
CITY OF
WHITE BEAR LAKE
HOUSING TASK FORCE
RECOMMENDATIONS

POLICIES, PROGRAMS & DEVELOPMENT PRIORITIES
NOVEMBER 2021



ACKNOWLEDGEMENTS

**In gratitude to the White Bear Lake Housing Task Force Members*
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Thank you to the many other community members who participated in this process by providing feedback, participating in surveys, attending meetings and contributing by other means.

*20 Members were originally appointed to the task force, however one member formally resigned their position during the process.

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EXECUTIVE SUMMARY

In April 2021, the White Bear Lake City Council and Mayor appointed a Housing Task Force of nineteen White Bear Lake community members selected through a competitive process to represent a diverse set of housing experiences, backgrounds, and perspectives to provide recommendations on housing policies and programs to meet the City's short and long-term housing needs.

In addition to the monthly task force meetings, a range of community outreach occurred to gather input from community members, including an on-line housing survey and two Community Housing Forums. Engagement was limited to virtual formats due to COVID-19 pandemic restrictions in 2021.

Housing task force members believe that the following housing recommendations will help to ensure White Bear Lake remains an economically and socially vibrant community where all people have the opportunity to thrive.

Four central goals emerge from the Housing Task Force Recommendations:

- ▶ Create an Affordable Housing Trust Fund to provide needed resources to meet the community's housing goals
- ▶ Address the growing need for affordable housing options
- ▶ Support a range of housing options so that residents can transition between different life stages
- ▶ Improve the development pre-application review processes so that the community and council is better able to inform and guide future investments.



The Housing Task Force members voiced concern that affordable and lower income housing in White Bear Lake is becoming more and more difficult to come by. People that work in the city should be able to live here. Here's why more needs to be done:

- Affordable housing is important to the **economic vitality** of communities.
 - Affordable homes can attract and retain employees such as teachers, police officers, nurses, firefighters and other key service providers to the White Bear Lake community- which is a selling point and a competitive advantage for area employers.
 - The lack of affordable housing creates an economic burden on businesses that are not able to attract workers from other parts of the region.
 - A healthy mix of housing options, from market rate and affordable rental housing, single family homes, duplexes, as well as developments for seniors, ensures opportunities for all individuals to improve their economic situation and contribute to their communities.
 - School enrollment declines when young families can't afford to live in White Bear Lake, and decreased funding from lower enrollment creates an economic disadvantage for the school district (which can also negatively impact property values)

- Affordable housing improves the **quality of life** of residents by leading to better health, adequate jobs, financial stability, and security.
 - Incomes are not keeping pace with rising home values resulting in households spending more on housing and less on other basic needs such as food, transportation, and health.
 - The need for affordable housing is immense, and the lasting impact it can have on families is undeniable.
 - When affordable housing is located near jobs, the shorter commutes allow workers to spend more time with their families while the community benefits from reduction in traffic congestion, air pollution, and expenditures on road construction.

The White Bear Lake Housing Task Force submits the following recommendations to the White Bear Lake City Council and Mayor for your consideration.

OVERVIEW

The City of White Bear Lake is committed to establishing housing policy priorities and processes to address the challenges and opportunities that guide the future of our city. Access to new housing options for all life-cycle needs, and the sustainability of existing housing stock, are central to White Bear Lake's economic strength. Housing is integral to a family's health and safety, and essential for employment and educational stability. It supports the educational achievement of our youth and future leaders and the overall well-being of the community at all stages of life. When we have stable housing for all our residents, they thrive and so does our city.

In April 2021, a Housing Task Force of nineteen White Bear Lake community members selected through a competitive process with input from elected officials to represent a diverse set of housing experiences, backgrounds, and perspectives was established to provide recommendations on housing policies and programs for the City of White Bear Lake to meet its short and long-term housing needs.

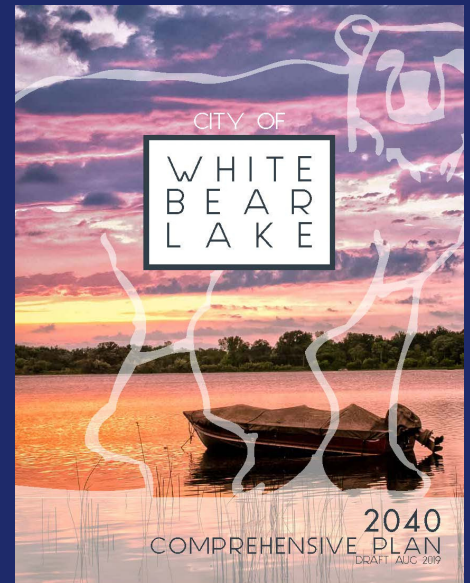


*Top: City of White Bear Lake's oldest housing
Middle and bottom: City of White Bear Lake's newest housing*

All members expressed a common interest in housing and recognition of its importance to the community's vitality, while bringing a diverse set of housing experiences and perspectives. Some members of the group have professional experience in various aspects of housing, while others do not. The committee seeks to balance a variety of voices and viewpoints, each being equally important to the process, reflecting our community as a whole. The health and vitality of our community are dependent upon representing the needs of all its residents and in recognizing the existence of structural disparities.

To inform their work the Housing task force reviewed:

- the City's 2040 comprehensive plan
- a comprehensive housing market study by Maxfield Research & Consulting
- the findings from the on-line community housing survey
- shared our own personal stories about our housing experiences
- Information from the panel of housing experts who presented at the Community Housing Forum Part 1



Community Housing Forum PART 1

Thursday, June 10th
7pm-8:30pm



COMMUNITY ENGAGEMENT AND OUTREACH

BACKGROUND

In accordance with objectives in the City's 2040 Comprehensive Plan, Mayor Emerson and City Council directed staff to engage community members in an effort to create recommendations to address the City's housing needs.

Consultants were hired to design a community process that would incorporate best practices from other sources to provide White Bear Lake with community-supported and effective options for addressing a range of housing needs. The 2040 Comprehensive Plan and a housing study conducted by Maxfield Research & Consulting in 2019 served as base documents for the work.

TASK FORCE

Mayor Jo Emerson appointed a Housing Task Force of nineteen members selected from an open application call of interest. Members represented homeowners and renters, new and long-term residents, and a wide range of experience including planners, realtors, educators, former elected officials from other municipalities with housing experience, housing advocates, and leaders in various community organizations. An effort was also made to include people with diverse cultural heritage and economic backgrounds.

The group met as a group eight (8) times April through November using Zoom technology for online meetings. It used Basecamp, an online project management platform as a communication tool.

Members shared their personal housing experiences, reviewed the source documents, did outreach into the community to encourage participation in both a city-wide survey, a forum with housing experts, two engagement conversations (one in person and one virtual) with open invitation to community members to comment on a draft set of recommendations, and careful review of the draft report.

Outreach efforts to recruit for the taskforce, solicit responses to the community survey, promote the housing forums and generally update the community on the initiative included:

- Video promoting the effort (posted to social media channels, YouTube channel and on City website)
- Social Media Posts
- Updates in City Newsletter
- Press Releases to White Bear Press
- Advertisements in White Bear Press
- Direct outreach to community leaders (White Bear Lake Economic Development Corporation, Rotary, Leadership Tomorrow, Many Faces, Religious Organizations, Non-Profit organizations)
- Direct outreach to local institutions/organizations (Century College, White Bear Lake Area Schools, Solid Ground, Food Shelf, Metropolitan Interfaith Council on Affordable Housing, White Bear Area Chamber of Commerce)
- Direct outreach to property managers of multifamily to share with their tenants
- Direct outreach to City Commissions & Council
- Marketfest Booth (5 of 6 weeks)
- White Bear Area Chamber of Commerce newsletter



YOU ARE INVITED TO THE
Community Housing Forum
PART 2: HOUSING TASK FORCE RECOMMENDATIONS & COMMUNITY FEEDBACK

<p>In person: Thursday, September 9th 7pm-8:30pm</p> <p><small>White Bear Lake Area Schools District Center Board Room, 4855 Bloom Ave RSVP at whitebearlake.org/housing under the Community Housing Forums Tab</small></p>	<p>Online: Monday, September 20th 7pm-8:30pm</p> <p><small>Register at whitebearlake.org/housing under the Community Housing Forums Tab</small></p>
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For more information and to register for the events visit
whitebearlake.org/housing

CITY OF WHITE BEAR LAKE
Housing Task Force

HELP PLAN FOR THE FUTURE OF HOUSING IN WHITE BEAR LAKE!

CITY OF WHITE BEAR LAKE
Housing Task Force & Survey

As city officials plan for the future of housing in White Bear Lake, they are seeking a diverse group of local stakeholders to participate in a housing task force that will create a set of recommendations about housing policy, programs and priorities for the city council to consider. Additionally, as a part of the process, community members are being asked to share their perspectives in a community housing survey.

Visit whitebearlake.org/housing to watch the housing video, take the survey and apply for the task force. **The deadline to apply to is noon on March 1, 2021.**

LEARN MORE AT WHITEBEARLAKE.ORG/HOUSING

<p style="text-align: center;">TAKE THE SURVEY</p> <p style="text-align: center;"><small>If you live in White Bear Lake, we want to hear from you! Responses to the survey will help inform future housing policies, programs and priorities</small></p> <p style="text-align: center;"></p>	<p style="text-align: center;">APPLY TO THE TASK FORCE</p> <p style="text-align: center;"><small>Be on a team with other area stakeholders to hear from housing experts and examine local data to create a set of recommendations toward meeting the city's short and long-term housing needs. The deadline to apply is noon on March 1, 2021.</small></p>
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HOUSING NEEDS AND OPPORTUNITIES

HOUSING FOR ALL STAGES OF LIFE

Current residents want to stay in White Bear Lake, and need housing options to transition between life stages. Examples include:

- Affordable entry level housing for young adults
- Affordable options for growing families
- Supportive housing for special needs
- Family members returning to take care of aging parents
- Downsize options such as townhomes, row houses, villa units, tiny homes, etc.
- Single level housing for seniors

For new households wishing to buy or rent housing in White Bear Lake, today's housing market has become intensely competitive and difficult to afford. The median home value in White Bear Lake as of July 2021 is \$300,000 and as of 2019, the median rents are \$1,134 per month. The Twin Cities Metro average home value is \$337,000, which is 10.5% higher than it was one year ago. Housing values today are vastly different than they were ten years ago. Some benefited from the dip in property values caused by the Great Recession, but prices today are out of reach for many.

Having attractive options for empty nesters that no longer need their large homes would allow new families to come, replenishing the student population for the school district.



AFFORDABLE HOUSING

The Housing Task Force members voiced concern that affordable and lower income housing in White Bear Lake is hard to come by. According to MN Compass (using 2019 American Community Survey data):

- Median household income in White Bear Lake is \$71,709 (slightly over 70% Area Median Income for the Twin Cities region in 2019)
- 18.7% of WBL households have less than a \$35,000 annual income
- 33.2% of WBL households have less than a \$50,000 annual income
- Median 12 month rolling average home sales price in WBL as of July 2021 is \$300,000 (was \$273,000 in July 2020)
- 6.6% of children under age 17 live in households with incomes below poverty level
- 5.5% of 65+ live in households with income below poverty level
- 26.1% of WBL households are cost burdened (15.6% of owner households, 49% of renter households)

PEOPLE WHO WORK IN THE CITY SHOULD BE ABLE TO LIVE HERE

The lack of affordable housing creates any number of financial, social, and health costs to families. Young people that want to return to White Bear Lake find few options that are affordable. These housing pressures also impact students at Century College, who grapple with housing insecurity and are sometimes homeless. In addition to a range of life-stage housing options, a range of affordable housing options also need to be considered. Housing is the foundation that provides stability for education, jobs, and health. All people need safe, stable, affordable housing.

As the Twin Cities region grows, new investments and opportunities emerge. Transit options provide access to over 106,000 area jobs, fueling a strong local economy. Linking housing to transit offers residents alternative ways to reach their destinations. The City will be called to manage growth in ways that will call for creative solutions (e.g. incentives, regulations, policies, etc.), and ways to engage community to define shared goals that guide future development. How can the City best prepare for the future? Incorporate principles of sustainability to help our planet, affordability to allow all to prosper, and provide places to build community to strengthen our social connections.

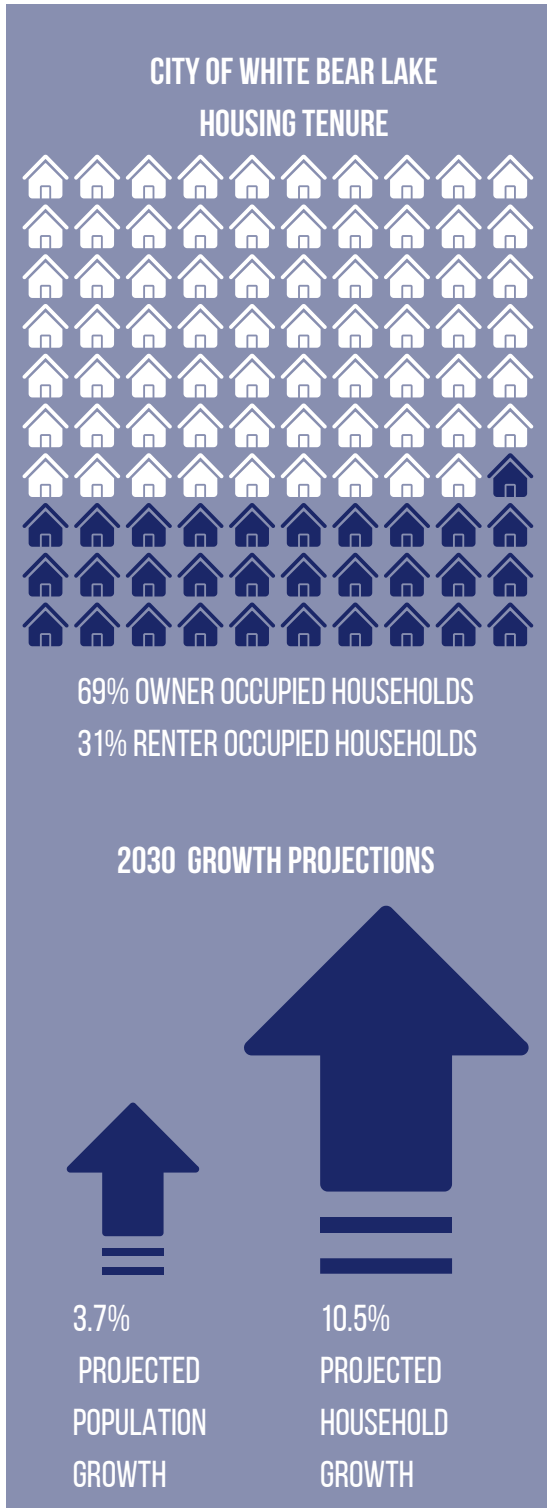
DEMOGRAPHIC UPDATE

WHO IS WHITE BEAR LAKE TODAY?

Communities are constantly evolving, and that is no different for White Bear Lake. Conscientious planning for the future requires looking at changing demographic trends to ensure housing infrastructure meets the needs and preferences of a changing population. Housing task force members believe that the following housing recommendations will help to ensure White Bear Lake remains an economically and socially vibrant community where all people have the opportunity to thrive.

As we look at how our community has changed in the past 30 years we see changes in composition of households, with the average household size decreasing and the most dramatic change occurring in the number and proportion of single person households.

Looking ahead at population projections for White Bear Lake, the City is expected to experience population and household growth, but with a decreasing average household size household growth is expected to be exponentially higher. As residents age and family structures change, it is anticipated that the downward trend in average household size will continue.



HOUSING STOCK

White Bear Lake has a diverse but aging housing stock. Recent years have seen significant increases in the median sales price of owner occupied housing in the community and low vacancy rates in renter occupied housing contribution leading to a lack of affordable housing for people who earn low to middle incomes. This lack of supply and robust demand for housing in White Bear Lake and the region in general is leading to housing cost increases that outpace wage growth. It is generally agreed among planning and economic development experts that the lack of affordable housing in the region is a threat to continued economic growth, in addition to creating quality of life challenges for community members.

It's essential to provide a range of housing options that includes your first home to your last home, and everything in between. Without a range of housing it can be hard to attract residents, and even harder to retain them. School districts rely on young families locating in White Bear Lake to maintain their quality services. More housing options are needed to offer ways for people to join the community, and to stay as they move through different life stages.

1969 MEDIAN YEAR
WHITE BEAR LAKE
HOMES WERE BUILT

1.9% RENTAL VACANCY
RATE IN THIRD
QUARTER OF 2020
5% CONSIDERED EQUILIBRIUM



CHARACTER

MAINTAINING WHITE BEAR LAKE'S CHARM & CHARACTER WHILE MEETING FUTURE NEEDS

When considering housing options, utilize the following guiding principles to measure success:

HEALTHY COMMUNITIES

Safe, stable housing has positive impacts to physical and mental wellbeing as well as educational and employment outcomes, and is improved by access to recreational opportunities, walkability, located close to health services, non-toxic materials, access to healthy or home grown foods, etc.

PROSPEROUS

What does that mean for you? Upward mobility? Social networks? Access to education or jobs? Entrepreneurial support network? It can start simply with the discussion of affordability and the ability to live simply, thereby giving a household or individual the ability to allocate resources to things other than rent or mortgage. Ways to promote individual or household prosperity.

AUTHENTICITY

Adheres to values of a place and people, history and culture of the community, reflects the geography through local materials and craftsmanship, reflects environmental conditions, and a sense of belonging.

SOCIABLE

Minnesota is known throughout the country as a place with high social capital, a place where invisible bonds keep society moving forward. Spaces that support sociability between people who know each other as well as strangers. Housing with stoops and porches, front patios that put eyes on the street and that allow both neighbors and strangers to simply wave to each other.

For White Bear Lake to continue to provide a range of housing so that people can remain in the community through all phases of life it's important to have these discussions with developers about housing projects that focus on these four items.

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RECOMMENDATIONS



INVESTMENT IN HOUSING

HOW SHOULD THE CITY OF WHITE BEAR LAKE LOOK AT HOUSING FINANCING?

Investing in housing will deliver strong returns for the city. Housing is the strongest economic base that we have. The ability to meet current and evolving housing needs with a variety of housing options and maintain existing housing stock is critical.

The City should consider creating an *Affordable Housing Trust Fund* (utilizing different sources) that would strengthen the City's ability to:

- Acquire priority sites to guide redevelopment in response to housing needs
- Leverage private and public equity (e.g. philanthropy, social impact investors, Greater MN Housing Fund's Naturally Occurring Affordable Housing Impact Fund, etc.)
- Provide gap financing for new or preserved affordable housing
- Provide a guarantee for a portion of the debt (lowers the risk for the lender to provide more favorable terms to the developer)
- Utilize publicly owned sites for housing (assets to help achieve goals through reduced land sale)
- Matching funds for affordable housing trust funds through the State
- Leverage other public sources (county, region, state/infrastructure bonds, or federal resources)
- Attract grant resources to advance City goals for affordable housing
- Create recoverable loan programs to circulate investment within the community to improve existing housing stock (ongoing source)



AFFORDABLE HOUSING TRUST FUND & OTHER FINANCIAL RESOURCES FOR HOUSING

To better address the growing housing needs in the community and to meet its housing goals, the City should consider a variety of financial sources, such as (listed in order of preference):

A. Reduce land value for resale of city owned property (additional subsidy option)

B. Grants offered by the Metropolitan Council, Minnesota Housing, and Department of Employment & Economic Development – grants are accessed by a public partner (City) to provide additional equity for housing projects.

C. Tax Increment Financing (TIF) – primarily used for affordable rental apartments, senior projects and services, and occasionally market-rate housing.

D. Housing & Redevelopment Authority ("HRA") levy (tax) – raise a pool of funds specifically for housing programs. The tax impact of a \$265,000 HRA on the median value home in White Bear Lake (per Ramsey County that amount is \$260,300), would be an increase of \$20.39 for the year, or \$1.70 per month. This amount may not be much initially, but could build over multiple years.

E. Tax abatement – ability to abate 100% of property taxes for a specific project.

F. General tax levy – creates additional resources within the general fund budget to address significant issues that need attention.

POLICIES & PROGRAMS

A. ESTABLISH AFFORDABLE HOUSING GOALS AND PRIORITIES

Create an Affordable Housing policy that requires a percentage of all new housing to be affordable if financial assistance or regulatory concessions are requested for the project. Over time, the City should adjust the goals as the housing market and demographic needs evolve. The option for developers to direct resources into an affordable housing fund in lieu of creating units in their projects should also be considered.

One example is inclusionary zoning, which is a policy requiring that for all new multifamily housing a percentage of the total units must be provided to households of lower income (typically targeting 60% or 50% area median income). Affordable housing may not make sense for all places, or maybe the owner and the management company is ill-equipped to manage affordable housing, so the City may offer the option for developers to allocate money into a fund in lieu of including affordable units in their property. This allows the City to redirect those funds to invest in affordable housing in other areas of the city.



LEGEND

\$\$: REQUIRES FINANCIAL RESOURCES

LU/Z: LAND USE AND ZONING STRATEGY

STUDY: A STUDY IS RECOMMENDED

PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT

<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Create an Affordable Housing Trust Fund to implement affordable housing goals and priorities	X			
2. Inclusionary housing policy – percentage of new units are required to be affordable (if request any financial assistance or regulatory concessions for the project) a. Other cities with Inclusionary Housing Policies include: Minnetonka, Eden Prairie, St. Louis Park, Minneapolis, Golden Valley, Bloomington, Brooklyn Park, Edina, Richfield, Chaska, and Shoreview. Also, the Metropolitan Council has a Twin Cities Housing Calculator (inclusionaryhousing.org) to assist cities with assessing opportunity sites. b. The City will need to assess the percentage (10%? 20%? of units) and depth of affordability required.			X	
3. Update the current zoning code to align with city priorities to achieve housing goals identified in the 2040 Comprehensive Plan		X		
4. No-net-loss of affordable housing policy (e.g. reviewing inventory yearly, adapt plans to identify ways to maintain and potentially increase affordable housing) a. Create threshold of property type/# of units b. Potential to work with school district as a case study to replace lost housing	X		X	

B. PRODUCTION OF NEW AFFORDABLE HOUSING OPTIONS: RENTAL AND OWNERSHIP

There was unanimous consent by Housing Task Force Members that housing values are escalating so quickly in today's market that it is getting more and more difficult for new and existing residents to find an affordable home in White Bear Lake. The shortage of housing is especially significant for low- and very-low income households with incomes of \$62,940 per year or lower for a family of four (reflects 60% area median income in 2021). To increase the availability of affordable rental and ownership options for low and very-low households the City must work to incorporate financing and regulatory tools to support or incentivize the production of affordable units.

For example, new construction projects that utilize low income housing tax credits (LIHTC) offer rental housing options that serve households at 60% area median income (AMI) or less. Nonprofit developers are able to produce units that serve households at 30% AMI or an annual income of \$31,450 or less for a family of four. (Note: Minimum wage in Minnesota in 2021 is \$10.08 per hour, which is equivalent to an annual salary of \$20,160 per year).

In addition, providing access to home ownership offers stability for families. Yet for more and more families, home ownership is out of reach due to rising home values and stagnant wages. Consider supports for ownership options such as tiny homes, community land trusts, housing cooperatives, or manufactured homes that offer access to ownership at more affordable levels.



LEGEND

\$\$: REQUIRES FINANCIAL RESOURCES

STUDY: A STUDY IS RECOMMENDED

LU/Z: LAND USE AND ZONING STRATEGY

PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT

<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Provide city owned property at reduced cost	X			
2. Guided land use for affordable density <ul style="list-style-type: none"> a. Create land use designations that enable smaller units (e.g. tiny homes, prefab or manufactured housing, shipping containers, etc.) to provide more affordable options b. Density bonuses for new development that includes affordable units 		X		
3. Utilize Tax Increment Financing to fill financial gaps for affordable housing projects	X			
4. Rent to own programs (RTO) <ul style="list-style-type: none"> a. Rent to own is a purchase arrangement made between home buyer and home seller under which the home buyer leases the property for the first few years with an option to buy the property at the end of the lease term for a pre-determined price b. An approach used for artist housing or other small business/remote working options 				X
5. Collaborate with Community Land Trust to provide a line of credit so that a community land trust can purchase properties to convert to a land trust. Part of the line of credit turns into a grant once the home is sold to the new buyer (the land is held by the CLT as a 99 year lease).	X			X
6. Study ways to reduce barriers to the creation of accessory dwelling units ("ADUs")			X	

<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
7. Homeownership education, counseling, and down payment assistance program (partner with other housing agencies like MN Housing or US Dept. of Housing and Urban Development)				X
8. Housing cooperatives, townhomes or condominiums (may require gap financing)				X
9. Partner with Twin Cities Habitat for Humanity or other nonprofits to create a pathway for new homeowners (new construction, rehabilitation, or financing)				X
10. Enable live/work housing options		X		
11. Develop a program to assist seniors with bringing in boarders to support their ability to stay in their homes (providing affordable housing for boarders)				X



C. PRESERVATION OF EXISTING AFFORDABLE HOUSING (NATURALLY OCCURRING AFFORDABLE HOUSING AND PUBLICLY SUBSIDIZED): RENTAL AND OWNERSHIP

Older rental properties and single family homes that may suffer from deferred maintenance offer some of the most affordable housing in our community. Current housing market trends make these properties attractive for investors interested in purchasing them and making improvements that significantly increase rents, or to tear down for new construction. Losing these homes can lead to the displacement of families, occasionally putting them on the brink of homelessness. Affordable housing is needed for many people in the community at various life stages (e.g. college students, low wage workers, seniors on fixed incomes, families suffering from financial hardships, etc). Saving the existing affordable housing stock is the cheapest and fastest way to respond to the housing crisis. The City can dedicate resources to help preserve these properties and maintain their affordability long- term.

LEGEND				
	\$\$: REQUIRES FINANCIAL RESOURCES		STUDY: A STUDY IS RECOMMENDED	
	LU/Z: LAND USE AND ZONING STRATEGY		PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT	
<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Fix-up programs (e.g. Habitat for Humanity’s Brush with Kindness – volunteers help others in need)	X			X
2. Provide resources for NOAH acquisition fund (Greater MN Housing Fund’s NOAH Impact Fund)	X			
3. Home improvement loans (income qualified, ten year restriction)	X			
4. 4D – property tax reduction for landlords willing to maintain affordable rents			X	

D. RENTER PROTECTIONS

Renter protection policies are becoming important tools for addressing housing displacement for renters and guarding against unforeseen expenses for new home buyers.

LEGEND				
\$\$: REQUIRES FINANCIAL RESOURCES			STUDY: A STUDY IS RECOMMENDED	
LU/Z: LAND USE AND ZONING STRATEGY			PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT	
<i>Policies & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Fair Housing Policy – enforces the non- discrimination of Housing Choice Voucher holders (also known as Section 8 Vouchers), and the Fair Housing Marketing plan (* see <i>Housing Discrimination guidance below from the MN Department of Human Rights</i>)			X	
2. 60 day notice of sale – a landlord must notify tenants 60 days before the property is listed for sale.			X	
3. Just Cause Eviction Policy			X	
4. Advance written notice of intent to file for eviction due to missed payment			X	

HOUSING DISCRIMINATION GUIDANCE FROM MINNESOTA DEPARTMENT OF HUMAN RIGHTS

Property owners cannot discriminate against renters because of their race, color, creed, religion, national origin, sex, marital status, disability, public assistance, sexual orientation, gender identity, or familial status.

Property owners, managing agents, financial institutions with real property interest, and real estate brokers cannot deny loans or offer less favorable terms and conditions to applicants, refuse to rent an apartment, refuse to make necessary repairs to a rental unit, refuse to reasonably accommodate an individual with a disability, or evict a tenant because of a protected class.

From the FAQ: *Can a landlord refuse to rent to me because I receive public assistance?*

It's illegal to refuse to rent to someone because they receive public assistance. A landlord may, however, set income requirements that would tend to rule out public assistance recipients-provided that the requirements apply equally to every applicant regardless of the source of their income. The landlord would also need to show that the requirements are motivated by legitimate business reasons, and not by a desire to discriminate. The provision against discrimination based on public assistance does not apply to Housing Choice Vouchers (also known as Section 8 vouchers).

E. HOUSING PRESERVATION

With rising land values and the cost of new construction, the least expensive housing investment is preserving the existing housing stock. Preservation also helps to maintain the character and historic aesthetic of the community. Task Force members expressed strong concerns about the trend of buying older homes and tearing them down to build larger and more expensive homes, which counteracts the ability to maintain affordable homes for ownership.

LEGEND				
	\$\$: REQUIRES FINANCIAL RESOURCES		STUDY: A STUDY IS RECOMMENDED	
	LU/Z: LAND USE AND ZONING STRATEGY		PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT	
<i>Policies & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Home improvement revolving loan fund (term requirement to discourage people from making improvements and selling to benefit from increased value) – conditions such as replacement needs, disability, energy savings, etc.	X			X
2. Housing Preservation Program – based on program in Edina, houses that meet the given criteria - single family homes with an assessed value of up to \$425,000* - can be purchased by the City under existing Housing and Redevelopment Authority programs, including the HRA's partnership with the Homes Within Reach program (a community land trust).	X			X
* <i>\$425,000 was based on average value of Edina home razed for new housing, if implemented an appropriate value for White Bear Lake would need to be determined based on local market conditions</i>				



F. MARKET-RATE HOUSING PRODUCTION

Providing a range of housing options is the best way to attract new residents and hold onto existing residents. Options for both housing size and cost should be considered. To enable households to transition to accommodate their current life cycle, the City should work to attract a variety of housing types and values. For growing families, sufficient space and affordability may be key factors. For empty nesters or seniors, the convenience of walkability and transit friendly locations may be a priority. Incentives can be offered for empty nesters to sell their homes to the next generation of households with children, or to help young families with down payment assistance. Finding appealing housing options that motivate people to move into a next home is critical.

LEGEND \$\$: REQUIRES FINANCIAL RESOURCES STUDY: A STUDY IS RECOMMENDED LU/Z: LAND USE AND ZONING STRATEGY PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT				
<i>Policies & Programs to consider listed in order of preference</i>	\$\$	LU/Z	Study	Partners
1. Consider density bonuses for projects that respond to city housing goals		X		
2. HRA to oversee site acquisition and site assembly to gain public control, and utilize a community engagement process to guide future development that best responds to community needs, shared values, and market realities.	X			
3. Create an incentive program to encourage empty nesters to transition into smaller homes so that larger homes can be made available for new families.			X	
4. Reduce regulatory barriers to the creation of Accessory Dwelling Units ("ADUs") that respond to city housing goals a. Identify where ADUs would be most appropriate b. Keep the current Conditional Use Permit process for ADUs		X	X	

<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU /Z	Stu dy	Part ners
5. Design competition hosted by the City – invite designers to compete using city owned or opportunity sites to showcase ideas for smaller housing options that appeal to empty nesters (focus on desirable locations for senior lifestyles).			X	
6. Tax Increment Financing	X			



G. SUSTAINABILITY AND WALKABILITY

In response to the threat of climate change, the City should be utilizing any means necessary to reduce our carbon footprint. Energy efficiency programs must be promoted for all residential properties. And reducing our reliance on fossil fuels is made possible by encouraging public transit and multimodal options (e.g. walking, biking, scooters, etc.). The City of White Bear Lake maintains its resort town charm by providing walkable areas with access to housing, jobs, services, natural spaces, and other amenities.

The Task Force encourages the City Council and Planning Commission to work together to review opportunity sites and consider the transition of uses.

LEGEND				
\$\$: REQUIRES FINANCIAL RESOURCES	STUDY: A STUDY IS RECOMMENDED			
LU/Z: LAND USE AND ZONING STRATEGY	PARTNER: PARTNER ORGANIZATION(S) NEEDED TO IMPLEMENT			
<i>Polices & Programs to consider listed in order of preference</i>	\$\$	LU /Z	Study	Partners
1. Strengthen the interconnection between transit and housing to increase sustainability and walkability		X		
2. Focus on opportunity sites within one-mile of transit stops or stations, locate housing near transit and job centers				X
3. Energy efficiency program – work with utilities or MN Housing to provide grants or incentives for homeowners and landlords to incorporate energy efficiency measures into their properties (e.g. grants for solar panels)	X			X
4. Adjust zoning requirements to allow compact development (mixed uses, higher densities, multi-modal options, etc.)		X	X	
5. Increase vertical density to provide greater green space		X	X	
6. Advocate for and encourage "last mile" connector transit service options				X

GUIDING FUTURE DEVELOPMENT

Change and growth are difficult propositions for any community. Publicly owned sites offer the greatest opportunity to respond to community needs, and should be held to a higher standard for engaging community members to inform and shape their outcomes. Privately owned opportunity sites also benefit from community review and process, and must comply with existing city land use and zoning regulations.

Recommendations:

1. **Development Review Process:** In an effort to ensure development proposals are considered from a holistic perspective of whether they are in line with the City's housing goals and needs, the Housing Task Force has made recommendations to enhance the public review process. This process is offered to give additional opportunities for review from elected and appointed officials as well as making the community aware of the proposals earlier in the development review process.

The following description is for proposals that depart from land use regulations which require a rezoning or are requesting public financial assistance. To ensure a clear and transparent process a visualization for this for this and other development reviews are detailed in the flow chart shown in Appendix A.

**Denotes additions to the current review process*

- Step 1) **Pre-application site plan review:** Present conceptual site plan to Community Development Staff for initial feedback and zoning analysis. If a larger or more complex land use proposal, a subsequent conceptual review may be scheduled at which several City staff members from various departments will offer comments on the development proposal.

Step 2) Referral Process: A four part process involving initial City Council input, neighborhood input, a commission level review and additional opportunity for City Council feedback. This step is applicable to Redevelopment/Infill proposals which depart from the Comprehensive Plan – Future Land Use Designation, require a Rezoning, or will request public finance assistance from the City/Housing & Redevelopment Authority ("HRA").

2A) City Council Review*: Prior to preparation of detailed plans and documents, the preliminary concept is presented at a City Council meeting for initial feedback and direction to the applicant and staff on areas of concern of additional analysis required. Applicants can choose to modify their plans once they are aware of Council concerns and explore viable alternatives.

2B) Neighborhood Meeting: A Neighborhood Meeting may be required prior to formal submittal. Coordinate with Community Development staff to ensure adequate notice to surrounding neighborhood and to coordinate the meeting time, location and mailing. Neighborhood meetings allow the applicant to communicate the proposal to citizens in any impacted or adjacent neighborhoods early in the design process. Residents and neighbors can communicate their questions and opinions about the proposal. The neighborhood meeting is for the applicant to present their proposal and answer questions, with City staff available to address policy and process questions. Neighborhood meetings are a platform to get concern out in the open and to keep open communication channels. Applicants can choose to modify their proposal to address questions and concerns identified by neighbors.

2C) HRAAC Review*: Preliminary concept is presented to the Housing & Redevelopment Authority Advisory Commission ("HRAAC") comprised of community representatives appointed by the mayor for initial feedback and direction to the applicant and staff on whether the proposal is seen to advance policy goals of the city as identified in the Comprehensive Plan, Housing Task Force Report and other relevant City goals and policies. HRAAC sends review comments to City Council.

2D) City Council Review*: Any revised plans presented for Council review and for Council to direct staff and applicant on remaining areas of concern or what may require additional analysis prior to a formal application.

Step 3) Submittal of Completed Land Use Application: Submit completed Land Use Application along with project narrative, site plan, building elevations and floor plans, preliminary site data: lot area, setbacks, existing/proposed building area, density/FAR, and parking analysis, site lighting, traffic impact study (if applicable)& preliminary engineering, including grading, utilities and stormwater management.

Step 4) Public Hearing before the Planning Commission : Community Development staff prepares a comprehensive analysis of the development proposal summarized in a report to the Planning Commission with a recommendation for approval or denial of the requested, with any suggested conditions of approval. Planning Commission conducts a Public Hearing and makes a recommendation to the City Council.

Step 5) City Council Meeting: Community Development staff presents their analysis of the development proposal along with summarized in a the Planning Commission's recommendations for approval to the City Council. City Council will then consider the application and recommendations and vote to approve, approve with conditions or deny.

2. Zoning Code: Zoning codes and land use regulations must be updated to align with the City's 2040 Comprehensive Plan and priorities. Adopt rules/codes to ensure the realization of the Guiding Principle of Compatible Design (page 3-40 of 2040 Comprehensive Plan - Encourage housing development design that reflects the character of the community while still increasing the quantity and variety of housing options.)

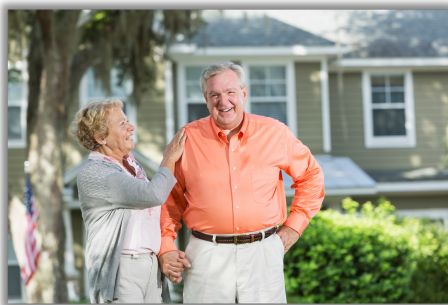
DEVELOPMENT PRIORITIES

While there are many opportunity sites identified in the 2040 Comprehensive Plan, the city should prioritize or focus city resources and staff time on the two city owned sites for housing:

- Former Public Works site
- 4th Street & Bloom Avenue

Housing task force members consistently highlighted the need for three product type development priorities:

- Affordable housing suitable for a range of housing needs (e.g. senior, students, smaller households/tiny homes, families with lower incomes, long-term affordability such as land trust or mission-based developer like Habitat for Humanity, starter homes for home ownership, etc.)
- Senior friendly one level living that allows seniors to downsize from current homes (not multifamily)
- More housing options to fill housing gaps (e.g. student housing, smaller options etc.)



CONCLUSION

The Housing Task Force members thank the White Bear Lake City Council and Mayor for the opportunity to deliberate and provide recommendations on housing policies and programs for the City of White Bear Lake to meet its short and long-term housing needs. We submit these recommendations for your consideration on November 23, 2021.



*Top: Johnson Boatworks in Commercial Bay (Courtesy of White Bear Lake Area Historical Society)
Bottom: Boatworks Commons a mixed use development on the former site of Johnson Boatworks*

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APPENDIX



APPENDIX A: PLANNING REVIEW PROCESS FLOW CHART

The following page shows a flow chart depicting the application process for the development of new buildings. Below are **hypothetical situations**, which illustrate the "path" the examples would follow through the review and approval process:

Example 1: Orange Company has secured land in the City with the intent of building a multifamily residential building. After an initial review by staff Orange Company submits a formal application and plans to the City. The staff review determines the plans have met all zoning regulations including property line setbacks, density provisions and building height, the development in an area that has been designated in the 2040 Comprehensive for high density residential use and the land is in a R-7 High Density Residential zoning district. For these reasons, Orange Company's application will follow *Path A*.

Example 2: Ms. Green purchased a parcel of land on which she intends to build a single family home. After an initial review by staff Ms. Green submits a formal application and plans to the City. The land is in an area guided for low density residential use and in a R-3 Single Family Residential zoning district, however the plans deviate from the zoning code because they do not meet regulations regarding property line setbacks. For these reasons Mr. Green's application will follow *Path B*.

Example 3: Blue Organization has entered into a purchase agreement for land in the City with the intent of building affordable multifamily housing. The area is not currently guided for use that includes high density residential and a request for financial assistance from the city to help offset the gap between existing funding for the project and the cost to construct the project. For these reasons, Blue Company's proposal will follow *Path C*.

Pre-Application Site Plan Review

Potential applicant presents conceptual site plan to Community Development Staff for initial feedback and zoning analysis.

Path A



Meets current land use and zoning regulations, not asking for public financial assistance



Application routed through relevant departments for review & comments



Applicant applies for zoning, building & fire permits



Administrative approval if determined application meets regulatory requirements

Path B



Plan meets current land use and zoning use regulations, not asking for public finance or subsidy however departs from building or site regulations of zoning code requiring a variance or requires a conditional use permit (CUP) or meets land use guiding, but requires a rezoning



Formal Application Process

Land Use Application Submitted



Staff Review

Application routed through departments for review & comments; staff drafts a report for Planning Commission with their recommendations



Planning Commission & Public Hearing

Public has opportunity to comment on plans. Planning Commission will vote to recommend approval, denial or approval with conditions for Council's consideration



City Council Considers Application

Council will consider application and recommendations and vote to approve, approve with conditions or deny.

Per State Statute Process Must be 60 days or less

Path C



Redevelopment/Infill proposal that departs from land use regulations, requires a rezoning or requesting public financial assistance



Conceptual plan routed through relevant departments for review & comments



Applicant may revise plans to incorporate staff feedback



Proposed Referral Process

City Council Review

Preliminary concept is presented at a City Council meeting for initial feedback and direction to the applicant and staff on areas of concern of additional analysis required.



Neighborhood Meeting

A Neighborhood Meeting may be required prior to formal submittal. Coordinate with Community Development staff to ensure adequate notice to surrounding neighborhood and to coordinate the meeting time, location and mailing. Neighborhood meetings allow the applicant to communicate the proposal to citizens in any impacted or adjacent neighborhoods early in the design process. Residents and neighbors can communicate their questions and opinions about the proposal. The neighborhood meeting is for the applicant to present their proposal and answer questions, with City staff available to address policy and process questions. Neighborhood meetings are a platform to get concern out in the open and to keep open communication channels. Applicants can choose to modify their proposal to address questions and concerns identified by neighbors.



HRAAC Review

Preliminary concept is presented at to a Housing & Redevelopment Authority Advisory Commission (HRAAC) comprised of community representatives appointed by the mayor for initial feedback and direction to the applicant and staff on whether the proposal is seen to advance policy goals of the city as identified in the Comprehensive Plan, Housing Task Force Report and other relevant City goals and policies. HRAAC sends review comments to Council



City Council Review

Any revised plans presented for Council review and for council to direct staff and applicant on remaining areas of concern or what may require additional analysis prior to a formal application

Applicant may revise plans throughout process to incorporate adjustments in response to feedback

Denotes addition to current process

APPENDIX B: GLOSSARY

Definitions are from a variety of sources including the Maxfield Comprehensive Housing Analysis and Metropolitan Council.

4D: A property tax classification that has a reduced tax rate for affordable housing that meets certain requirements as laid out by Minnesota state statute.

Accessory Dwelling Unit ("ADU"): A living unit that is accessory to a primary single family structure. Typically referred to as in-law apartment or carriage home.

Affordable Housing: According to HUD, housing costs less than 30% of a households income are considered affordable. Households paying more than 30% of their income on housing are considered cost burdened and households paying more than 50% of their income on housing are considered extremely cost burdened. Some definitions of affordable housing consider only housing affordable to those earning a certain percentage of AMI, typically less than 100% AMI, but sometimes ranging to 120% AMI.

Area Median Income("AMI"): The income at which half of households earn more than that amount and half earn less; 80% of AMI is considered Low-Income; Very Low-Income is 50% of AMI; Extremely Low Income is 30% of AMI. In 2021 in the Twin Cities Metro Area AMI for a family of four is \$104,900.

Community Land Trust ("CLT"): Community Land Trusts help low- and moderate-income families benefit from the equity built through home ownership and at the same time preserve the affordability of these homes so future residents will have the same affordable homeownership opportunities. A Community Land Trust (CLT) creates affordable housing by taking the cost of land out of the purchase price of a home and maintains affordability by controlling the resale price of houses on CLT land through a ground lease and resale formula.

Comprehensive Plan: Plans prepared and updated by cities, townships and, in some cases, counties, for local land use and infrastructure. Comprehensive plans provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment. In the seven county Twin Cities area the Metropolitan Council requires each city to update their plan every 10 years. Land use is currently guided by the 2040 Comprehensive Plan in White Bear Lake.

Conditional Use Permit: A permit for a use that is not granted by right, but rather must meet a set of conditions to be allowed in a certain zone.

Cost-burdened households: households that pay 30% or more of their income on housing related costs (including mortgage or rent and housing-related utilities);

Extremely cost-burdened households: pay 50% or more of their income on housing related costs

Household: All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing and Redevelopment Authority ("HRA"): Bodies that are typically responsible for issues regarding housing, redevelopment and economic development within a given jurisdiction. Sometimes officials are a separate governing authority, sometimes they are the same as the City Council. In the City of White Bear Lake, the HRA is comprised of the five elected city council members.

Housing Choice Voucher Program: Also known as Section 8 vouchers. The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Inclusionary Zoning: Zoning code requirements that originated in the early 1970s aiming to stimulate the production of affordable housing. Generally, these ordinances require that a minimum percentage of new housing units be set aside for low-income households. Inclusionary zoning can be mandatory or voluntary.

Lifecycle housing: Ensuring there is a full range of housing options for all stages of life, from starter homes through continuum of care, so people can live their whole lives in a given community

Local/Land Use Controls/Regulations: Ordinances and policies of local governments, including requirement of permits and codes created to ensure private use of land resources are aligned with public objectives and standards. Some forms of land use regulations include housing codes, regulations for subdivisions, zoning ordinances, and building codes.

Naturally Occurring Affordable Housing ("NOAH"): Housing that is affordable without subsidy. The rent prices that the housing can demand in the unsubsidized private market given the properties' quality, size, or amenities is low enough such that the tenants of these properties, whose income might otherwise qualify them to be a participant in publicly funded housing programs, can reasonably afford them.

Tax Abatement: Reduction of or exemption from tax that is granted by government for a specified period, usually to encourage investment activities.

Tax Increment Financing: A financing tool available to local governments for redevelopment and improvement projects. TIF uses the projected increase in property taxes that a redevelopment will generate to finance the costs of the development.

Variance: A numerical deviation from the requirements set out by the zoning code.

Zoning: Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations.