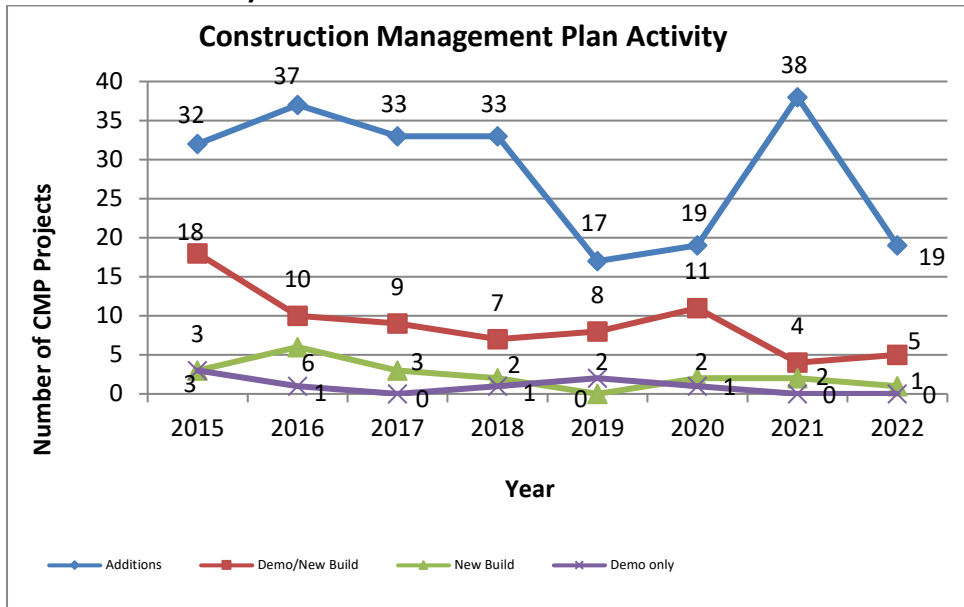
Chart 6: Home energy visits



Construction Management Plan

Major additions (second story additions or additions of 500 square feet or more), demolitions and new construction projects need to comply with the Construction Management Plan (CMP). In 2023, the following neighborhood notifications were sent: 8 major additions and four demo/rebuilds. This is the lowest number of CMP projects since the CMP program was initiated. The total permit valuation for CMP projects in 2023 was \$4,797,850. The average cost for major additions was \$268,000 and \$665,000 for demo/new builds.

Chart 7: CMP Activity



Home Remodeling Fair and Tour

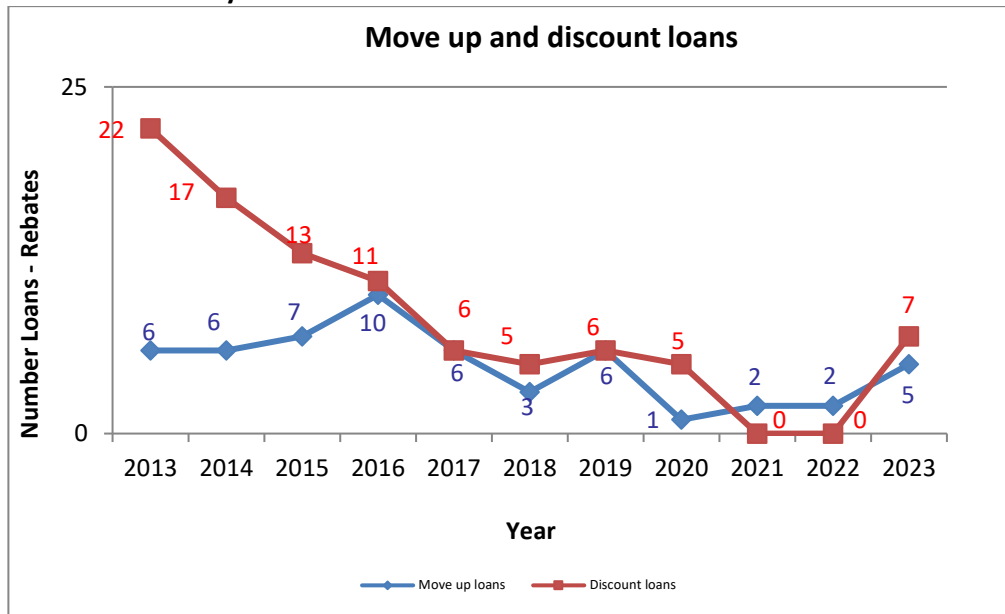
The cities of Golden Valley, Minnetonka, and St. Louis Park and the St. Louis Park school district sponsored the home remodeling fair in 2023. The 2023 fair was another successful fair with approximately 800 attendees.

The Minneapolis St. Paul Home Remodeling Tour expanded its geographic area to include first ring suburbs in 2022. With the expansion of the MSP home tour St. Louis Park no longer hosts our own remodeling tour. Three homes in St. Louis Park participated in the MSP home tour in 2023 and the MSP tour organizers said thanks to the city’s social media efforts the St. Louis Park homes were some of the best attended homes of the tour.

City Loans and rebates

The following chart shows the number of Move Up and discount loans issued. The city buys down the interest rate on the Minnesota Housing Finance Agency’s community fix up loan for the discount loan with a maximum loan amount of \$35,000. In 2020, interest rates dropped below the rate of the city’s buydown rate, so midway through the year no loans needed the city to buy down the rate. This continued through 2022. The city resumed the buy down program in 2023. The move up loan was underutilized for several years. Changes were made to income limits and maximum loan amount for the Move up loan in 2023 increasing the income limit to 120% AMI with a maximum loan amount of \$35,000. There were more Move up loans in 2023 and staff will continue to monitor whether the changes to the program increase utilization.

Chart 8: Use of city financial incentives



Move-Up in the Park loans are deferred until the sale of the home or forgiven after thirty years.

Table 3: Move-Up Transformation Loans Paid off in the last five years

Year	Number of Loans Paid Off	Amount of Loans
2019	1	\$16,250
2020	5	\$114,327
2021	4	\$77,876
2022	2	\$50,000
2023	5	\$96,514
Total paid off		\$274,885

Table 4: Housing rehab and homeownership programs

YEAR	Move-Up loan		Discount loan		Architectural Design Services		Remodeling Advisor Services		Down payment assistance loan		First-generation loan		Total City Cost
2006	27	\$591,264	88	\$186,205	102	\$22,950	157	\$20,410					\$820,829
2007	27	\$620,000	50	\$74,000	62	\$12,400	179	\$23,270					\$729,670
2008	18	\$330,937	55	\$114,129	49	\$11,025	130	\$16,900					\$472,991
2009	17	\$329,650	52	\$106,000	12	\$7,200	126	\$16,380					\$459,230
2010	9	\$209,769	64	\$86,263	30	\$6,750	89	\$11,510					\$314,292
2011	10	\$226,877	22	\$29,213	29	\$6,525	82	\$10,250					\$272,865
2012*	6	\$106,232	26	\$31,276	29	\$6,525	69	\$8,970					\$153,003
2013	6	\$145,071	22	\$33,063	37	\$8,325	69	\$8,970					\$195,429
2014	6	\$138,740	17	\$26,079	41	\$9,225	95	\$12,350					\$186,394
2015	7	\$173,000	13	\$17,577	22	\$4,950	69	\$15,525					\$211,052
2016	10	\$231,057	11	\$27,001	31	\$6,975	76	\$17,100					\$282,133
2017	6	\$137,950	6	\$5,907	33	\$7,425	76	\$17,100					\$168,382
2018	3	\$75,000	5	\$12,904	39	\$8,775	83	\$18,865					\$115,544
2019	6	\$142,350	6	\$16,577	52	\$11,700	51	\$11,475	8	\$87,621			\$269,723
2020	1	\$25,000	5	\$7,506	47	\$10,575	45	\$10,125	10	\$135,428			\$188,634
2021	2	\$50,000	0	0	36	\$8,125	30	\$7,500	10	\$127,900			\$193,525
2022	2	\$39,210	0	0	18	\$4,050	37	\$9,250	12	\$177,590	1	\$50,000	\$280,100
2023	5	166,081	7	\$17,842	12	\$2,700	18	\$4,500	22	\$310,050	4	\$186,125	\$687,298
												Total	\$6,001,094

Detailed descriptions of each Move-Up Program are listed at the end of the report.

3. Affordable home ownership, Community Development Block Grants and emergency rental assistance

Home ownership - down payment assistance program – 100%/115% AMI and below

The down payment assistance program (DPA) provides down payment/closing cost assistance to first-time homebuyers, or those that have not owned a home in the last three years, for purchasing a home in St. Louis Park. The loan is a zero percent interest deferred loan up to \$15,000, not to exceed five percent of the purchase price. An additional \$5,000 is available for employees of St. Louis Park businesses and St. Louis Park renters. Income restrictions apply. 22 DPA loans were closed in 2023.

First generation program

It's recognized that historical and institutional racism has disproportionately created housing challenges and disparities for Black communities, as well as members of communities who do not identify as white, and other underserved low-income communities. Additionally, the income and education gap between households of color and white households has resulted in difficulty for Black and African American people and households of color to obtain mortgages, leading to ongoing wealth accumulation equity issues.

The first-generation homeownership program is designed to address these historic injustices and inequities and to support inclusive and equitable communities by facilitating affordable homeownership and providing a means for wealth-building. The goal is to address housing disparities; build power in communities most impacted by housing challenges and disparities; pilot an innovative program to address housing challenges for Black communities as well as members of communities who don't identify as white, and other underserved low-income communities.

To be considered for the program, a buyer must be a first-generation homeowner meaning they have never owned a home and parents must have never owned a home. The program is available to homebuyers with a maximum household income at or below 80% of area median income. The maximum loan amount is based on the household's income and purchase price of the homes with a maximum of \$75,000. The loan is forgiven at 5% per year over a 20-year owner occupancy period. Housing staff have partnered with several non-profits on the development of the program as well as outreach to first generation homeowners. These non-profits work with first time home buyers and are also dedicated to advancing homeownership equity in Minnesota.

The program was launched in November 2021 and the first loan was closed in September 2022. Four loans were closed in 2023.

Housing Improvement Area (HIA)

The HIA is a finance tool to assist with the preservation of the city's existing townhome and condominium housing stock. An HIA is a defined area within a city where housing improvements are made, and the cost of the improvements are paid in whole or in part from fees imposed on the properties within the area. The Association borrows low interest money from the city, improvements are completed, and unit owners repay the loan through fees imposed on their properties and collected with property tax payments. To date, **nine** HIA's have been established and nearly fourteen million dollars of improvements have been made to 1,310 units.

Bridgeway Condominium Homeowners' Association applied for an HIA in 2021 and was approved by the city council in February 2022. Improvements were completed in 2023.

Emergency Repair Grant (50% AMI)

The emergency repair grant that had previously been funded using CDBG funds is now funded with housing rehab dollars. Four emergency grants were issued in 2023. The maximum grant amount is \$5,000.

Community Development Block Grant (CDBG) (80% AMI)

The CDBG calendar year runs from July 1 – June 30th. The FY2023 CDBG allocation of \$142,241 was directed to the low-income deferred loan program administered by Hennepin County

Low-income deferred loan program

Hennepin County administers the low-income deferred loan program for St. Louis Park and other suburban cities in Hennepin County. This program is a 15-year deferred loan for low-income homeowners that is forgiven after 15 years if the homeowner remains in the home. The waiting list continues to grow for this program so additional city funding was budgeted for 2023 with Hennepin County administering the program. Hennepin County had staffing issues which resulted in no city funded loans closed in 2023. ; However, they anticipate being able to increase the number of loans issued in 2024 with CDBG and city funds. .

West Hennepin Affordable Housing Land Trust, dba Homes Within Reach (HWR) (80% AMI) – two homes purchased in 2023

Homes Within Reach is a program of West Hennepin Affordable Housing Land Trust that purchases properties, rehabilitates, and then sells the home to qualified low to moderate income households. Buyers pay for the cost of the home only and lease the land for 99 years. City funds are leveraged with CDBG, Hennepin County Affordable Housing Incentive Fund (AHIF), HOME Partnership, Metropolitan Council, Minnesota Housing, and other funds.

Homes Within Reach uses the community land trust model to create and preserve affordable homeownership for families in suburban Hennepin County. Two homes were purchased in 2023. To date, Homes Within Reach has purchased 24 homes in St. Louis Park.

Emergency rental assistance

Annually, the City of St. Louis Park provides funding to the St. Louis Park Emergency Program (STEP) for emergency rental assistance and administrative support. STEP provides rental assistance for residents of St. Louis Park who have an unexpected crisis and cannot pay rent. The crisis must be able to be resolved with the ability to pay next month's rent. Documentation is requested at the time of application. Priority is given to those with gross incomes at or below 50% AMI. STEP also receives Community Development Block Grant funds through the Hennepin County Consolidated RFP for emergency assistance.

The City of St. Louis Park provided \$65,000 in funding to STEP for emergency rental assistance and \$55,000 in administrative support for a total of \$110,000 in 2023.

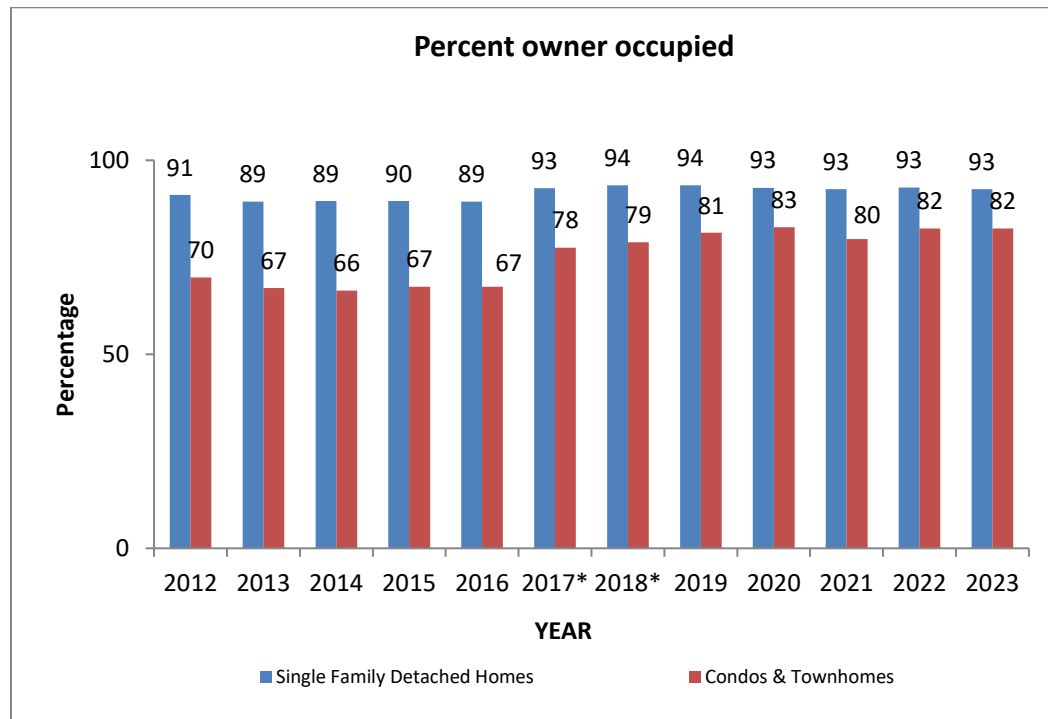
Information about STEP, county and state emergency rental assistance programs was shared with property owners and managers utilizing the SPARC e-newsletter. The information was also shared on the city's website and via social media for residents of St. Louis Park.

4. Housing matrix and development

The housing matrix below shows the numbers and percentages of housing types, tenure (owner or rental), affordable units, senior-designated units, and large single-family homes. The matrix is a guide to evaluate future housing development proposals.

- 12,138 units (47% of units) in St. Louis Park have a rental license.
- The chart shows percentages of rental vs. owner-occupied units over time. Prior to 2017, the chart reflects homestead vs. non-homesteaded properties. Starting in 2017, the chart uses rental licenses to count the number of rental properties in St. Louis Park since not all non-homesteaded properties are rental.
- **93%** of single-family detached homes were owner-occupied (did not have a rental license), and **82%** of condos/townhomes were owner-occupied (no rental license)
- The city hired Maxfield Research to update the city’s comprehensive housing analysis. The report was completed and presented to council in 2023.

Chart 9: Percentage of owner occupied units



*Rental license data used beginning in 2017

Family-size single-family homes

One of the city’s housing goals is to increase the number of family-size homes available in the city. “Family-size single-family homes” are defined as exceeding **1,500** square feet of living space, having 3 or more bedrooms, 2 or more baths, and at minimum a 2-car garage. According to the Assessing Department, **2,508 – or 22%** – of St. Louis Park single family homes meet this threshold. This is an increase of 31 homes since 2020 most likely due to additions, demo/rebuilds, and remodels. Although this size home is not considered large when compared to newly constructed housing, in St. Louis Park 74% of single-family homes have a foundation size less than 1,200 square feet and 45% of single-family homes have less than 1,200 square feet above ground.

Senior housing

The following information provides an overview of senior housing is available in St. Louis Park:

- Ten senior (including senior preference) housing rental developments, for a total of 1,200 units.
- Hamilton House offers a preference for seniors. there are additional preferences so not all residents are seniors.
- Three developments are “affordable.” Hamilton House is Public Housing; Menorah West and Menorah Plaza are multi-family subsidized.
- Two developments have a mix of market rate and affordable units. The Elmwood has 17 affordable housing units and Risor has 18 affordable units. These affordable units are required by the inclusionary housing policy.
- Two senior ownership developments, for a total of 166 units.
- Total rental and home ownership units is 1,366.

Table 5: Senior housing table

RENTAL					
Project name	Address	Total units	Affordable units	Occupied Date	Type of Senior
Hamilton House	2400 Nevada Ave S	110	110	1976	Public Housing (Senior Preference)
Menorah West Apts	3600 Phillips Parkway	45		1986	Affordable/Subsidized
Menorah Plaza	4925 Minnetonka Blvd	151		1981	Affordable/Subsidized, Assisted Living Offered
Parkshore Place	3663 Park Center Blvd	207		1988	Senior
Knollwood Place	3630 Phillips Parkway	153		1987	Senior
TowerLight	3601 Wooddale Ave	43 29 33		2012	Senior Assisted Living Memory Care
Roitenberg Family	3610 Phillips Parkway	52/24		2002	Assisted Living/Memory Care
Parkwood Shores	3633 Park Center Blvd	68 23		2001	Assisted Living Memory Care
Comfort Residence at St. Louis Park	7115 Wayzata Blvd	12 10		2014	Assisted Living Memory Care
The Elmwood	5605 W 36 th St	70	17	2021	53 market rate/ 17 affordable @ 60% AMI
Risor	3510 Beltline Blvd	170	18	2023	152 market rate/18 affordable @ 50% AMI
TOTAL RENTAL UNITS:		1200	145 affordable rental units		
HOME OWNERSHIP					
Project name	Address	No. of Units		Occupied Date	Type of Senior
Aquila Commons	8200 W 33 rd St	106		2012	Coop
Village in the Park	3600 Wooddale	60		2007	Senior Living
TOTAL OWNER UNITS		166			

Affordable Housing

For 2023 the Metropolitan Council sets the rental affordability limit at 60% area median income (AMI) and 80% AMI for ownership affordability. In 2023, the metro area median income (AMI) for a household of four was \$124,900. Below is a chart showing the number of market-rate affordable (naturally occurring affordable housing) multifamily rental units in St. Louis Park with affordable levels from 30% AMI to 80% AMI based on the Maxfield Research update from 2023.

Program participants with a St. Louis Park Housing Choice Voucher (HCV) can utilize vouchers in market-rate rentals reducing the rents to 30 – 40% of a voucher holder’s income. The average HCV client’s income is below 30% AMI.

The following information is an excerpt of the [2023 Maxfield Research Housing Study](#) for the City of St. Louis Park.

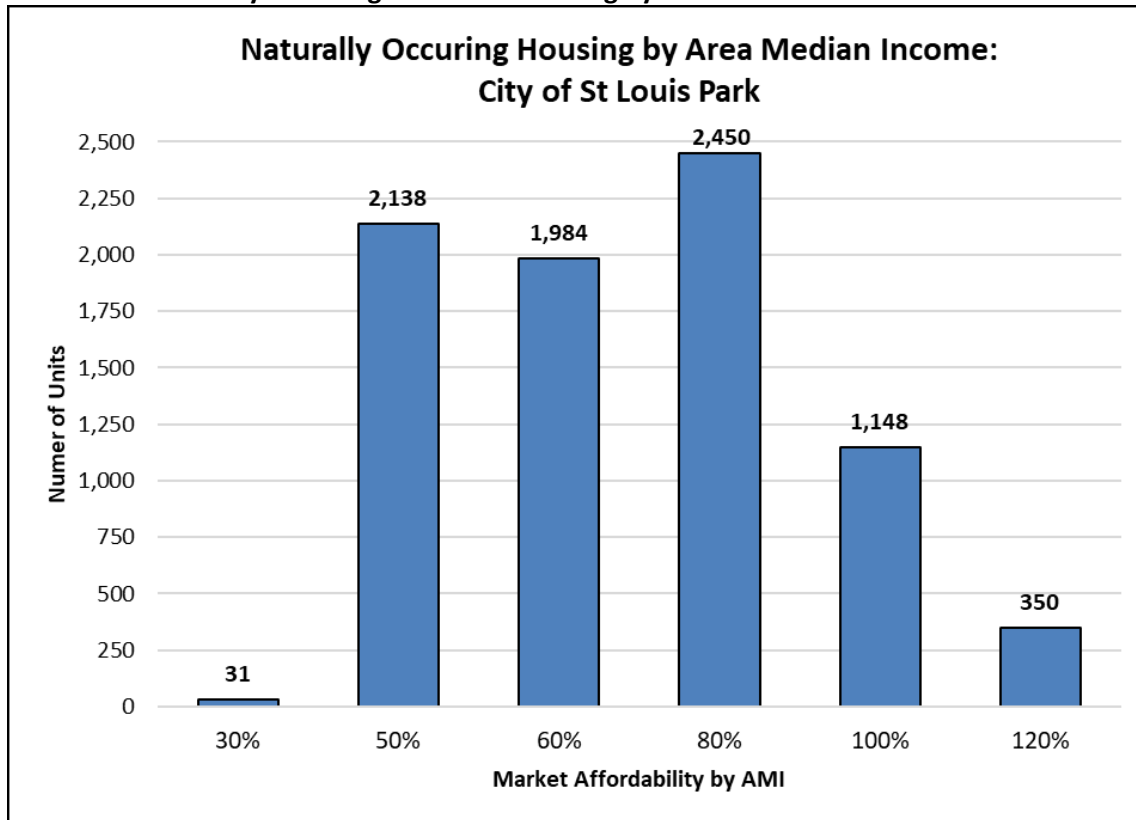
Among the 8,101 market rate units inventoried by unit mix and monthly rent, 26.4% are affordable to households with incomes at 50% AMI while 24.5% are affordable to households with incomes at 60% AMI.

Table 6: Multifamily market-rate rental units by AMI

TABLE R-7 MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS NATURAL OCCURRING SUMMARY CITY OF ST LOUIS PARK FEBRUARY 2023						
Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
STUDIO	0	134	88	194	37	14
1 BR	0	1,179	862	1,381	521	69
2 BR	31	788	1,013	791	576	226
3 BR	0	37	21	84	14	41
Subtotal	31	2,138	1,984	2,450	1,148	350
Pct. Of Total	0.4%	26.4%	24.5%	30.2%	14.2%	4.3%
Pct. Of Affordability Category						
STUDIO	0.0%	6.3%	4.4%	7.9%	3.2%	4.0%
1 BR	0.0%	55.1%	43.4%	56.4%	45.4%	19.7%
2 BR	100.0%	36.9%	51.1%	32.3%	50.2%	64.6%
3 BR	0.0%	1.7%	1.1%	3.4%	1.2%	11.7%

Source: Maxfield Research & Consulting, LLC.

Chart: 2023 Naturally occurring affordable housing by AMI



Source: Maxfield research & Consulting LLC

Affordable housing rental projects

The [multifamily housing dashboard](#) shows the total number of rental units and the number of affordable units created since the inclusionary housing policy was adopted.

Affordable homeownership

- The 2023 **affordable ownership** purchase price is at or below **\$304,700**, which is the affordable homeownership purchase price for households at 80% AMI (\$95,650). The matrix also shows the data for single-family homes, condos, and townhomes valued at \$234,20000 or less, which is the 60% AMI (\$74,520) affordable ownership purchase price.
- In 2023, 53% (4,832) of the single-family homes, condos, and townhomes in St. Louis Park were considered affordable at or below 80% AMI based on valuation data from assessing. The affordable ownership purchase price decreased by approximately \$50,000 compared to 2023. The interest rate is the only change in the assumptions to determine affordability, increasing from 3% to 5.5%. The Metropolitan Council includes the following assumptions in determining the affordable ownership price:
 - Fixed-interest, 30-year home loan
 - Interest rate of 5.5%
 - A 28% housing debt-to-household income ratio
 - A 3.5% down payment
 - A property tax rate of 1.00% of the property sales price
 - Mortgage insurance at 0.85% of unpaid principal
 - \$100/month for hazard insurance

Table 7: St. Louis Park Housing Matrix

December 31, 2023

Housing Units by Type						
Housing Type	Housing Units		Owner Occupied (No Rental License)		Rental Licenses	
Single Family Detached	11,607	45%	10,707		900	
Duplex	436	2%	122		314	
Condos and townhomes	3,564	14%	2938		626	
Apartments	10,298	39%			10,298	
Totals	25,905		13,767	53%	12,138	47%

Large Single Family Homes, Affordable, and Senior Housing									
Family sized single family homes over 1500 square feet		2023 Affordable ownership: SF, Condo and TH Units		2023 Maxfield Research Affordable Market Rate (NOAH) Rental Units		Rent restricted units *Does not include tenant based vouchers		Senior Designated	
		60%	80%	60%	80%				
2,508		211	2,003			37 public housing			
		1,809	2,829					166	
				4153	6603	546		1200	
2,508	22%	2,020	4832	4153	6603	579	5%	1194	5%
% of SF Homes		% of SF, Condo & TH		% of Multifamily surveyed		% of Rental		% of Total Housing Units	

The rental unit numbers are rental license data provided by the building and energy department. The percentage of owner occupied (no rental license) units to rental (units with a rental license) units is 53% owner (no rental license) and 47% of units with a rental license.

Met Council revises the affordable housing income standards annually and for 2023 affordability is defined as owner occupied units at 80% AMI and rental units at 60% AMI. Some years 80% AMI rental units have also been considered affordable. This chart shows all single family homes, condos and townhomes with an assessed value based on 60% and 80% AMI. The chart also shows multifamily rental units affordable at 60% AMI and 80% AMI based on Maxfield Research data. The percentage of affordable units for multifamily is based on the percentage of multifamily units surveyed by Maxfield Research in 2023. More data is on the previous page related to affordable rents based on the number of bedrooms in a unit.

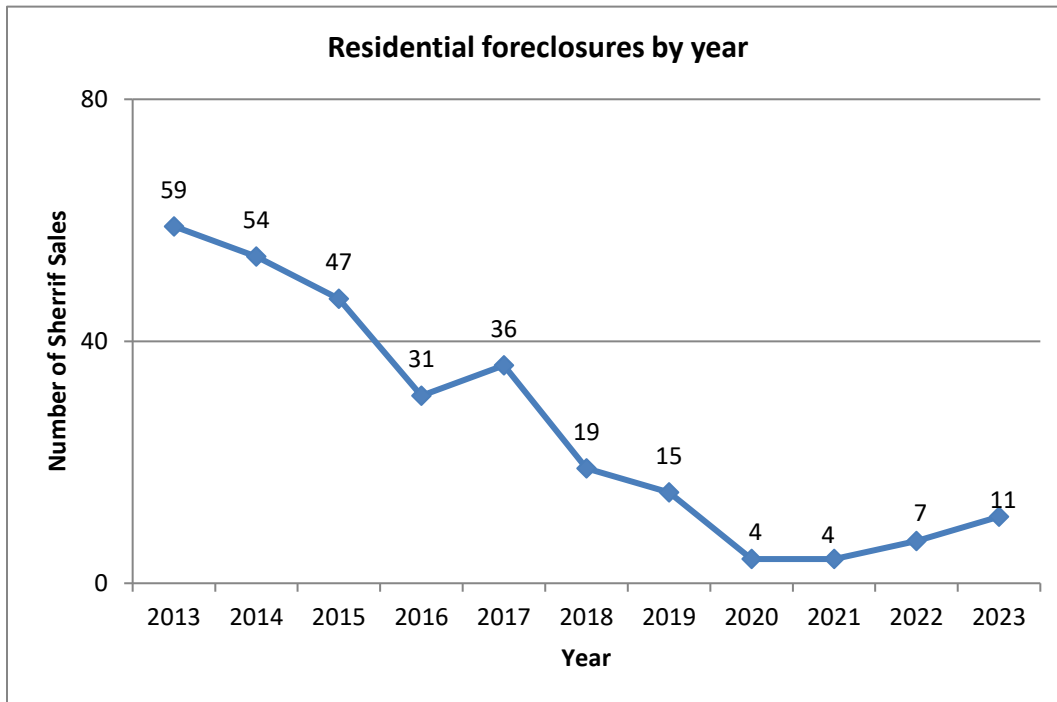
Rent restricted units include project based vouchers, public housing, and inclusionary housing units. This does not include the tenant based Housing Choice Vouchers (Section 8), Kids in the Park, or Stable HOME vouchers which are not tied to a specific unit.

Data source: St. Louis Building and Energy and Assessing departments, St. Louis Park Housing Authority and Maxfield Research & Consulting.

5. Foreclosures

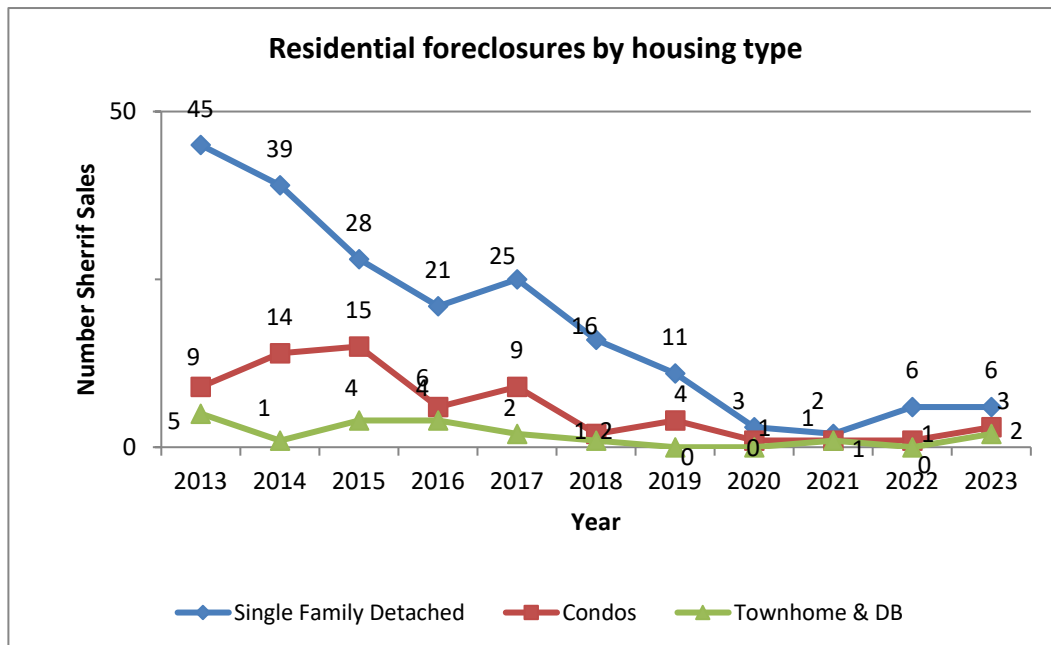
Foreclosures are measured by the number of sheriff sales. The number of residential foreclosures in St. Louis Park and throughout Hennepin County remains low with 11 foreclosure in 2023.

Chart 10: St. Louis Park Residential Foreclosures by Year



The trend chart below shows foreclosure by housing type over time.

Chart 11: Residential foreclosures by housing type



*Townhome & DB = Townhome and Double Bungalow/Duplex

6. Housing Authority and rental assistance programs

The St. Louis Park Housing Authority (HA) administers programs that ensure the availability of safe and desirable affordable housing options in the St. Louis Park community. These programs include the Public Housing program, Housing Choice Voucher rental assistance program, the family self-sufficiency program, Stable HOME, and Kids in the Park programs. The HA currently serves over 615 eligible, low-income households through their housing programs.

Public Housing – Restricted to households at or below 80% AMI; however, the majority of public housing residents have incomes below 50% AMI, with a significant number below 30% AMI

The Housing Authority (HA) owns Hamilton House, a low-rise apartment building (108 one-bedroom units and two two-bedroom units) built in 1975, and 37 scattered site single-family units (three to five bedrooms) acquired or constructed between 1974 and 1996. Hamilton House is designated for general occupancy; however, priority is given to elderly and disabled applicants. The single-family scattered site units house families with children. The HA also holds the HUD Annual Contributions Contract (ACC) and maintains a waiting list for 12 two-bedroom Public Housing apartment units located at Louisiana Court.

The average annual income for households at Hamilton House is \$18,105 which is below 30% AMI. The average income for the scattered site single-family homes and Louisiana Court public housing units is \$52,161. Family sizes in Louisiana Court and the scattered site houses range from two to 11 people per home.

Table 8: Percentage of public housing units by AMI

30% AMI	50% AMI	60% AMI	80% or above
72%	17%	6%	5%

Public housing residents pay 30% of their income towards rent. If a household’s income rises above the limit, on the second anniversary of exceeding the HUD over-income limit (120% AMI), households are given notice that they are no longer eligible for public housing and need to move on from the program. The 2023 annual budget for Public Housing was \$1,351,921. The HA received an award of \$354,936 for the 2023 Capital Fund Program (CFP). CFP funds need to be obligated within two years and spent within four years.

Table 9: Public Housing

Public Housing	Total Units	1-BR	2-BR	3-BR	4-BR	5-BR
Hamilton House	110	108	2			
Scattered Site Single Family	37			17	17	3
Louisiana Court, Metropolitan Housing Opportunity (MHOP) Units	12		12			
Total (bedroom size)		108	14	17	17	3
Total Units	159					

Housing Choice Voucher Program (HCV) – 50% AMI or below

The HA is allocated a total of 382 Housing Choice Vouchers from HUD. This rent assistance program provides rent subsidies for low-income individuals and families in privately owned, existing market rate housing units. The rent subsidy is paid directly to the owner of the rental property by the Housing Authority (HA) with funds provided by HUD. The HA administers tenant-based, project-based and newly awarded special program vouchers as noted below. 46 vouchers of the HA's allocation are designated for use in three privately owned developments (Vail Place, Wayside, and Perspectives) and are referred to as project-based vouchers. **The average income of voucher holder households in St. Louis Park is \$18,847 which is below 30% AMI.** HCV participants pay at least 30% of their income towards rent and can choose to pay up to 40%. The 2023 annual budget for HCV was \$4,023,445. Despite the number of HCV units allocated to a Housing Authority by HUD, HAs are limited in the number of vouchers that can be administered by the annual funding allocated by HUD.

Family Unification Vouchers (FUP)

The Housing Authority (HA) was awarded 12 Family Unification Vouchers (FUP) at the end of 2019 and an additional 15 units in 2020. FUP is a program in which Housing Choice Vouchers (HCVs) are provided in order to lease decent, safe, and sanitary housing in the private housing market to:

- Families for whom the lack of adequate housing is a primary factor in either: the imminent placement of the family's child(ren) in out of home care or the delay in the discharge of the child(ren) to the family from out of home care. There is no time limitation on family FUP vouchers, or
- Youth who are at least 18 years or and not more than 24 years old who: left foster care at age 16 or older to will leave foster care within 90 days and are homeless or at risk of homelessness. FUP vouchers used by youth were previously limited by statute to 36 months of housing assistance. The CARES Act has changed the limit to 60 months.

The HA is partnering with Hennepin County on this program. 27 FUP vouchers were utilized in 2023.

Foster Youth to Independence (FYI) – New vouchers awarded – 50% AMI and below

The Foster Youth to Independence (FYI) initiative was announced in 2019. The FYI initiative allows Housing Authority's who partner with a Public Child Welfare Agency (PCWA) to request targeted Housing Choice Vouchers (HCVs) to serve eligible youth with a history of child welfare involvement that are homeless or at risk of being homeless. Rental assistance and supportive services are provided to qualified youth for a period of up to 36 months. As part of the Consolidated Appropriations Act in 2021 the Fostering Stable Housing Opportunities (FSHO) amendment allows housing authorities to provide youth with an extension up to 24 months if they meet one of the statutory requirements, this extension allows the youth 60 months total on the FYI program. Statutory requirements include one of the following: participation in a Family Self Sufficiency Program, or youth who are required to care for a dependent child under age 6 or an incapacitated person, or are participating in drug or alcohol treatment, or are enrolled in an institution of higher education, or are participating in a job training program, or are employed.

Hennepin County contacted the HA with a request to partner in the administration of the FYI program. The HA administers the rental assistance vouchers for the participants, while the county is responsible for providing or engaging service agencies to provide the required support services. The regulations overseeing the issuance and administration of the FYI rental vouchers are the same as those for Housing Choice Vouchers (HCV) with the exception of the 36-month limit on assistance, with extensions up to 24 months for eligible activities. HUD is the funding source for both the housing assistance and the administration fees for the program, similar to the HCV program.

The program was initially only available to HAs that did *not* administer FUP vouchers, but it has since been expanded to all HAs with an HCV Annual Contributions Contract (ACC). Funding is available either competitively through an FYI Notice of Funding Availability (NOFA) or noncompetitively on a rolling basis. Hennepin County is receiving vouchers through the noncompetitive process. HAs are limited to 25 vouchers in a fiscal year with the ability to request an additional 25 vouchers for those HAs with 90 percent or greater utilization of these vouchers. The City of St. Louis Park was offered 25 vouchers. The first referral came in fall 2022. The SLPHA received 3 referrals in 2022 and all 3 youth were issued vouchers and leased up. As of December 31, 2023 SLPHA has been awarded 24 FYI vouchers and has leased up 17 of them and has searchers for the additional 7 vouchers.

Mainstream

The HA was awarded seven additional Mainstream vouchers via the CARES Act in 2020, adding to the eight mainstream vouchers awarded previously. 10 additional Mainstream vouchers were awarded in 2022 bringing the HA's total number of MS vouchers to 25. These Mainstream vouchers provide vouchers to assist non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, or at serious risk of homelessness, or homeless. It was designed to further to the goals of the Americans with Disabilities Act (ADA) by helping persons with disabilities live in the most integrated setting. Families or individuals with a Mainstream voucher must have a household member at least 18 years of age and less than 62 years of age with a disability at the time of eligibility determination. 25 mainstream vouchers were utilized in 2023.

Lou Park Apartments

Lou Park is an apartment complex in St. Louis Park owned and managed by Bigos Management. Bigos notified tenants that in 2018 they would be completing a contract transfer of their 32 project-based units to another property. As of July 1, 2019, tenants were eligible to request to move to the new property or remain at Lou Park using an enhanced voucher administered by the St. Louis Park Housing Authority. This added 32 additional vouchers to the Housing Authority's allocation. Initially, 31 tenants chose to utilize the tenant protection voucher at Lou Park. As of December 31, 2023, 20 remained at Lou Park, the remainder have chosen to use their voucher to move to a different complex.

Perspectives

Perspectives is a community non-profit organization located in St. Louis Park that provides supportive housing to low-income families that are homeless and are dual diagnosed (chemical and mental health diagnosis). Perspectives is one of the largest therapeutic supportive housing programs for women and children in Minnesota, housing approximately 75 women and 130 children and has been operational in St. Louis Park for 28 years.

The HA has 22 project-based vouchers allocated to Perspectives.

In December 2023 Perspectives notified the city and housing authority they were facing financial uncertainty. Residents were notified of these changes and provided with contact information for questions and assistance. The Housing Authority will continue to work with Perspectives and the project-based tenants as more information becomes available. If necessary, the project-based vouchers can be converted to tenant-based vouchers to assist the tenants in maintaining affordable housing.

Wayside

The Housing Authority (HA) has provided project-based vouchers (PBV) to Wayside House properties located at 1341 and 1349 Jersey Ave S since 2023. Wayside provides supportive housing and programming for women in recovery. Wayside currently has 16 project-based vouchers and they self-subsidize rents on four of their units.

Table 10: HCV Lease-Up Report

HCV (and special purpose voucher) Lease Up Report as of December 31, 2023	Utilized (leased and vouchers issued)	Allocated
Housing Choice Voucher	243	245
Project Based Vouchers (PBV)	32	36
Family Unification Program (FUP) *including 7 project-based vouchers	27	27
Lou Park (tenant protection vouchers)	19	NA
Veterans Affairs Supportive Housing (VASH)	16	25
Foster Youth to Independence (FYI)	18	24
Mainstream *including 3 project-based vouchers	25	25
Total (99% utilized)	380	382
Port Ins	9	NA

Stable HOME Rental Assistance Program – 50% AMI

The Stable HOME program provides rent assistance to low-income singles and families who were homeless or would otherwise be at risk of homelessness. Rent assistance is limited to three years. During the three years, participants must establish good rental histories. They must also work to improve their earnings enough to where they do not need rental assistance or find a permanent subsidy program. The Stable Home program is administered by the Housing Authority, but participants are free to choose a rental unit anywhere in Hennepin County except Minneapolis. Participants are referred to the program by Hennepin County. This program is funded with federal HOME funds allocated to the county. 48 families throughout suburban Hennepin County were served by this program in 2023.

Kids in the Park Rent Assistance Program – 50% AMI and below – city funded

Kids in the Park provides rent assistance to households with school-age children for up to four years. Participants receive a flat, monthly rental assistance subsidy that decreases annually over the four-year period. Eligible households must have an income at or below 50% of the area median income, a child attending school in St. Louis Park, one parent or guardian that works a minimum of 28 hours per week, live in rental housing in St. Louis Park, and comply with their lease. Families with disabled and elderly heads of household do not need to comply with the work requirement. The program was developed in partnership with the St. Louis Park Emergency Program (STEP) and the St. Louis Park School District. The Kids in the Park program began serving 9 families in December 2017. Funding was increased for 2018 to serve 14, 2019 served 17 families and in 2020 that number increased to 20 families. In 2023, funding was increased so that 30 families were able to be served by Kids in the Park.

7. Program descriptions

Technical, Design, and Conservation Services

Architectural Design Service – no income restrictions

This service provides an architectural consultation for residents to assist with remodeling and expansions. Residents select an approved architect from a pool developed in conjunction with the MN Chapter of the American Institute of Architects. All homeowners considering renovations are eligible for this service; however, to ensure committed participants, residents make a \$25 co-pay.

Remodeling/Rehab Advisor – no income restrictions

This service provides help to residents to navigate improvements to their homes (either maintenance or value-added improvements) by providing technical help before and during the construction process. All homeowners are eligible for this service regardless of income. Resident surveys indicated that homeowners valued the service and would recommend it to others. The city contracts with the Center for Energy and Environment (CEE) for this free service to homeowners.

Home Energy Squad visit – no income restrictions

The Home Energy Squad program is a comprehensive residential energy program designed to help residents save money and energy and stay comfortable in their homes. The program, which began in March 2012, is administered by the Center for Energy and Environment (CEE). Depending on whether the resident chooses a “Saver”-level visit or a “Planner”-level visit, the city pays 50 percent of the \$70 or \$100 visit and the resident pays the other 50 percent. The program leverages funds from Xcel Energy, Center Point Energy, and CEE. Free home energy visits are available to low-income households (which was updated in 2021 from 60% AMI to 80%). The city’s portion of the visit costs are funded using the Climate Investment Fund.

The Home Energy Squad expert evaluates energy saving opportunities and installs the energy-efficiency materials the homeowner chooses including door weather stripping, water heater blanket, programmable thermostat, LED light bulbs, high efficiency shower heads, and faucet aerators. They will also perform diagnostic tests including a blower door test to measure the home for air leaks, complete an insulation inspection, safety check the home’s heating system and water heater and help with next steps such as finding insulation contractors. All single family, duplex, triplex and quadplex homeowners are eligible. The Home Energy Squad visits qualify residents for CEE’s low interest financing and utility rebates, and they also notify residents of city loan and cost share opportunities.

Annual Home Remodeling Fair

The cities and school district community education departments of St. Louis Park, Hopkins, Minnetonka, and Golden Valley co-sponsor the annual home remodeling fair. The fair provides residents an opportunity to attend seminars, talk with vendors and city staff about permits, zoning, home improvement loans, and environmental issues related to remodeling. The fair is a self-sustaining event and vendor registration fees cover the costs.

Home Remodeling Tour

The annual tour is designed to meet the housing goal to remodel and expand single-family owner-occupied homes. The self-guided tour of six homes provides a showcase of a variety of home remodeling projects to provide ideas, information, and inspiration to other residents considering remodeling.

Construction Management Plan

The city recognizes that many households are looking for larger homes and supports keeping families in the city. As a result, significant additions and/or tearing down of existing homes and rebuilding larger homes is becoming more common. Because St. Louis Park is a fully built community, these major additions and construction of new homes impacts the surrounding neighbors.

Effective November 15, 2014, major additions (second story additions or additions of 500 square feet or more), demolitions and new construction need to comply with a Construction Management Plan (CMP) per City Code 6-71. Major additions, tear downs and new construction are required to send a written neighborhood notification to neighbors within 200 feet of the property. Demolitions and/or new construction also require a neighborhood meeting and signage.

Financial Programs

To encourage growing families to stay in St. Louis Park, the city has developed and implemented a number of programs toward this effort.

Discount Loan Program – 115% AMI

This program encourages residents to improve their homes by “discounting” the interest rate on the Minnesota Housing Finance Agency (MN Housing) home improvement loans for income eligible residents. Eligible improvements include most home improvement projects with the exception of luxury items such as pools. Implementation of discounting of MHFA loans began in late 1999 as a pilot project. In the past the city would buy down the interest rate for income eligible households. Since 2000 the interest rate has been below the buy down rates, so the city has not had to buy down the interest rate for this program in 2020 or 2021. Residents can apply through CEE to utilize this loan.

Move – Up Transformation Loan – 120% AMI

The purpose of this loan is to encourage residents with incomes at or below 100/115% of median area income (\$120,600 for a family of one - four) to expand their homes. The program provides deferred loans for 25% of the applicant’s home expansion project cost, with a maximum loan of \$35,000. The revolving loan pool will continue to fund future expansions.

This loan requires significant upfront work by the residents, from deciding on the scope of the project to selecting contractors. Loan guidelines are:

- Only residents making significant expansions are eligible. The minimum project cost must exceed \$35,000.
- The maximum loan amount is \$35,000.
- The loan has 0% interest with a carrying cost fee of 3% paid by the borrower which covers the lender’s administrative fee.
- Loan is forgiven after 30 years if homeowner continues to live in the home.

Emergency Repair Grant

The city offers emergency repair grants for households below 50% area median income to make immediate emergency repairs such as furnace replacement, roof repair, plumbing or electrical emergencies, etc. This program is administered by Sustainable Resources Center (SRC).