

Chapter 2. Housing



Brick Rambler in Fridley

Housing

Housing is a critical and essential component of the quality of life in Fridley. Since a majority of Fridley’s housing was built in the 1950s and 1960s, the City has struggled to provide a variety of housing types and price points that allow residents to move through the life cycle housing chain while staying in Fridley. Providing a variety of housing types and price levels is key to maintaining stability in the community. It is also key to reducing traffic; giving Fridley’s extensive working population the opportunity to live where they work.

2.0 Introduction

The City of Fridley has focused a great deal of its resources on maintaining the housing stock we have. For several decades now, the Fridley Housing and Redevelopment Authority (HRA) has spent funds on housing replacement and rehabilitation programs, removing blight, and encouraging reinvestment in older housing. The City’s strong rental inspection and code enforcement programs also preserve housing values.

Since the last Comprehensive Plan update, the Fridley HRA has initiated two significant housing redevelopment projects - Cielo Apartments and Gateway West. Gateway West provided 16 new, larger single family homes valued higher than the average Fridley home price point. Cielo Apartments provides 256 market rate apartments at a price point that is higher than any other apartment complex in the City. The successful marketing of both of these projects has proven the need for this type of housing. However, the City continues to lack other housing choices, so more housing types need to be explored. The City is planning for new housing options in several proposed developments, including Locke Park Pointe and the Northstar TOD Zoning District. Low vacancy rates, rising rents, and demographics of higher divorce rates and single parent households in Fridley appear to be driving the need for more rental housing in the community.



The Cielo Apartments Phase I - April 2016

2.1 Existing Housing Assessment

In order to develop a plan for housing in Fridley, an analysis of existing housing types was performed.

The breakdown of housing structure types has not changed much over the past two years except for more apartments due to the construction of Phase I and II of Cielo Apartments. New single family homes have been built, but in most cases, a home was torn down to make room for the new home. One structure type that is not

separately listed is a cottage home. The City has a few cottage homes (one-level living without a basement), but there have been many requests for more of this type of housing. This is a popular option for seniors looking for an accessible home. There have also been requests for more owner-occupied multi-family structure options, which is understandable as only 11% of existing housing structures are this type of housing.

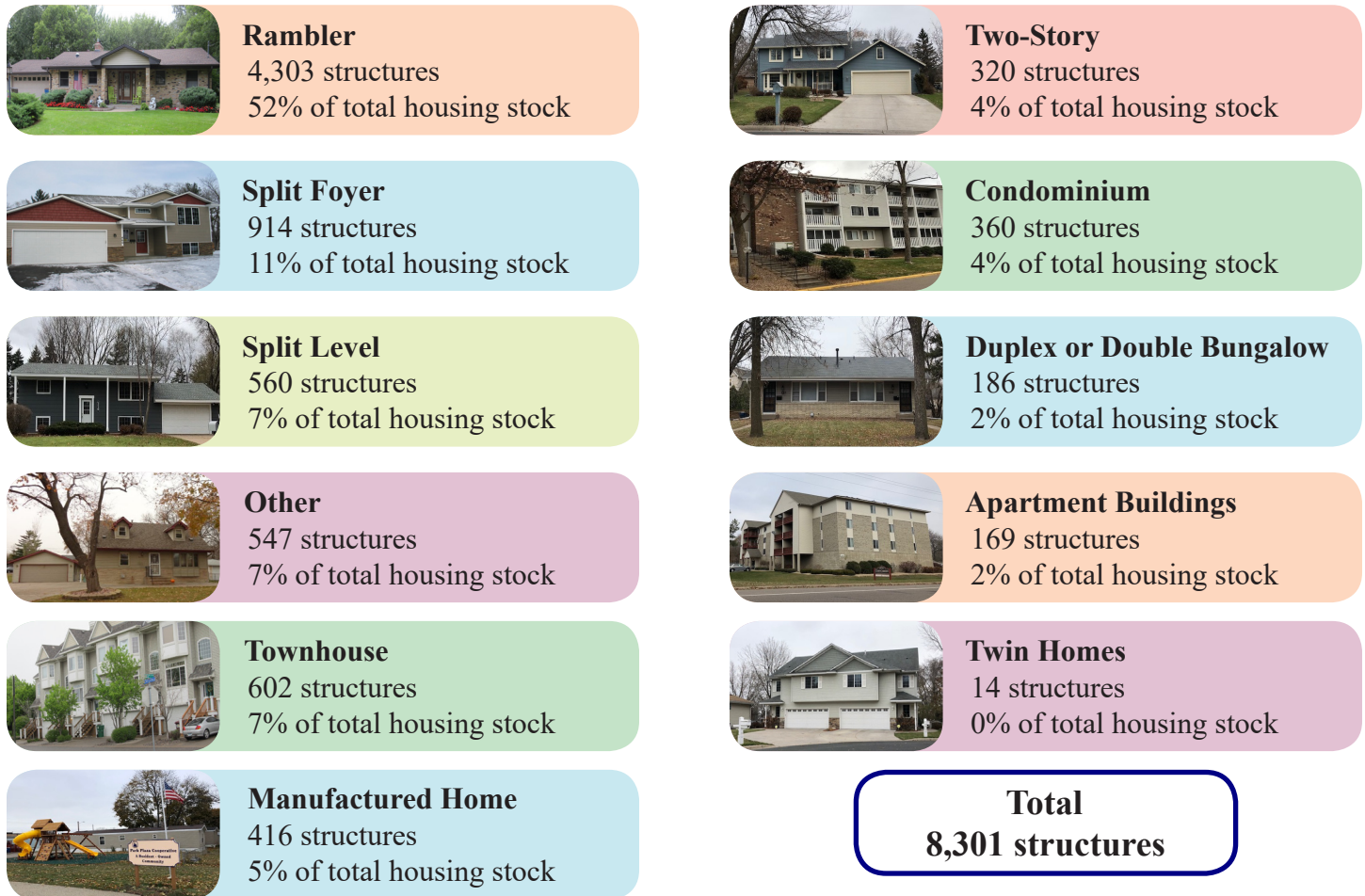


Table 2.1 Housing Type

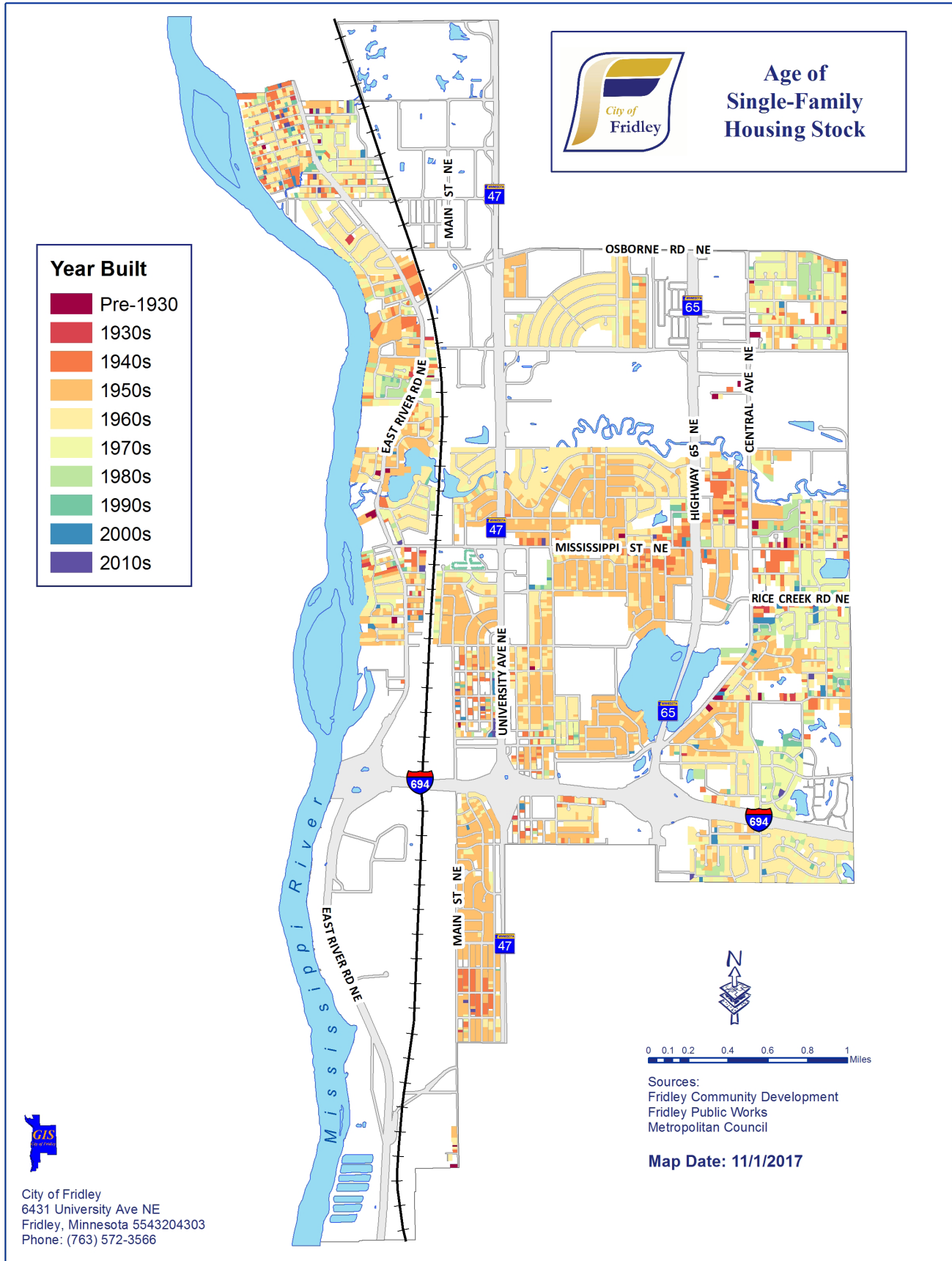
| Housing Unit Type | No. of Units |
|---|----------------------|
| Single Family Detached | 6,643 |
| Townhomes | 658 |
| Manufactured Homes | 405 |
| Total Single Family Units | 7,706 - 65% |
| Twinhome, Duplex | 370 |
| Condominium | 360 |
| Multi-family Apartment (10 or less units) | 576 |
| Multi-family Apartment (11 or more units) | 2,931 |
| Total Multi-Family Units | 4,237 - 35% |
| Total Housing Units | 11,943 - 100% |

Source of data: Anoka County Property Tax records, Fridley Utility Billing records, and Fridley Rental Licensing records

2.2 Age of Housing Stock

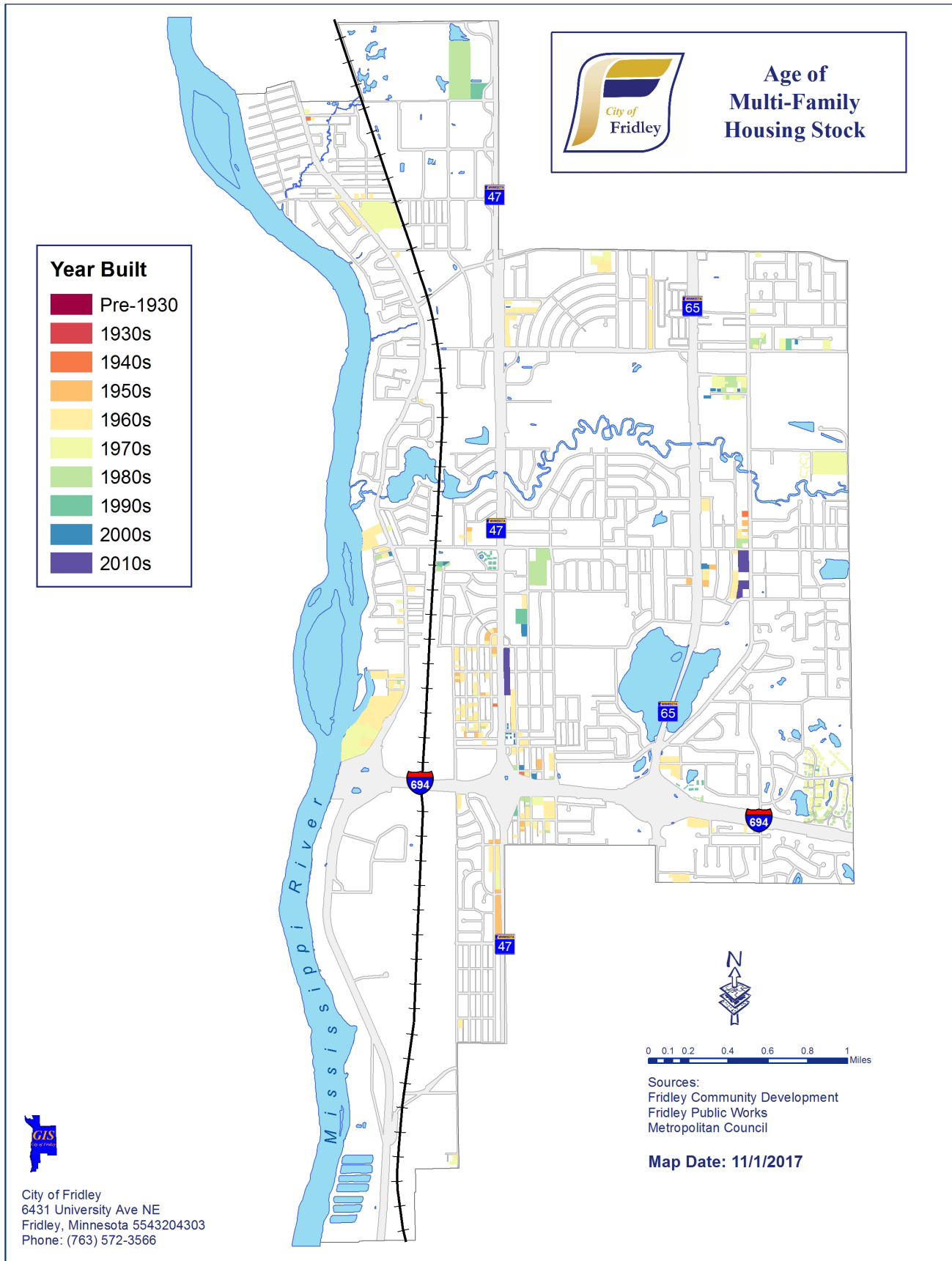
This map shows the majority of single family housing in Fridley was built in the 1950s and 1960s. In fact, 77% of Fridley homes are 57 years old or older.

Figure 2.1 Age of Single-Family Housing Stock



This map shows the majority of Fridley's multi-family housing was built in the 1960s and 1970s, with very few new multi-family structures built from 1990 to 2010.

Figure 2.2 Age of Multi-Family Housing Stock



2.3 General Occupancy

Table 2.2 shows that rental occupancy rates have increased one percent in the past ten years. This is not surprising considering that many single family homes that went into foreclosure during the recession were purchased as rental property investments. In addition, the first phase of Cielo Apartments was completed in 2016, which added 101 new apartments to the City’s rental inventory.

Table 2.2 Housing Occupancy

| Tenure Type | 1970 | 1980 | 1990 | 1998 | 2006 | 2016 |
|--------------------|-------------|-------------|---------------|-------------|-------------|-------------|
| Ownership | 5,922 (74%) | 6,941 (67%) | 7,364 (67.5%) | 7,658 (66%) | 7,520 (65%) | 7,609 (64%) |
| Rental | 2,081 (26%) | 3,475 (33%) | 3,545 (32.5%) | 3,945 (34%) | 4,107 (35%) | 4,294 (36%) |
| Total Units | 8,003 | 10,416 | 10,909 | 11,603 | 11,627 | 11,903 |



Modern Rambler in Fridley

Source: Metropolitan Council

There is a misconception throughout the community that there is an overabundance of rental housing in Fridley. Compared to other first ring suburbs of Minneapolis, Fridley falls in the middle of the list in the ratio of owner occupied housing to rental housing. Demand for rental housing has been exhibited by low vacancy rates and quick leasing, months ahead of expectation. The construction of more apartments in the Cielo project are expected to fill just as fast.

Table 2.3 Rental Housing Percentage Comparison of First-Ring suburbs of Minneapolis

| City | % Ownership | % Rental |
|------------------|--------------|--------------|
| Hopkins | 33.8% | 66.2% |
| New Hope | 53.4% | 46.6% |
| St. Louis Park | 57.3% | 42.7% |
| Brooklyn Center | 61.7% | 38.3% |
| Richfield | 62.5% | 37.5% |
| Edina | 62.9% | 37.1% |
| Fridley | 63.9% | 36.1% |
| Columbia Heights | 64.9% | 35.1% |
| Robbinsdale | 67.3% | 32.6% |
| Crystal | 71.9% | 28.1% |
| Golden Valley | 76.1% | 23.9% |

Source: Metropolitan Council

2.4 Housing Affordability

Cost of Home Ownership

In 2006, nearly 13% of Fridley’s single family homes were valued over \$249,999. The 2016 assessing data shows that Fridley has not recovered from the recession completely, because only 6% of Fridley single family homes are currently valued over \$249,999. The median home value in 2006 for homes with tax codes: homestead (1A), partial homestead (.51A, .51AB, and .51B), blind homestead (1B) and non-homestead (4BB) was \$209,116. This did not include manufactured homes.

In 2016, the median home value was \$184,044. If you include manufactured homes, it was \$178,800. The average Fridley home sale in 2016, based upon 379 sales, was \$187,800, which is down \$30,537 from ten years ago. Therefore, actual sales from MLS data for SOLD homes are also demonstrating that values have not yet recovered from where they were at the time of the last comprehensive plan update.

Table 2.4 2016 Assessed Valuation of Single Family Housing

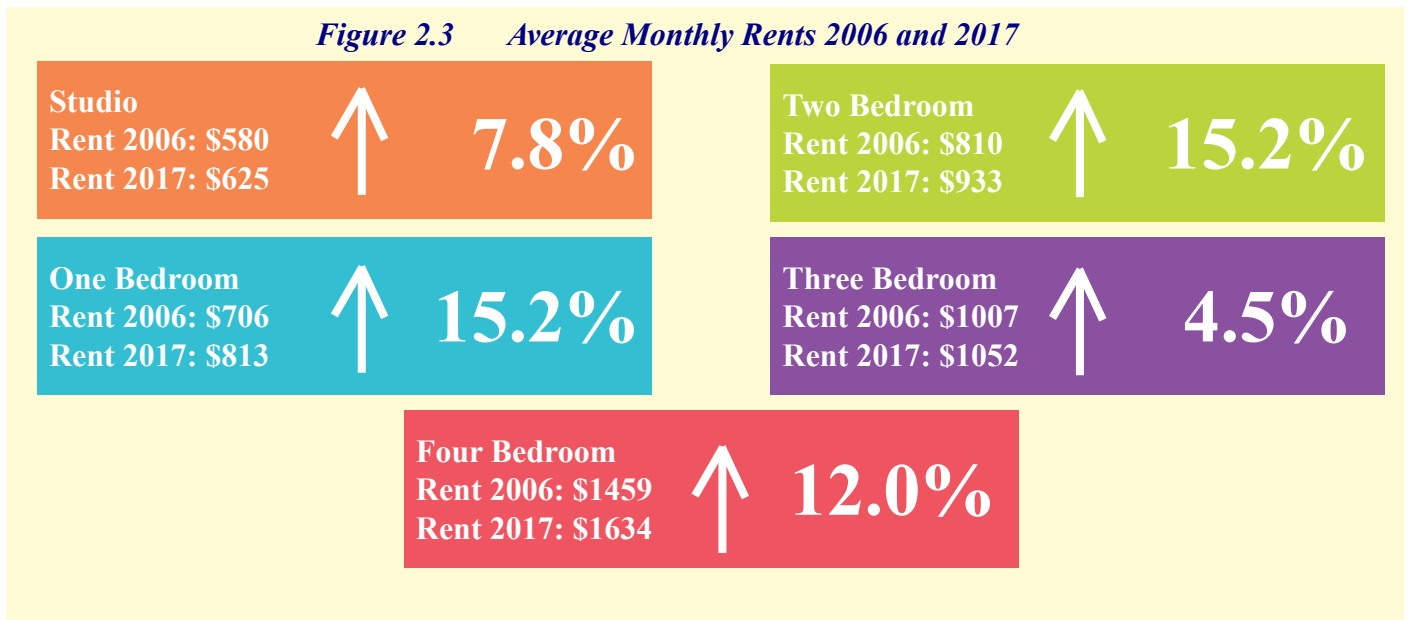
| Est. Assessed Value Range | Number of Units | % of Total |
|---------------------------|-----------------|------------|
| Less than \$60,000 | 556 | 6.8% |
| \$60,000 to \$99,999 | 237 | 2.9% |
| \$100,000 to \$149,999 | 1,570 | 19.3% |
| \$150,000 to \$199,999 | 4,165 | 51.2% |
| \$200,000 to \$249,999 | 1,107 | 13.6% |
| \$250,000 to \$349,999 | 428 | 5.3% |
| \$350,000 to \$499,999 | 58 | .7% |
| \$500,000 or more | 9 | .1% |
| Total | 8,130 | 100% |

Source: Anoka County Assessing Records

Rental Rates

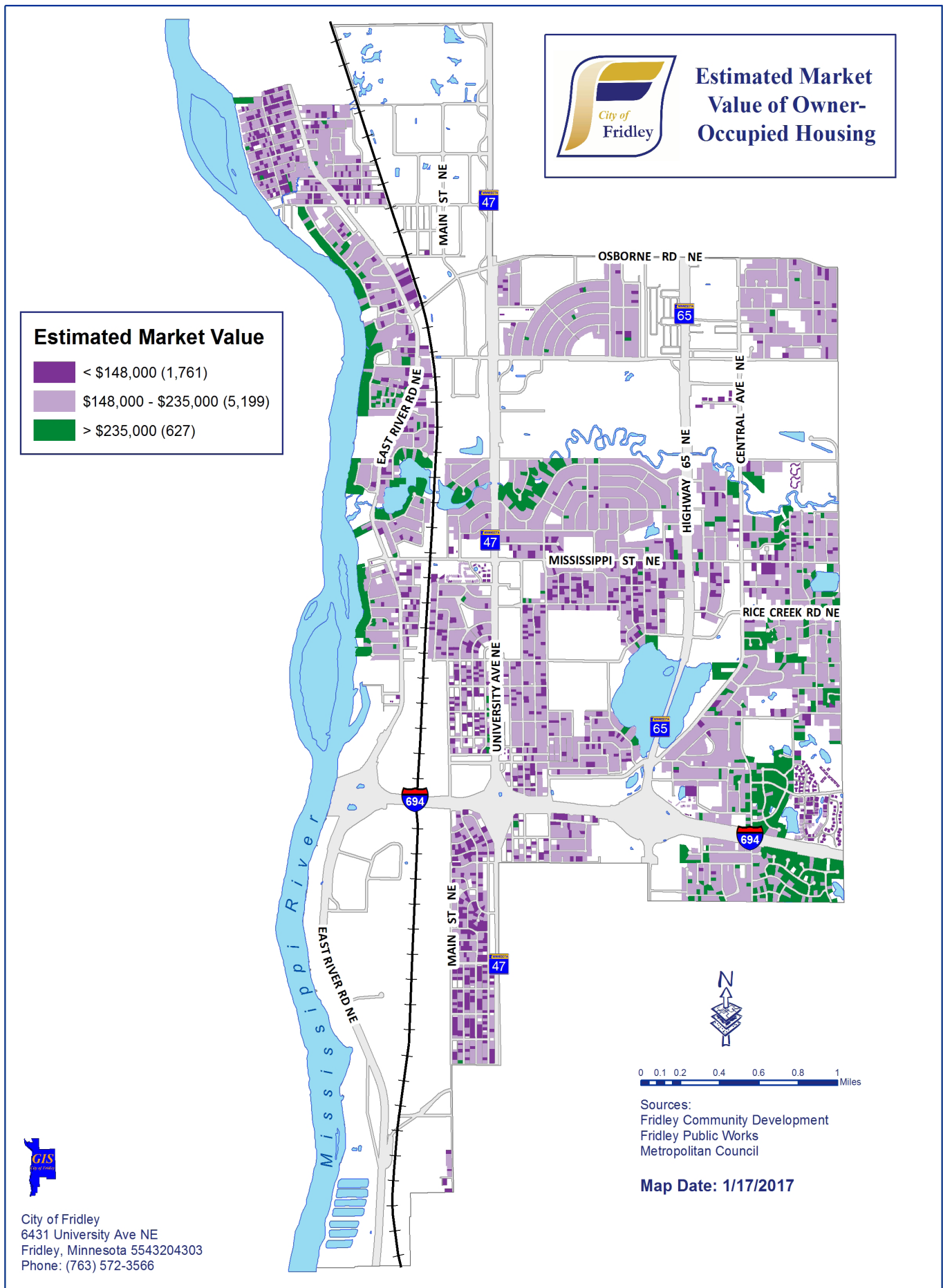
While the cost of home ownership has declined in the past ten years, the cost to rent has significantly increased. This is likely the result of supply and demand. While Fridley has experienced the construction of 202 rental apartments over the past two years, vacancy rates are currently very low in the City.

Figure 2.3 Average Monthly Rents 2006 and 2017



Source: Metropolitan Council HRA; Marquette Advisors

Figure 2.4 Estimated Market Value of Owner-Occupied Housing



Subsidized Housing

While 10 subsidized units were lost at Banfill Crossing (the only market rate senior highrise in Fridley) due to the expiration of special financing, Fridley still has 414 (see Figure 2.9) Section 8 rental units and vouchers. These units account for 4% of Fridley’s housing units. All of the project-based Section 8 buildings in Fridley are concentrated in a one block stretch of the City. This is contrary to goals of dispersing low-income housing throughout the community, but the location of this housing was ideal at the time it was built due to the proximity to key services, including bus transit, a library, clinic, City Hall, community center, and drug store, within walking distance.

Table 2.5 *Subsidized Housing*

| Subsidized Housing in Fridley | Number of Units |
|--|-----------------|
| Section 8 Vouchers | 160 |
| Brandes Place-Project Based Section 8 | 16 |
| Norwood Square-Project Based Section 8 | 51 |
| Village Green-Project Based Section 8 Senior | 103 |
| Village Green-Project Based Section 8 Disabled | 80 |
| Lutheran Social Services vouchers | 4 |
| Total Publicly Assisted Rental Housing Units | 414 |

Source: Metro HRA, Fridley Rental Licensing Records, Lutheran Social Services

Manufactured homes have traditionally been classified separately from single family housing data, but the 405 manufactured housing units in two separate manufactured home parks in Fridley provide an essential unsubsidized, affordable, homeownership option for low-income residents. According to the organization All Parks Alliance for Change, approximately 1,050 people live in the 405 manufactured home units in Fridley. This organization also reports that lot rent in Fridley’s manufactured home parks averages \$510.50/month currently, compared to the average rent for a two-bedroom apartment of \$1,000.

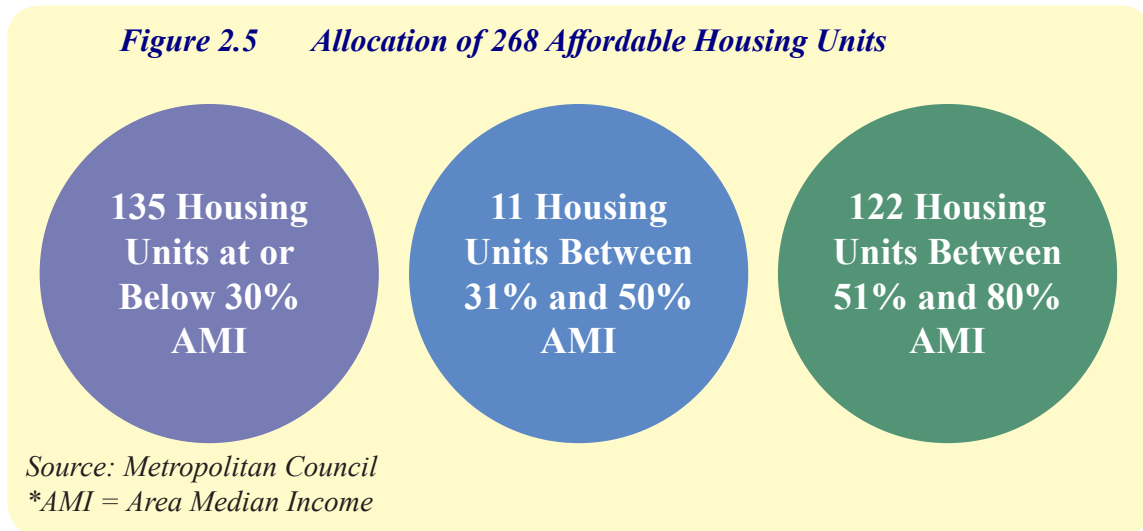
To advance affordability, one of Fridley’s manufactured home parks, Park Plaza, recently became one of seven resident-owned park cooperatives in Minnesota. The management of the Park Plaza Cooperative has been successful in investing \$1 million in infrastructure into the park, including a new storm shelter/community center.



Backpack giveaway led by Natividad Seefeld at Park Plaza for National Night Out

Allocation of Affordable Housing Need

According to Metropolitan Council projections, the Minneapolis/St. Paul region’s total need for affordable housing for 2021-2030 is 37,900 dwelling units. The projected affordable housing need reflects what share of forecasted regional household growth will make less than a set threshold of income and therefore need affordable housing. The allocation is the determination of each community’s share of this regional need and the first step in helping to determine the housing goals and objects in local comprehensive plans. **Fridley’s 2021-2030 Allocation of Need is 268 affordable housing units, which is further broken down as follows:**



The way that communities accomplish this affordable housing allocation is by designating adequate vacant land or redevelopable land at minimum densities (units/acre) that are high enough for affordable housing to be an option. The more units per acre allowed on a site, the less cost per unit to be built. This makes the development an option for both affordable housing and market-rate developers. The affordable housing allocation does not mean that the City must force the building of this many affordable units between 2021 and 2030. Rather, through future land use guidance, the City needs to ensure that the opportunity for affordable housing exists by having adequate vacant or redeveloped land guided for higher densities to meet the stated share.

In order to determine if Fridley can achieve the calculated number of units, the City’s redevelopment areas that count towards Affordable Housing Allocation Need for 2021-2030 must be determined. According to the Metropolitan Council, any residential future land use designation that has a minimum density of eight units per acre or more can count towards affordable housing allocation calculations. As seen in Table 2.6, it’s estimated that a minimum of 276 units that meet affordable allocation criteria will occur through identified redevelopment sites from 2021-2030.

Table 2.6 Development Potential for Affordable Allocation 2021-2030

| # | Redevelopment Name | Density (u/ac) | | % Res. | 2021-2030 | |
|----|---|----------------|------|--------|-----------|------------|
| | | Min | Max | | Acres | Min. Units |
| 12 | Residential Lots East of Moore Lake along Central | 9.0 | 40.0 | 100% | 3.85 | 35 |
| 14 | West Train Station | 9.0 | 40.0 | 100% | 1.61 | 14 |
| 15 | Georgetown Apartments and Apartments to the North (100) | 15.0 | 40.0 | 100% | 3.01 | 45 |
| 17 | Hyde Park Neighborhood | 8.0 | 35.0 | 100% | 2.36 | 19 |
| 20 | Neighborhood South of 57th Avenue and East of University Avenue | 9.0 | 40.0 | 100% | 18.11 | 163 |
| | | | | | Total | 276 |

2.5 Housing Conditions and Needs

In the summer of 2017, the Fridley HRA financed a windshield housing conditions survey. Single family homes were ranked on a three-point scale on the condition of the roof, soffit/fascia, siding/paint, windows/doors, and foundation. The findings reported 97% of Fridley homes being in good to excellent condition. Scores were slightly improved from the same process followed for a housing conditions survey ten years earlier. This was expected, as the City had tightened up the Zoning Code language regarding exterior home maintenance and had proactively pursued getting all homes into compliance with the new code standards once they were in place.



Fridley Two Story Home

Five years ago, City staff were inspecting rental housing once every four years. However, housing conditions indicated a need for more frequent inspections, so the City’s policy was changed to inspect licensed rental properties once every three years. This change was made in addition to moving the rental licensing duties from the Fire Department into the Community Development Department with staff dedicated to solely inspect rental properties. The Fire Department continues to inspect rental building common areas.

Metropolitan Council’s Existing Housing Assessment for Fridley shows that while 92% of Fridley’s housing meets affordability standards and 4% of Fridley’s housing units are publicly subsidized units, 25% of households are considered cost-burdened. What the data does not disclose is how many residents could afford move-up housing. The recent success of full lease-out of the Cielo Apartments has confirmed a long perceived demand for higher value rental housing in the community.

As was the situation a decade ago, Fridley still lacks a wide variety of housing types and higher price points. There are still no options in the City for senior cooperative housing, high-rise condominiums, or large, high value, single family homes. Many of these types of housing are anticipated to be added to the community’s portfolio as various master planned areas of the City are built out. While the City nor the HRA have financed a recent market study of housing need in the City, residents continue to comment that they want affordable senior housing options. Meeting the diverse life-cycle housing needs of Fridley residents continues to be a priority for the community.

Table 2.7 Cost-Burdened Households vs. Affordable Units

| Fridley Households with Incomes at or below 30% of AMI | Fridley Households with Income 31-50% of AMI | Fridley Households with income 51-80% of AMI |
|--|--|--|
| 1,167 | 883 | 753 |
| Units affordable to households at or below 30% AMI | Units affordable to households with income 31-50% of AMI | Units affordable to households with income 51-80% of AMI |
| 818 | 2,523 | 7,591 |

Source: Metropolitan Council, 2016

2.6 Housing Programs

The Fridley HRA provides a variety of home rehabilitation programs for a variety of housing types as a means for everyone in the community to have a safe, stable place to live. In order to stretch their limited funding, the HRA contracts with the Center for Energy and the Environment, a non-profit organization, to administer these programs which include:

Home Remodeling Advisory

In order to maximize the funding available, the HRA provides a free advisory service to property owners, so they can get advice on necessary repairs, what program may work best to address their needs, and assist with the review of bids.

Home Improvement Loans

Whether or not it is internal or external repairs, the HRA offers home improvement loans to single family homeowners, manufactured home owners, and two to four unit multi-family homeowners. Income limits on this loan program were removed in 2016, making 20-year loans available to all homeowners. In 2016, the HRA added apartment buildings up to 10 units in size to the loan program, limiting improvements covered to exterior improvements. The HRA is also able to help with emergency deferred loans for situations like a sewer line break.

Home Energy Squad Enhanced Visits

The HRA partners with CenterPoint Energy, Xcel Energy, and the Center for Energy and the Environment to help homeowners conserve energy and save money on their utility bills through the installation of energy-saving materials.

Housing Replacement Program

Since this program's creation by the State Legislature in 1995, the Fridley HRA has purchased 31 blighted properties and 23 new homes have been built to encourage neighborhood reinvestment. This program continues, but it is rare to find a property that is blighted to the point that it meets the purchase price limitations of the program. This program's success is demonstrated by the fact that few blighted properties remain in the City.

Remodeling Ideas/Demonstrations

For people owning the typical Fridley rambler, the HRA has developed remodeling idea handbooks and completed demonstration projects to show owners changes that can be made to expand their rambler, modernize the existing space, or make the existing space accessible for older residents to age in place.

Additional Housing Services

While these HRA programs are designed to preserve naturally occurring affordable housing (NOAH) in Fridley, the Fridley HRA also uses many other tools in redevelopment projects that promote the development of new housing opportunities in the community. The following tools will be considered to subsidized the cost of developing new housing in Fridley:

- Tax increment financing – redevelopment usually involves site cleanup that qualifies for TIF
- LCDA Programs – HRA supported developer applications and the City will continue to pursue funding from this program (The City adopted a Fair Housing Policy on Dec. 5, 1996 – see ordinance #1081)
- Minnesota Housing's Consolidated RFP – the HRA can work with developers who apply
- Site assembly – the HRA seeks out dilapidated properties for sale in areas that need redevelopment, removing hazards to spur a developer to risk construction
- CDBG and HOME funds are passed through Anoka County

- Participating in housing-related organizations (HCI, LISC, ULI, and NAHRO)
- Promotion of ACCAP-administered MHFA first-time homebuyer programs
- Housing Improvement Areas
- Partner with Habitat for Humanity to build affordable new home ownership opportunities on scattered home sites, where the City and the HRA partner to reduce land costs
- Tax abatement
- Community land trusts
- Housing bonds
- 4D tax incentive program

Some programs that the HRA is not qualified to coordinate are channeled through the City – like when the City backed bonds in 2019 that were sold to preserve Village Green, a 206-unit Section 8 housing complex that had expiring low-income tax credits.

The City has implemented many zoning changes to encourage more future affordable housing, including:

- Approving a 50' wide lot overlay zoning district, allowing investment in NOAH
- Amending a mixed use zoning district (Hyde Park) to encourage the reinvestment in affordable, nonconforming multi-family housing
- Created an S-2 zoning district to allow flexibility in zoning requirements in redevelopment projects through approved master plans
- Created a TOD overlay zoning district around the Fridley Northstar Train Station to allow more dense, mixed use redevelopment

In addition to the above, the City will continue its reference procedures and training for applicable staff, including the ability to refer our residents to any applicable housing programs outside the scope of our local services.

Manufactured Homes

The sudden closure of a manufactured home park can have devastating effects on residents and collateral harm to the community. This is largely a result of the unequal power arrangement wherein one owns the house but rents the land, compounded by the fact that it is very costly or nearly infeasible to relocate many such structures. Minnesota statute 327C provides some help but it is often judged to be inadequate compared to the impact. Consequently, some Minnesota cities have adopted local ordinances, policies or programs to further mitigate financial impacts on displaced residents. Thus, in the year after this plan is adopted, the City will study what it can or should do, if anything, to mitigate the adverse financial effect on park residents of a sudden redevelopment of any of manufactured home parks in Fridley. This study should involve an advisory committee including park residents and experts, among others.

Senior Services

Fridley's Public School's Community Education Department staffs a Senior Center in the Fridley Community Center, providing senior dining, activities and educational opportunities for seniors. The Senior Center staff partners with the Anoka County Community Action Program (ACCAP) to help seniors meet their housing needs. Most seniors want to stay in their single family home as long as they can, so programs like Chores and More, are key to providing financial assistance to low income seniors, and to help with physically-demanding maintenance like raking leaves and shoveling snow. The Chores and More program is now administered by ACCAP, and residents pay for services on a sliding fee scale.

Another program that the Senior Center staff use to help senior residents stay in their home is Lions Share. This program offers financial support to low income seniors by providing funding to the Friends of Fridley Senior Program Foundation. Fridley seniors that need to retrofit their home, like adding a ramp or moving a laundry room upstairs can apply to get financial support to make modifications. The average grant, which is paid directly to contractors, is only about \$1,000, but staff work with ACCAP to get senior's additional financial assistance if needed.

2.7 Housing Policies

There are several policies that have been agreed upon related to the vision of keeping Fridley's housing *safe, vibrant, friendly, and stable*:

- Maintain City Code requirements and related procedures that preserve affordable housing without driving up costs
- Enforce code requirements, while treating homeowners and renters equitably
- Use the procedures and authority granted to staff in City Code to maintain safe and stable residential neighborhoods
- Encourage developers to build housing types that meets the market needs of the population of the City
- Monitor population trends and market changes that may affect the type of housing needed in the community in the future
- When warranted, the City will help determine market options for redevelopment of large sites through the funding of public engagement events similar to the Housing Corridor Initiative
- When special funding exists, the City/HRA will pursue subsidy options from other agencies to accommodate affordable housing needs within market rate developments
- Master Plan anticipated areas of redevelopment to guide future land use choices, preserve the stability of surrounding neighborhoods, and provide for the types of housing needed in the community
- Partner with other governmental agencies like ACCAP and the MHFA to accommodate affordable housing needs in the community
- In addition to supporting affordable housing, also support affordable living by supporting access to affordable transit options, utilities, healthy food, and recreation
- Follow Critical Area and Shoreland Overlay Zoning District guidelines for building setback, but encourage the density levels that will create the building heights needed to support views of natural amenities and affordability of dwelling units
- Strive to provide special services to seniors to help them have the option to remain safe in their home as they age

2.8 Action Steps and Summary

Due to code changes and purposeful staff efforts to enforce zoning and rental licensing codes, the housing stock in the City ranks as well-maintained. However, due to the age of the City's housing stock, the City needs to continue to concentrate a significant effort on proactive inspections to maintain housing condition standards.

- **Action Step:** Continue to conduct systematic code enforcement inspections throughout the City.
- **Action Step:** Continue to inspect all rental housing units on a three-year rotation to ensure rental housing is meeting minimum safety standards.

One type of housing that is no longer being inspected and licensed by the County or State is group homes without food services. Staff fear vulnerable populations will not be provided safe housing options without this licensing.

- **Action Step:** City staff will now license and inspect group homes without food services as rental units when they become aware of them. Staff will also partner with the City Assessors and other agencies to identify such units in the City.

Data shows that almost all of the owner-occupied housing in Fridley is affordable which means the City is lacking higher-valued, move-up housing. Particularly lacking is one-level living units for seniors. Having this type of housing would lead to more single family homes being available for larger families. The Locke Park Pointe development and the Northstar TOD Overlay Zoning District offer possibilities for these housing types. A location in the City that could serve the need of future higher-valued, detached owner-occupied housing could be the Girl Scout Camp that was recently purchased by the Metropolitan Council for sewer management purposes.

- **Action Step:** Guide the zoning of the Girl Scout Camp for mostly single family housing and some owner-occupied multi-family housing.

Survey data has shown a safety concern over the management of rental housing.

- **Action Step:** The Police Department and Community Development Department will continue to work together on a Crime-Free Rental Housing initiative and enforce the requirements of Chapter 220 of the City Code.

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