

7. HOUSING PLAN

A. Introduction

History - The City of Ramsey has historically developed in a typical suburban fashion. In the 1970s, Ramsey's land was developed primarily as ramblers and split level housing on large, rural lots, with the exception of auto related commercial uses and some heavy industry.

Growth - Since 1985, Ramsey has had municipal sewer and water services available to the south-eastern part of the city. The relatively recent availability of these services, in addition to a continually growing and thriving metropolitan area, has sparked the interest of developers and metro area residents and workers. The City has begun a transition period of growth that is sometimes difficult to address. Developers are buying large tracts of land, requesting to connect to the available municipal sewer and water systems, and developing this land at higher densities than previously developed. This new urban development is oftentimes occurring directly adjacent to existing rural residential neighborhoods, which remain on individual septic systems.

Need to Establish a Plan – Due to increasing growth and changing development patterns from rural to suburban, the City and its residents need to determine how they want to develop in the future. A plan will help to provide for orderly, well-designed, and varied housing development that provides opportunities for all types of families and people of differing income ranges. In addition, the policy makers need to identify short and long term areas of growth and redevelopment that may require public facilitation and financial resources.

Purpose of the Plan - The Master Housing Plan (The "Plan") is intended to provide direction for future housing development in Ramsey as well as provide a vision for the City's neighborhoods as the community evolves and grows.

The plan includes a review of the existing housing stock, housing trends, and housing demand within the City as well as provides a variety of goals and objectives of the City and its Housing & Redevelopment Authority. The goals and objectives were identified through a series of discussions with stakeholders in the community as part of the Comprehensive Plan update process. This included feedback from housing partners and business leaders as well as Ramsey residents.

Not only does this housing plan state the realities and goals of the City, but it serves as a handbook of policy solutions to the challenges that Ramsey and similar communities face when deciding the future direction of the housing and population. Furthermore, it incorporates sources of funding available by local, state, and federal government agencies and other sources to achieve the stated goals of the community. This plan not only frames the housing issues and ideals, it answers the question of how to achieve these ideals.

B. Housing Supply

It is important to assess the current housing stock in order to determine how Ramsey residents’ housing needs are being met currently and into the future. Analyzing the existing housing supply informs decision-makers about what exists, the condition of housing, and what segments of the housing stock are already well-represented and which are under-represented. This section will describe the structure, tenure, quality, and affordability of the housing stock in Ramsey. These attributes will paint a picture of existing conditions, and, combined with housing demand information, will assist decision-makers in creating housing policies and programs.

Structure

As the table below illustrates, Ramsey consists of primarily single family, detached housing. However, over the past several years Ramsey has seen an increase in the development of townhomes and multifamily housing. Between 2000-2007, 60% of the new development was multifamily type housing such as townhomes. Table 1 indicates the mix of housing types by structure within Ramsey.

Table 7-1: Occupied Housing Units

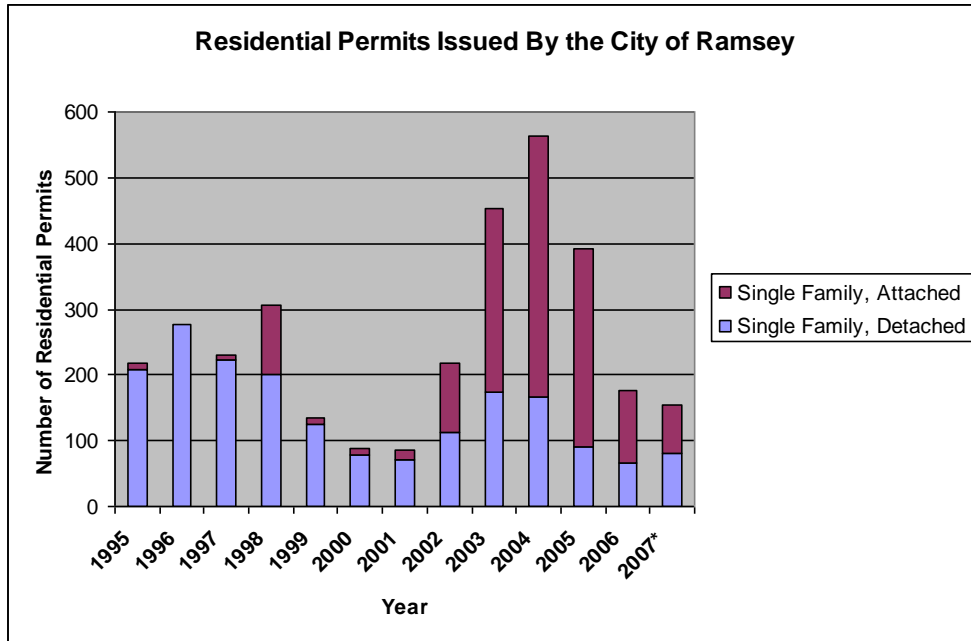
Type of Unit	Number	Percentage
Single Family, Detached	6,341	81%
Townhomes, Duplexes, Twinhomes	1,310	17%
Mobile Home Units	30	<1%
Apartment Units	114	1%
Total	7,795	100%

Source: Anoka County GIS Data, November 2007

In addition to existing housing units, there are many more units that have been approved by the City but are yet to be constructed. As of June 2007, there are 453 platted single-family lots that are currently unimproved. There are also 618 platted townhome lots that are unimproved. When constructed, the City will have a total of over 8,500 housing units, 19% of which will be townhomes.

In recent years, the City has been approving a larger variety of housing styles than in the past. The City of Ramsey has approved a larger number of townhomes since 2001, compared to earlier years. Single-family attached townhouses and rowhouses are gaining popularity in the market, and Figure 1 illustrates the shift in housing type between 2001-2004. While this recent increase in townhome development has contributed to the diversity of housing, Ramsey still consists of primarily single-family, detached homes. Permits for detached homes remain relatively steady over time, despite increases in other forms of housing.

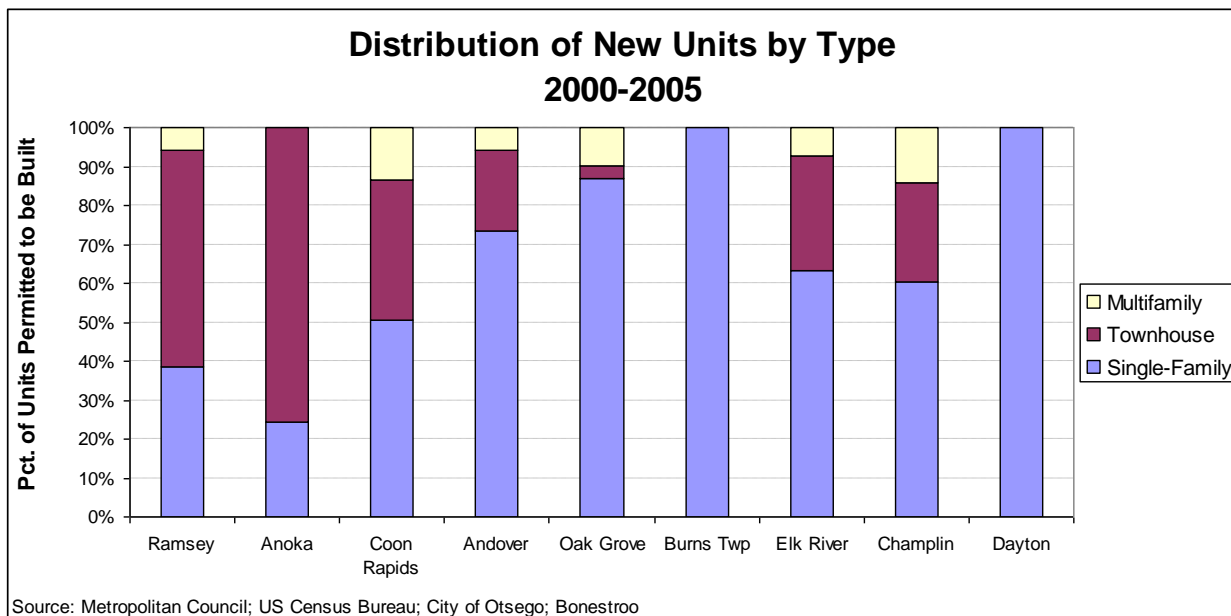
Figure 1: Permits Issued, by Type



Source: City of Ramsey, November 2007

Compared to other cities in the area for type of new units built between 2000-2005, Ramsey has the 2nd largest percentage of townhomes constructed.

Figure 2: Permits Issued in Surrounding Cities, by Type



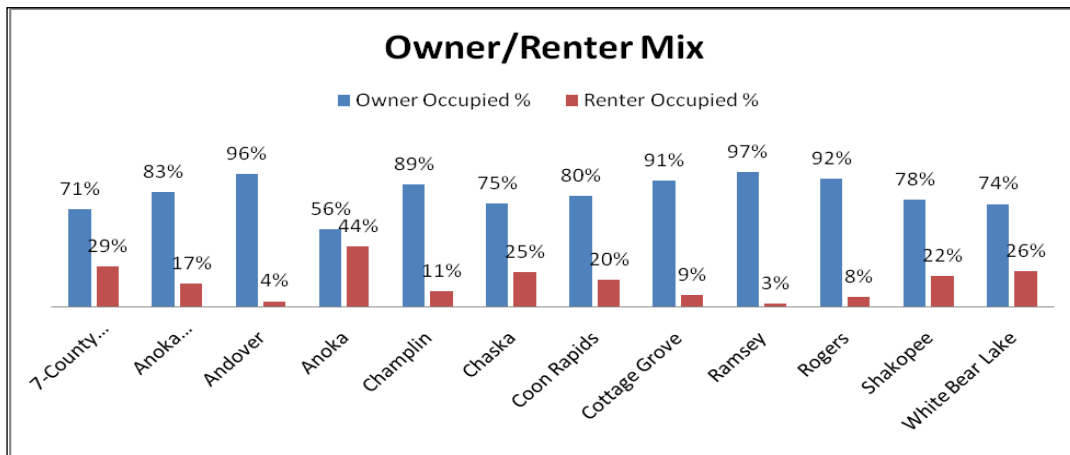
Source: Metropolitan Council; US Census Bureau; City of Otsego; Bonestroo

Tenure

As of 2007, there were approximately 300 rental units within Ramsey, or about 4% of the total number of housing units. In 2003, the City enacted a rental licensing requirement to ensure the quality of rental units and improve the ability of the City to track rental housing. This program tracks known units of rental housing within the City and conducts inspections every two years as a part of the licensure process. Of the 300 units, approximately one-third are located within apartment-style buildings. The remaining units are dispersed throughout townhome and single-family developments within the city.

Comparing the owner/renter mix of housing with other communities using 2000 census data, Ramsey’s housing is primarily owner-occupied (97%) with very few rental units. This is a substantially higher percentage than Anoka County which has 83% owner occupied units and 17% rental housing overall. Ramsey has a smaller percentage of rental housing than all except seven incorporated cities in the metropolitan area, according to the 2000 Census. However, many cities in the northwest metro have similar ownership-to-rental ratios. Andover, Lino Lakes, and Ham Lake have very little rental housing but compared to other similar cities, Ramsey has the smallest percentage of rental units. Currently, a 63 unit apartment building is being constructed called Terrace Hill. In the past several years there has been an increase in developer interest for sites to construct apartments and this trend is likely to continue particularly with the downturn in the housing market for ownership units. With only 4% of the total housing stock as rental, Ramsey is a strong market for new apartment living.

Figure 3: Owner/Renter Mix in Surrounding Communities



Source: 2000 Census

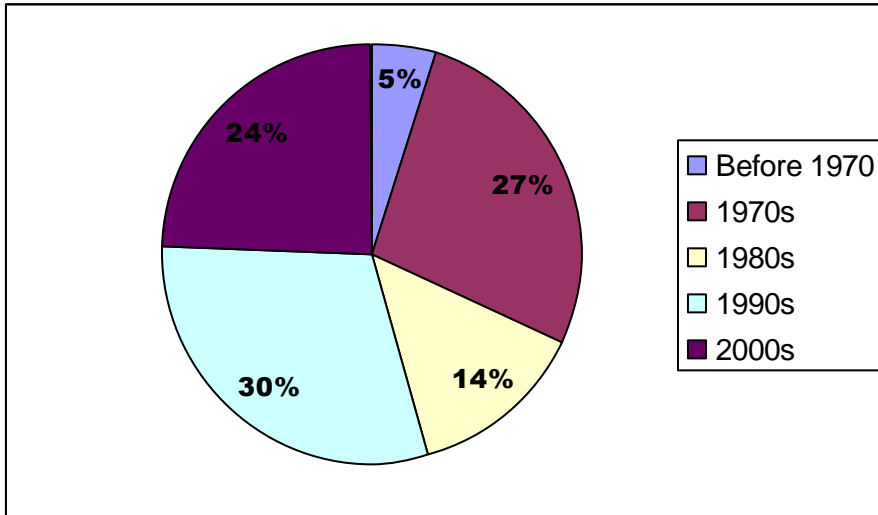
Why is Rental Housing Important?

Adequate opportunities for safe, decent and affordable rental housing are a key component of a balanced housing supply. There are many reasons why an individual and/or family choose to rent rather than own. Those choices may be short term due to financial issues (unable to afford a mortgage, need to save for a down payment, clear up credit issues), family issues (divorce, separation, job relocation) or social issues (disability, in-between home ownership, not secure in job, unsure on location preference). Also, many people choose a life of renting rather than owning due to income, transitional careers, traveling and aging. For all these reasons, a community should consider the benefits of providing a wide range of living choices which includes rental housing.

Housing Quality:

Quality is a crucial characteristic of the housing stock that oftentimes determines the marketability and affordability of a home. However, there are few measures of housing quality available for analysis within Ramsey. One factor that plays a role in the overall quality of housing is age. The following chart indicates the proportion of houses built in each decade since the 1970s.

Figure 4: Age of Housing Stock, By Decade

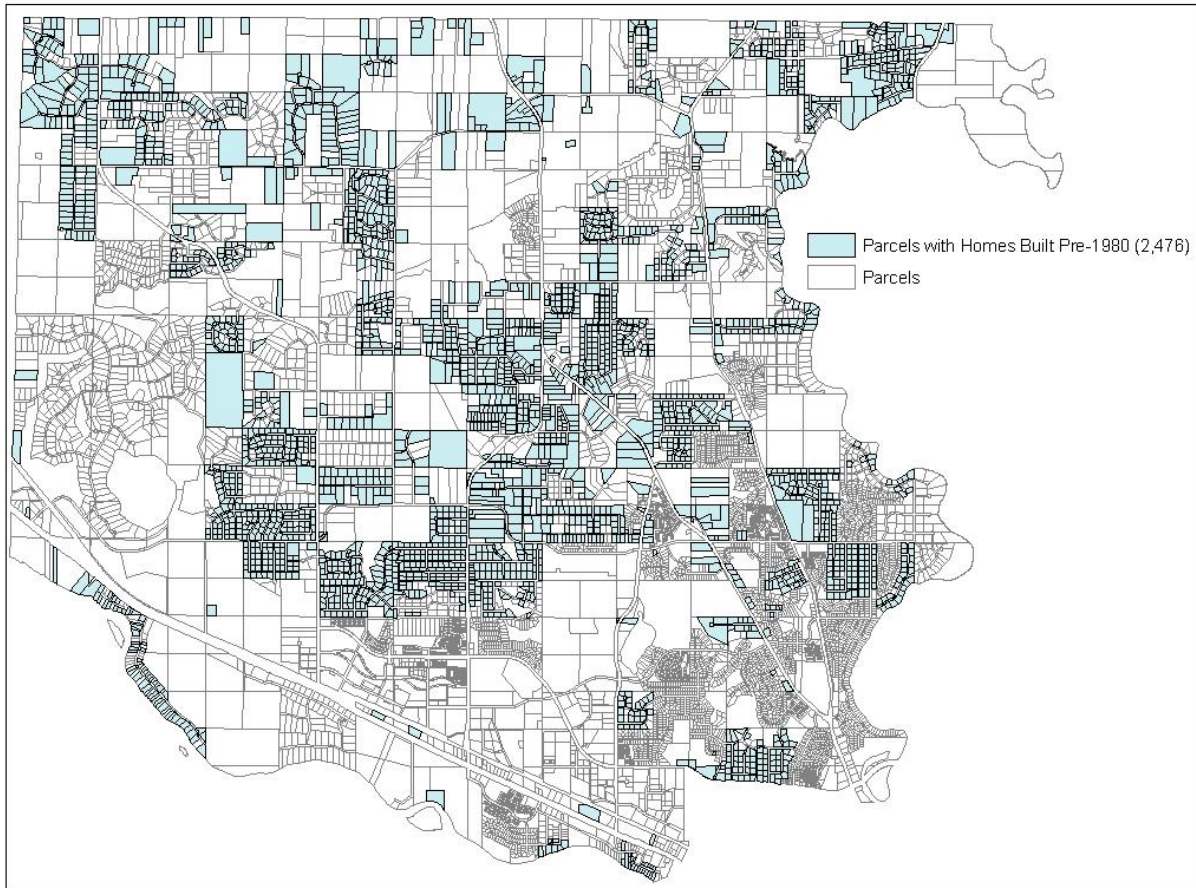


Source: Anoka County Property Tax Data, November 2007

About one-third of the housing in Ramsey was built in the 1970s or before. This suggests that some areas of the city are aging. The housing that was built before 1970 is scattered throughout the City, and lies on land that is unplatted or is part of the registered land survey conducted by Anoka County. Figure 5 provides a spatial representation of the older housing stock in Ramsey. Prior to 1970, there were no substantial subdivisions within the City limits. Between 1970 and 1980, many large-lot neighborhoods were developed, and the houses in these areas rely on septic systems and private wells.

Homes over 30 years of age require some level of maintenance and repair as well as modernization to remain positively valued. One of the most significant issues associated with neighborhood decline is the deferred maintenance of homes and street appeal or lack of modernization of the older housing stock.

Figure 5: Aging Housing in Ramsey



In addition to aging single family homes, the small percentage of rental housing in the City is aging. Keeping the rental housing stock maintained and fresh is just as important to the community as the single family housing stock.

Table 2: Age of Rental Complexes in Ramsey

Complex Name	Year Built	Number of Units
Rivers Bend	1991	32
Savannah Oaks	1998	50
Sunwood Rental Town Homes	2002	32

Source: City of Ramsey, 2007

Housing Cost: Ownership

One of the most important factors in analyzing the housing stock is its affordability. Up until recently, housing prices were increasing rapidly, and it was difficult to determine the true market value of housing. The County Assessor’s Office is the best source of current information available to cities to determine

housing values. Table 3 outlines the estimated market value of housing in Ramsey. The table breaks down this data according to different categories of affordability.

Table 3: Affordability of Ownership Housing in Ramsey

Affordability Level	Approximate Affordable Market Value*	Number of Houses at this Estimated Market Value**	Percentage of Ramsey Homes at This Level
Affordable at 30% of AMI**	Under \$70,000	22	.03%
Affordable at 60% of AMI	\$70,001 to \$152,000	250	3.3%
Affordable at 80% of AMI	\$152,001 to \$206,800	2,177	28.4%
Affordable at 100% of AMI	\$206,801 to \$250,000	2,740	35.8%
Affordable at Over 100% of AMI Only	Over \$250,000	2,464	32.2%

Source: Anoka County Property Tax Data, November 2007

* These affordable home prices are approximate, based on a household spending 30% of their income on mortgage and obtaining a mortgage interest rate of 6.5%, with no down payment.

**The median total housing value for 2007 is \$216,050 with the average total housing value at \$249,813.

**AMI is “area median income” and represents the median household income in the seven county metropolitan area. This is approximately \$78,500 in 2007.

About 28% of the market-rate, ownership housing stock in Ramsey is affordable to households earning 80% of Area Median Income (AMI), a common standard used in assessing the affordability of housing. However, there are considerably fewer homes (approximately 4%) available for lower income households in the 60% and 30% of AMI categories, as Table 2 indicates. Future (2011-2020) metropolitan area targets for affordable housing will focus on the lower income households making at or below the 60% AMI rather than 80% AMI.

Housing Cost: Rental

Although there are relatively few rental options in Ramsey, the majority of the rental housing is market-rate affordable. Table 4 represents the rental prices for Ramsey’s units. According to the Metropolitan Council’s “affordable rent” definition, 115 (52% of the total) of the rental units in Ramsey are affordable to a family earning 50% of the area median income.

Table 4: Rent Prices in Ramsey

	Number of Units	Rent Levels
Market-rate Senior	50	\$700-1,000
General Occupancy-Subsidized	33	\$700-1,000
Market-rate apartments	32	\$600-850
Market-rate townhomes	98	\$1,000-\$1,500
Market-rate Single Family	10	\$1,500
Total Rental Units	223	

Source: Maxfield Study, January 2006 & City of Ramsey 2005

Housing Foreclosures

Home foreclosures can have an impact on a neighborhood and community with deferred maintenance and vacant homes.

In 2006, Anoka County recorded 844 properties in foreclosure. Ramsey has a fairly small percentage of the County's foreclosed property 7% or 63 homes. However in the first half of 2007, the number of foreclosures in the county is above the total for 2006 at 863, with Ramsey having 66 properties (7.6% of the total).

What does this mean to Ramsey? It is possible that some housing values may decline and some homes may go unoccupied and not be maintained properly for a period of time, potentially putting additional burden on code enforcement staff and increasing the potential for neighborhood housing decline. These potential newly vacant homes could be an opportunity for affordable housing purchases. Conversely, the vacant homes may also attract investment buyers who in turn rent the homes for a short period until the market resurges. In a slow market, investment buyers tend to purchase homes of lower value (\$200,000 or less) and rent without additional investment in maintenance and/or cosmetic improvements.

Land Supply

Available land for development will have a large impact on housing supply and demand within Ramsey. "Available Land" can be defined in a variety of ways. By examining the larger parcels in Ramsey, we can determine the areas that may be under development pressure. Also, by examining building permit and subdivision trends, we can estimate how many more housing units will be built in the next few years.

In 2006, there were over 4,000 acres of parcels that are at least 10 acres in size and zoned residential. This provides a significant opportunity for residential development in the future. Of the 4,000 acres of large parcels currently in Ramsey, over 800 acres (20%) were subdivided OR began the subdivision process in 2005 and 50 acres (1.3%) in 2006. Recently, there has been a general slowdown of requests for subdivisions. In addition, many of the recent development inquiries include land for new rental housing.

In 2005, the City of Ramsey approved approximately 500 new residential lots through the subdivision process and in 2006 there was approval for 100 units. There are an additional 1,200 units that are in some stage of the approval process. This is an unprecedented amount of growth for the City, and compares to cities like Woodbury and Maple Grove in the amount of new residential lots.

Based upon household growth projections provided by the Metropolitan Council through 2030, Ramsey would need an additional 998 acres available for new housing which is 32% of the total acres available for subdivision. However, the 998 acres assumed that 67% is for low-density development and 33% is for median to high density development with the majority of the development occurring between 2010 -2020. This translates into a total of 6,085 units of which 2,000 would be low density single family units and 4,085 would be medium to high density multifamily housing units.

Metropolitan Council Livable Communities Act: Affordability Goals

In January of 2006, the Metropolitan Council released goals for the production of new affordable housing in the metropolitan region for the years 2011-2020. The goals focus on households earning at or below 60% of the AMI to more effectively target lower income households with limited financial resources. In 2007 dollars, a household of four with an income at or below 60% AMI earns up to \$47,100 and can afford to purchase a home at or less than \$152,000 or pay fair market rent up to \$1,177. This will be very difficult to achieve for ownership housing in developing suburbs such as Ramsey.

The Metropolitan Council has established a need for 1,140 new affordable housing units to be developed in Ramsey between 2011 – 2020 based upon existing growth projections. New affordable units are defined as

ownership or rental housing affordable to households earning at or below 60% AMI. According to the estimated growth needs for housing units between 2010-2030 as noted above, the City of Ramsey should strive to provide 28% of the 4,085 medium to high density multifamily housing units as affordable to meet the Metropolitan Council identified goals by 2020. According to the Metropolitan Council, the Update provides for an affordable housing need share of 669 units.

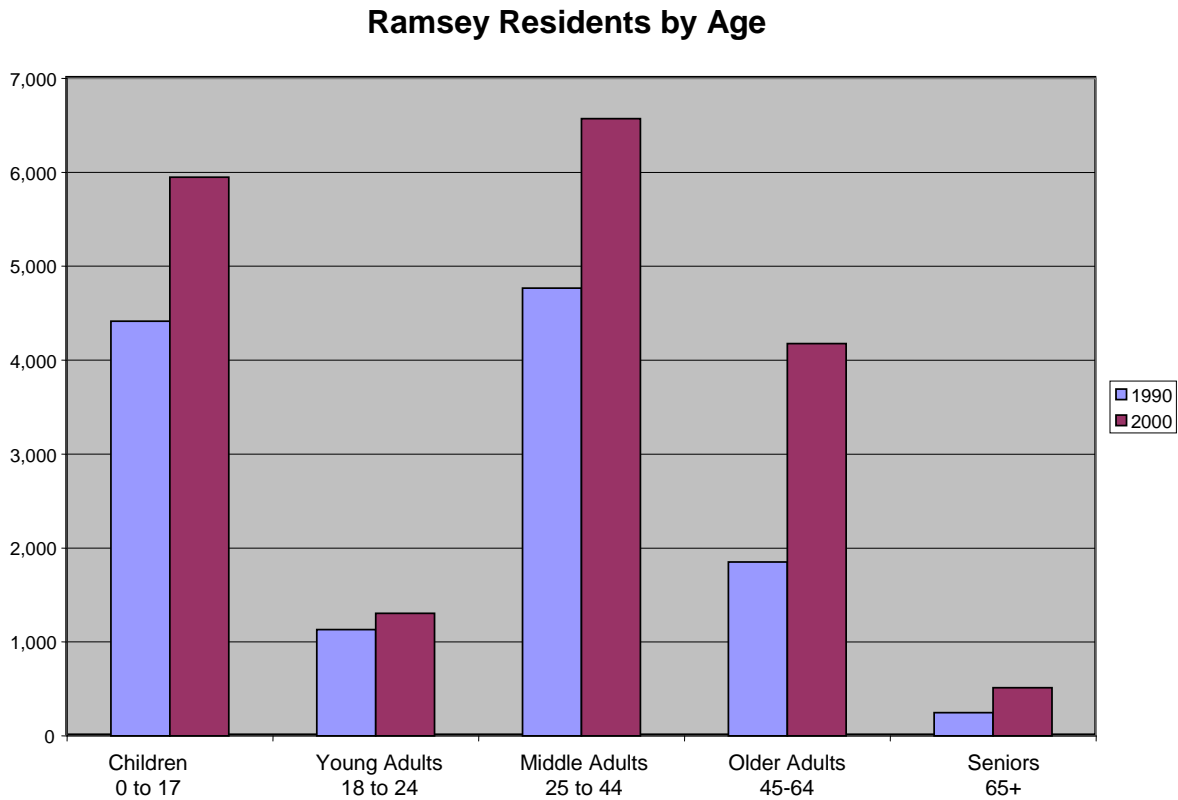
Considering that ownership housing would require a purchase price at or less than \$152,000 and rental properties would need to charge rent at or below \$1,177 for a family of four in 2007, Ramsey will need to consider a wide variety of housing options to achieve the Metropolitan Council's forecasted need. Those options will likely be additional rental housing and/or ownership multifamily or small lot housing that is developed in partnership with non-profit housing groups such as Habitat for Humanity and community land trusts.

C. Housing Demand

Age

The age structure of the population of Ramsey and surrounding areas will have an important impact on housing type, style, and price points that current and future residents will demand. It is important to examine the age distribution of current Ramsey residents because they will also affect demand for certain types of housing as their age and family composition changes. Figure 6 below shows the age of Ramsey residents, aggregated to examine “life cycle” categories. This chart shows that all age groups have gained population from 1990 to 2000. The categories of Children, Middle Adults, and Older Adults have shown the largest increases. The Senior and Young Adult categories increased only incrementally. The chart indicates that the largest categories had the highest percentage gains. The Older Adult category more than doubled in population from 1990 to 2000. This trend will continue as the Baby Boomers move into the 45 to 64 age category over the next 20 years.

Figure 6: Ramsey Residents within Life Cycles (Number)



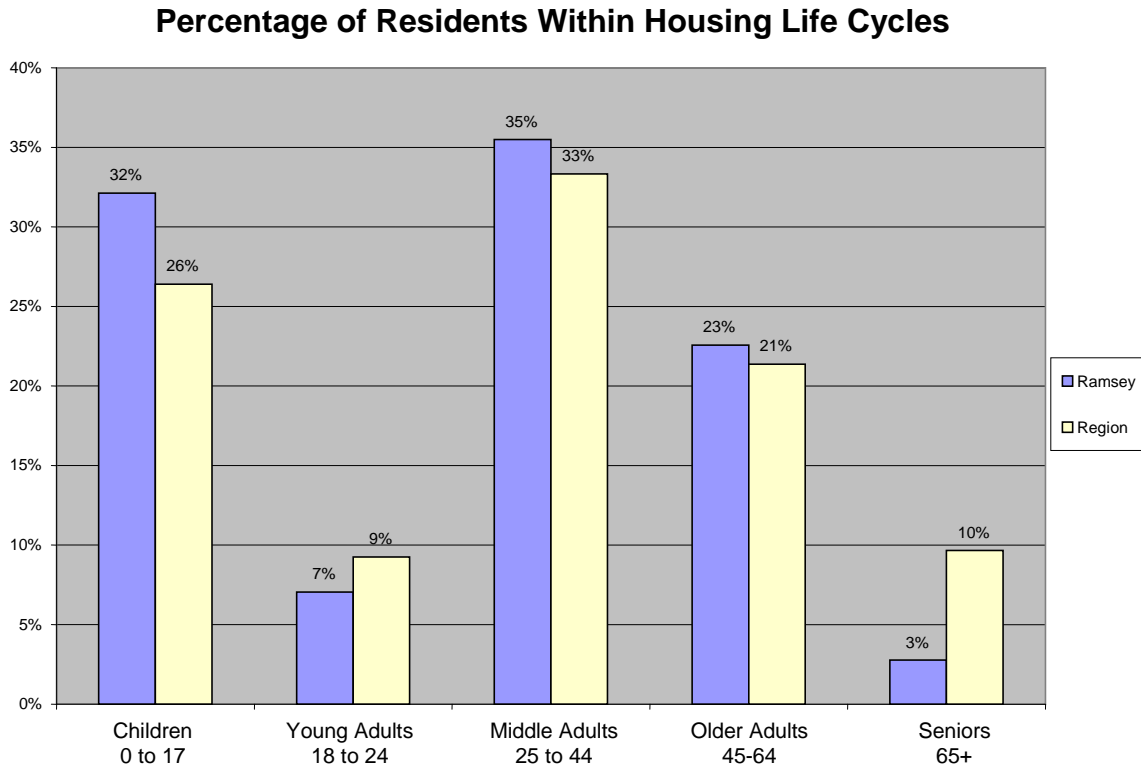
Source: 2000 US Census Data (aggregated)

This trend is typical of the metropolitan area, and will have a significant impact on the type of housing that will be in Ramsey in the future. Empty-nesters and pre-retirees often seek to downsize their living space and seek lower maintenance housing options. The demand for association-maintained and one-level living will only increase over the next twenty years in Ramsey as these age groups desire different housing styles. However, it is also important to remember that some empty-nesters and seniors will desire to stay in their existing home, and over time may require assistance to do so. Ramsey will need to continue diversifying its

housing stock in order to stay competitive in attracting new residents to the City, and retaining existing residents as they move into different life cycles.

Figure 7 indicates the differences between Ramsey and the overall metropolitan area. Ramsey has a substantially smaller percentage of seniors than the region as a whole, which could be attributed to the lack of housing options. This will change though as Middle Adults and Older Adults transition into older age categories – meaning that demand for lower-maintenance, more accessible housing will increase in the city.

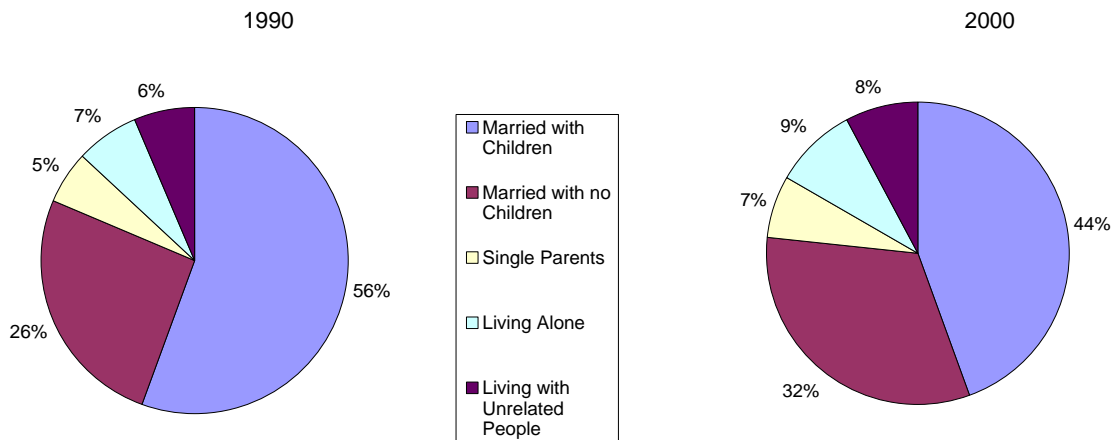
Figure 7: Ramsey Residents Within Life Cycles (Percentage)



Family Composition

In addition to age, family composition can provide clues as to the type of housing that will be needed by current and future residents of Ramsey. Figure 8 compares household composition in 1990 and 2000. In 1990, 61% of households had children. In 2000, this percentage had decreased to 51%. This decrease was attributable to the fact that the categories “non-family households” and “families with no children living at home” increased more than “families with children living at home.” However, there are still 809 more families with children living in Ramsey than there were in 1990, according to the 2000 Census. The number of family households with no children living at home doubled, representing an increase of 1,085 households. This indicates that while 50% of households are families with children, their share of the total number of households is decreasing. If these changes continue, Ramsey will have more childless households than families with children by 2010.

Figure 8: Household Composition



Income

The median household income in Ramsey in 2000 was about \$77,000, according to data obtained from the 2000 Census. This is higher than the metropolitan average. 10% of the ownership households and 30% of rental households in Ramsey are considered very low income by state standards. (State’s standards for very low income are households earning less than 50% of the Area Median Income, AMI) which is very similar to the County as a whole at 9% ownership and 28% renter households. Only 1.3% of the total households in Ramsey lives in poverty or earn less than 30% of the AMI which is well below the poverty rate in the County at 4.1% and the metropolitan region at 6.4%.

Job Growth and Economic Base

Ramsey is a middle class community with a growing commercial base and a continually increasing number of jobs. In 1997, a survey was conducted by Decision Resources, Ltd that provided statistically significant information concerning the demographics of Ramsey residents. The survey showed that 11% of those surveyed worked in Ramsey and 41% worked in Anoka County.

Between 1990 and 2000, the City of Ramsey almost doubled its employment, from 1,941 jobs in 1990 to 3,587 jobs in 2000. The average salary for a job in Ramsey is \$32,956 per year.

In addition, according to labor shed data prepared by Excensus, in the second quarter of 2001 there were 4,100 jobs in Ramsey and 19% (784) of those jobs were held by Ramsey residents with an average annual salary of \$36,750. Of those 784 jobs held by Ramsey residents 15% earned less than \$12,000 per year. These jobs are most likely part time and retail sector positions. Conversely, 52% of the jobs held by Ramsey residents pay more than \$35,000 annually.

It is projected that Ramsey job growth will exceed over 10,000 jobs in the next 20-25 years. If 20% of those jobs are held by Ramsey residents there will be approximately 2,000 jobs held by people who live in the community. Many of those job holders will attract new residents who will look for a variety of housing choices.

Housing Sustainability/Green Community Components

Housing conditions are an important factor that influences a community's health and well being. Green design and building practices can create healthier home and community environments through better indoor air quality, healthier building materials and the overall reduction of green house gases and the reduction of water and energy resources. In addition, green affordable homes are becoming an increasingly vital part of the new "sustainable city". Developing cities like Ramsey have an opportunity to provide housing policy and dedicate resources to become a green community through housing sustainability.

While researchers remain cautious, many public health professionals, and a growing number of affordable housing developers believe sufficient evidence exists to justify adoption of basic "healthy homes" practices to keep homes dry, clean, well ventilated.

The following are benefits of green building practices, as outlined by the national Green Communities group (<http://www.greencommunitiesonline.org/>).

Benefit #1: Healthier Indoor Environments

Building practices and materials that minimize moisture, provide proper ventilation, prevent pest infestation and avoid chemical and biological contaminants, protect parents and children against asthma, toxic poisoning, cancer and many other conditions caused or affected by housing construction.

Benefit #2: Energy Savings

High utility costs often impose a substantial financial hardship on low-income households, forcing many to make tradeoffs between heat or electricity and other basic necessities. A recent national study documented the brutal choices that poor families make when faced with unaffordable home energy bills. The study found that during the prior five years, due to their energy bills:

- 57 percent of non-elderly owners and 36 percent of non-elderly renters went without medical or dental care;
- 25 percent made a partial payment or missed a whole rent or mortgage payment; and
- 20 percent went without food for at least one day.

In addition, energy costs have increased much faster than incomes for low-income households in recent years. Today a family earning minimum wage pays more than four times as much a share of their income for energy as a median income household.

Benefit #3: Reduced Transportation Costs

Transportation costs consume a large share of low-income family incomes. A study of 28 metropolitan areas found that families with incomes between \$20,000 and \$50,000 spend an average of 40 percent of their income on transportation and an average of 28 percent on housing. More broadly, poorly planned development can isolate low-income people in distressed areas and make it harder to get to better schools and job opportunities.

Benefit #4: More Active Living

Oftentimes, the steps for healthier communities are very simple. Smarter site planning and development creates a sense of community, encouraging walking and providing access to parks and mass transit. Research suggests that people who live in sprawling areas walk less, weigh more and are more likely to suffer from high blood pressure.

Benefit #5: Wider Opportunities

Residents of green communities often have greater community interaction through walking access to mass transit, jobs, schools and local services. Green communities also can enhance low-income families' exposure to natural environments.

Building green policies into the Ramsey Master Housing Plan will benefit the community and establish Ramsey as a proactive sustainable city.

D. Housing Goals & Policies

Providing a balanced community with a variety of housing stock is essential to the future stability of a city in terms of property value, ability to attract quality commerce and industry and support the services of the city. The following housing goals were developed by the City's Housing & Redevelopment Authority (HRA) as a guide for providing direction regarding development and distribution of housing financial resources. The Ramsey City Council serve as the board of directors of the HRA and evaluated citizens comments and discussions surrounding Ramsey's current and future housing needs in framing these housing goals.

HOUSING GOAL #1:

Provide a variety of housing options for people at all life stages and income levels to encourage existing and future residents to stay in Ramsey throughout their lives and to achieve a balanced housing supply.

SUPPORTIVE FINDINGS:

- 1. Ramsey's population consists of primarily middle-aged adults and children.** Children (ages 0-17) and middle adults (ages 25-44) compose 67% of the total population, which is substantially higher than the region (58%). An additional 23% are older adults (ages 45-64). Only 7% of the population is young adults (18-24) and 3% are seniors (over 65). Compared with the region, Ramsey has a substantially lower percentage of young adults and seniors. However, the senior population shows the greatest difference. The region's senior population is 10% of the total population, while the senior population in Ramsey is only 3% of the total.
- 2. Despite increases in children and middle-aged adults, the percentage of households that are classified as families with children decreased from 61% of the total population to 51%.** This observation, combined with finding #1, indicates that the increase in children and middle-aged adults does not parallel the increase in the percentage of families in Ramsey. While the City is growing, and adding families, the percentage of the city defined as families with children is decreasing. This suggests that there is an increase in the number of families without children and middle-aged adults in non-family situations. This observation is important when assessing housing demand. It indicates that there is an increasing number and percentage of empty-nester households in Ramsey who may be exploring options to relocate, downsize, or age-in-place.
- 3. According to the market study conducted by Maxfield Research, the Ramsey Town Center provides the best market, land use, and shopping and transit opportunities for rental housing development.** The area of the City where Ramsey Town Center lies is zoned for the highest density in the City. Furthermore, there are still many parcels available for housing development and the master plan calls for the development of market-rate and affordable rental housing opportunities. Maxfield Research concluded, as part of their market analysis, that Ramsey Town Center is the best location for any rental housing within the community. The proximity to transit and shopping makes Ramsey Town Center an ideal location for young people, seniors, and others who rely on public transportation.
- 4. Ramsey is beginning to diversify its housing stock by developing alternatives to single-family housing, thus expanding options for residents of all income levels and lifestyles.** Reviewing the breakdown of the number of type of residential building permits issued in Ramsey since 1995 shows that the number of permits for single-family, detached housing has remained relatively steady, while the number of permits for townhomes has increased rapidly. This diversification contributes to Ramsey's housing goals.

5. **The price of existing single-family housing is affordable for the average family living in the metropolitan area.** According the Anoka County Assessor's records, in 2005 the mean market value for housing in Ramsey was about \$198,000. The average home price in 1990 was \$111,000, which results in an increase of 56% from 1990 to 2000. There are 3,765 (64% of total) homes in Ramsey that are affordable to households earning 80% of the Area Median Income (AMI). Furthermore, only 17% of Ramsey residents pay more than 30% of their income to housing costs. It must be noted, however, that the county assessor's estimated market value is usually below the true market value of property. This factor limits conclusions about the affordability of existing housing in Ramsey.
6. **The price of new single-family housing is increasingly unaffordable.** While the average home price in Ramsey is relatively affordable to a household earning the area median income (about \$76,000), the cost of new housing is substantially more expensive. The average market value of a home built between 1990 and 2005 is \$220,000, which is barely affordable to households earning the median income.
7. **Ramsey has very few alternatives to homeownership.** As of 2007, only 4% of the housing stock was rental. In the rental complexes there is very low vacancy rate and waiting lists for the senior rental complex. To have a balanced housing supply, affordable and market rate rental opportunities are essential.

IMPLEMENTATION STRATEGIES:

- 1) **Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable.**
 - a. **Tactic-**Evaluate opportunities to provide Tax Increment Financing (TIF) for senior housing projects, such as Crest View Senior Communities' proposed project for the Ramsey Town Center.
 - b. **Tactic-**Pursue partnerships with non-profit developers of senior housing, such as Lord of Life, Anoka County, and others
 - c. **Tactic-**Continue to promote the Town Center as a neighborhood for residents of all ages, complete with amenities, multi-modal transportation options, recreation, and a variety of housing choices.
- 2) **Focus on providing choices for empty-nesters, including aging in place and downsizing, to allow the majority of current residents to stay in Ramsey.**
 - a. **Tactic-** Evaluate lot split programs to allow seniors to split off their lot for income generation and downsizing
 - b. **Tactic-** Consider the establishment of grant and/or loan remodeling programs to help seniors stay in their homes.
 - c. **Tactic-** Consider coordinating service programs that would assist seniors with yard work or other home improvement projects.
 - d. **Tactic-** Consider providing referral assistance to seniors looking to move to a smaller home within Ramsey or the surrounding areas.
 - e. **Tactic** – Investigate the feasibility and desirability of allowing accessory apartments in residential areas.
- 3) **Provide opportunities for young adults to continue to live in Ramsey after leaving their parents' homes by supporting the development of quality rental housing.**

- a. **Tactic**- Investigate the feasibility and desirability of allowing accessory apartments in residential areas.
 - b. **Tactic** – Verify through the 2008 Comprehensive Plan Update process that the City has sufficient land designated for the development of medium- and high-density residential development, to accommodate the construction of additional apartment buildings. This development should be focused within the Ramsey Town Center.
- 4) **Provide a balanced housing supply, with approximately 90% ownership housing and 10% rental housing, to expand options for workforce housing and housing for young professionals.**
- a. **Tactic** - Support the development of quality rental housing and a variety of affordable ownership housing options
- 5) **Continue to develop more affordable single family housing such as condominiums and small-lot single family homes.**
- a. **Tactic** - Support the development of quality rental housing and a variety of affordable ownership housing options
- 6) **Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City.**
- a. **Tactic** - Identify development areas to adequately accommodate executive level housing
 - b. **Tactic** - Evaluate the costs and benefits of various housing types to ensure that there is a balance of housing choices

HOUSING GOAL #2:

Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized.

SUPPORTIVE FINDING:

The housing in some areas of Ramsey is aging.

According to the Anoka County Assessor's records, 32% of the housing in Ramsey was built before 1980. While that is not a large percentage, the older housing is relatively concentrated in a few neighborhoods within Ramsey. Neighborhoods in the central portion of the city such as Pineview Estates, Greenland Hills, Whispering Pines Estates, Groham's Sandy Acres, Halland Acres, Woodland Green, Hall Anderson Acres, and Hall's Dover Acres are examples of areas where the housing is starting to show signs of age. Additionally, these areas were developed at a time before municipal services were available, and are characterized by large lot development, with lots ranging from 1 to 2 acres.

SUPPORTIVE FINDING:

There are several areas where the land is underutilized and could become redevelopment areas that positively contribute to the growth of the city.

The HRA has preliminarily identified several opportunity areas in the City as shown in Figure 9. These opportunity areas are key nodes for infrastructure improvements, new housing development within core transit areas of the city, or areas where the housing stock is aging and property owners may be interested in rehabilitation and/or redevelopment opportunities.

IMPLEMENTATION STRATEGIES:

- 1) **Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space.**
 - a. **Tactic-** Consider the establishment of grant and/or loan remodeling programs to assist people in upgrading their homes.
- 2) **Provide options for residents to subdivide and/or hook up to municipal services, if they so choose.**
 - a. **Tactic-** Initiate a feasibility study, upon request from residents.
- 3) **Encourage redevelopment where land is underutilized**
 - a. **Tactic-** Identify and designate areas appropriate for redevelopment
 - b. **Tactic** – Prepare redevelopment plans
 - c. **Tactic** – Identify resources and partners to implement those plans.

HOUSING GOAL #3:

Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods.

SUPPORTIVE FINDING:

The housing in some areas of Ramsey is aging. Similarly to Housing Goal #2, there are some homes and neighborhoods that will need rehabilitation in coming years. Also, in 2007 the City established an Abatement process that provides an additional tool for the City to use in addressing code violations and problem properties.

IMPLEMENTATIONS STRATEGIES:

- 1) **Encourage the development of homeowner’s associations or common interest communities for areas of older multifamily housing and new subdivisions of smaller lot neighborhoods.**
- 2) **Develop and maintain a close relationship with existing homeowner’s associations.**
 - a. **Tactic:** Increase communication by meeting annually with homeowner’s associations and maintaining an updated mailing list.
- 3) **Investigate the creation of a homeowner rehabilitation program, and increase marketing efforts for existing county and state home renovation programs.**
- 4) **Enhance code enforcement efforts.**
 - a. **Tactic:** Review and update Ramsey’s Housing Maintenance Code.
 - b. **Tactic:** Consider neighborhood sweeps that includes a proactive code enforcement and education effort on housing maintenance.
 - c. **Tactic:** Link code enforcement orders with home improvement funding.
 - d. **Tactic:** Consider code violation disclosure and/or required improvement prior to sale of existing homes particularly those homes that are going into foreclosure through a point of sale or truth in housing program.
 - e. **Tactic:** Increase education efforts surrounding code enforcement requirements and expectations.
- 5) **Educate Ramsey residents about the importance and value of maintaining their homes.**
- 6) **Partner with Anoka County to ensure that foreclosed homes that are vacant are maintained and secure.**
- 7) **Ensure that new housing developments provide appropriate density transition with existing established neighborhoods.**
- 8) **Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.**
- 9) **Continue to administer the rental licensing program**

- a. **Tactic:** Improve the licensing and inspection process, and update City Code as needed.
- b. **Tactic:** Provide additional outreach to landlords on the requirements of the program.

HOUSING GOAL #4:

Provide a development environment that increases residential health and respects the natural environment.

SUPPORTIVE FINDING:

Ramsey is a developing community that will have an impact on the protection and improvement of the environment. According to the U.S. Department of Energy's Center for Sustainable Development, buildings consume 40% of the world's total energy, 25% of its wood harvest and 16% of its water. While researchers remain cautious, many public health professionals, and a growing number of affordable housing developers believe sufficient evidence exists to justify adoption of basic “healthy homes” practices to keep homes dry, clean, well ventilated. Some of the key benefits to encouraging green building and sensitive land planning include:

- lower electric and water utility costs
- environmentally effective use of building materials
- enhanced health and productivity
- long-term economic returns
- reduced environmental impact

IMPLEMENTATIONS STRATEGIES:

- 1) Encourage development that incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices.
 - a. **Tactic:** coordinate policies within the land use section of the comprehensive plan update that will include specific code amendments
 - b. **Tactic:** educate residents on environmental issues and the financial impacts of implementing sustainability within the home
- 2) Evaluate additional sustainability standards, such as Minnesota Green Star Certification or LEED, for the Ramsey Town Center.
- 3) Encourage housing development that incorporates connections to existing pathways and creates natural and safe walkable areas.
- 4) Develop partnerships with utilities, banks and green building experts to develop financial incentives for incorporation of green building technologies.
- 5) Evaluate the cost and benefits of incorporating geothermal heating within new and existing housing developments.
 - a. **Tactic:** create a geothermal prototype to present to housing developers
 - b. **Tactic:** create a deferred loan program for households that incorporate geothermal heating within scattered site housing development and renovation.
 - c. **Tactic:** evaluate zoning and building codes to ensure that geothermal heating can be implemented with no additional permitting costs

E. Housing Financial Resources

Providing an adequate amount of funding to assist in the implementation of the HRA Master Housing Plan is an ongoing issue. The following are several options that the HRA can access either through their own power or with the support of and marketing of existing programs to assist in the maintenance of the housing stock, development of affordable housing and encouragement of green building and energy efficient home building and renovation. The HRA evaluates the use of the tools to support the housing goals and to enable the success of the implementation strategies.

HRA Financing Tools

- 1. HRA Levy Funds** - Per Minnesota Statutes 469.033, Subdivision 6, an HRA has the authority to levy a special tax upon all taxable property within the City boundaries specifically to fund the purposes of the housing plan within that City. The maximum HRA levy is equal to .0144 percent of taxable market value. The HRA levy is spread across all property owners including commercial and industrial properties. Any HRA levy funds must be expended only for the purposes of sections 469.001 – 469.047 and only through the authority of the HRA Board and with signature of the authorize representative. The HRA levy must be requested annually and approved by a majority vote of the City Council.
- 2. Tax Increment Financing** - The HRA has the authority, with the City support, to provide TIF assistance to achieve its housing and redevelopment plans. TIF uses the increase in property taxes resulting from new development to finance qualified public improvement costs related to that development. It is this increase or difference between the current property tax on a parcel of land and the estimated property tax after development that is the tax increment. When TIF is used for a housing project, state law requires that a certain percentage of the units be made affordable for the life of the TIF district (typically 20-25 years). The HRA will consider the support and use of TIF for projects that meet the objectives of the Housing Master Plan and are consistent with the City of Ramsey TIF policies. However, each project will be reviewed individually and only on its ability to meet the statutory requirements
- 3. Anoka County HRA Funds** – The County Housing & Redevelopment Authority levies a special tax upon all taxable property within communities that participate in their program. The City of Ramsey is a participant in the Anoka HRA’s programs and has approximately \$700,000 available funds to be used for housing & redevelopment authority purposes. Of the \$700,000, \$300,000 is earmarked for the ACCAP rental housing project at the request of the City. In addition, approximately \$200,000 per year is available to the City of Ramsey for HRA eligible projects. The City can access these funds through a request to the County regarding the potential use of funds. The County is generally supportive of requests from local communities that participate in their levy as long as the use is an HRA eligible project.

Non-HRA Funded Financial Resources Available to Ramsey Residents

1. Housing Improvement Programs:

- a) Minnesota Housing Fix-Up Loan Program** - low interest rate loans to qualifying homeowners. The Fix-Up Fund was established to improve the basic livability and/or energy efficiency of the borrower's home
- b) Home Rehab Loan Program** – Up to \$15,000 in zero interest deferred payment and interest loan funds provided by Anoka County Community Development Block Grant for necessary home

improvements. The program is available for low-income households and is administered by the Housing Resource Center North Metro at 651-481-7401.

2. Homebuyer Programs:

- a. **First Time Homebuyer Low Interest Loan Program** – administered by the County and Financed by Minnesota Housing. Low interest first mortgages provided to first time homebuyers within Anoka County.
- b. **Down Payment Assistance** – Administered by ACCAP, the program is designed to help first time homebuyers purchase homes more affordably by providing deferred loans that can be used for down payment assistance. Eligible buyers may qualify for up to \$5,000 with 0% interest to bring their monthly housing costs down to 30% of income. The principle only mortgage must be repaid when the property is sold.
- c. **Family Assets for Independence in Minnesota (FAIM II)** – Administered through ACCAP for Anoka County residents the program enables persons with a low-wage job to build assets through long-term savings. Each participant commits to 12 hours of financial management educational workshops. Participants deposit a portion of their income into a Family Asset Account that generates a 3:1 match in this program. Up to \$120 a month is the maximum match amount for an eligible FAIM participant if they deposit up to \$40.00 into their account. The account can be used only to buy a home, higher education expenses, or to begin a small business.
- d. **Habitat for Humanity** - Habitat for Humanity forms a partnership with families that need and want decent housing and are willing to build or renovate housing. Habitat is a national model for increasing affordable home ownership through a series of financing and educational methods and has been implemented with success in the City of Ramsey.
- e. **Community Land Trust** - A community land trust model of financing provides affordable housing on a long-term basis. The homeowner owns the house but the community land trust owns the land underneath the house and provides the homeowner with a 99-year, renewable ground lease. A resale clause helps to ensure affordability of the unit for the long term. The initial subsidy in the project can then be retained and applied to subsequent buyers, while also rewarding homeowners with equity and a portion of the market value increase, allowing them to eventually move into market rate housing. This method has been implemented successfully within many counties throughout the metropolitan area. Currently there are no available land trust entities within Anoka County. However, the Ramsey HRA may find this method desirable to meet their affordable housing goals and could encourage Anoka County to pursue the establishment and/or funding of a Community Land Trust within the County.

3. Foreclosure Prevention

- a) **Prevention Counseling & hotline provided by ACCAP for Anoka County residents – 763-783-4747.**

4. Energy Assistance

- a) **MN Energy Loans** - low interest (6.625%) fixed rate loan up to \$35,000 for energy improvements administered by the Neighborhood Energy Center - 651-221-4462 x132. Household income must be less than \$89,000. An energy audit is required and typical improvements might include air conditioning replacement, furnace replacement, kitchen & bath fans, new windows, insulation, water heater replacement, hard-wired lighting and weatherization. The program will also fund renewable

energy systems such as geothermal heating/cooling, solar water heaters and photovoltaic/solar electric.

- b) **Weatherization Program** – Administered by ACCAP, the Weatherization Program provides energy saving improvements to income-qualified households of the Energy Assistance program. Priority is given to the elderly, disabled, and/or high fuel consumption households. An auditor inspects the home, furnace and water heater to determine if weatherization work is required. This program helps residents conserve energy, lower their monthly utility costs, and helps to make the home more comfortable.
- c) **Energy Rebates** – various utility rebates provided for installation of energy efficient systems and appliances provided by Connexus Energy. Additional information on the rebate program can be provided by Connexus customer service department at 763-323-2650.
- d) **Energy Audits** – online audit and guidance on performing your own audit to reduce utility costs provided by Connexus Energy. Access to the energy audit information can be provided at the Connexus website at <http://www.connexusenergy.com/energyaudit.htm>
- e) **Federal Energy Star Tax Credit** – Federal tax credits are available for many types of home improvements including adding insulation, replacement windows, and certain high efficiency heating and cooling equipment. The maximum amount of homeowner credit for all improvements combined is \$500 during the two year period of the tax credit. This tax credit applies to improvements made to your primary residence from January 1, 2006 through December 31, 2007. If you are building a new home, you do not qualify for the tax credits for "eligible building envelope components" (windows, doors, insulation, roofs) or "qualified energy property" (HVAC & non-solar water heaters). However, the tax credit for photovoltaic's, solar water heating, and fuel cells is available for homeowners building new homes. Access to the Federal Tax Credit information can be found at the Federal Energy Star website at http://www.energystar.gov/index.cfm?c=products.pr_tax_credits
- f) **Minnesota GreenStar Certification** – Minnesota GreenStar is a new program that offers green certification for new home construction and home remodeling. The benefits include mortgage and home equity rate discounts, rebates on building materials and products, tax credits, preferred utility rates and preferred homeowner and health insurance rates. For more details regarding the program visit <http://www.mngreenremodeling.com/>