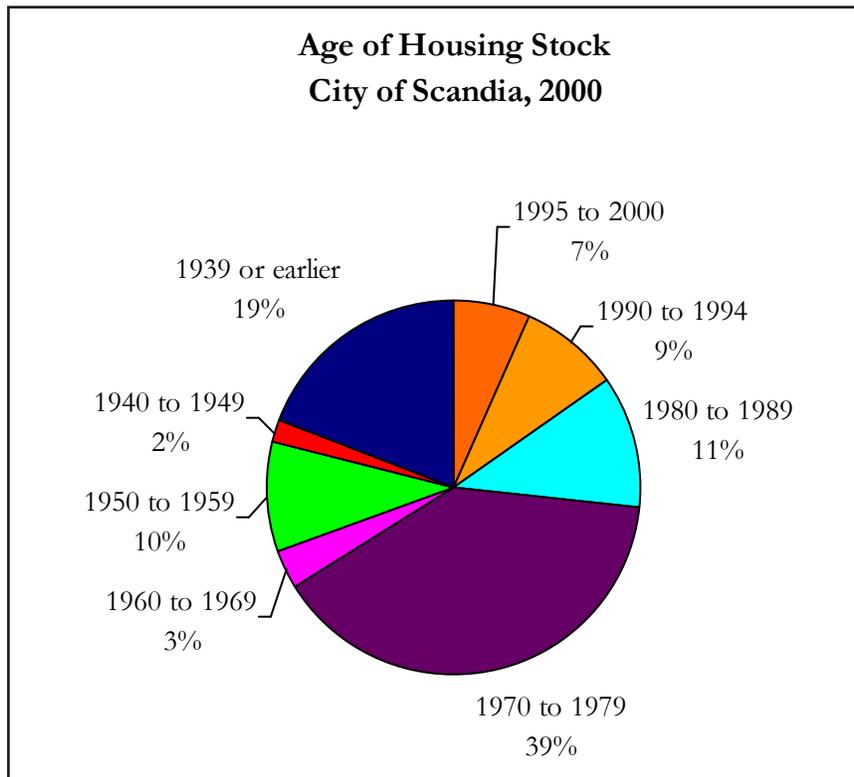


Housing

Age of Housing Stock

Scandia's housing stock is predominantly of recent construction, although a significant number of homes date from Scandia's rural past. As shown in Figure 4 - *Age of housing stock*, Data from the 2000 Census show that a large portion (39%) of Scandia's housing stock was built during the 1970s. Prior to the 1970s Scandia (New Scandia Township) was almost exclusively a very-low density agricultural community except for the unincorporated village area, with most housing having been built prior to 1939. In the 1970s the suburban expansion reached the Scandia area and the number of non-farm homes increased significantly. The older housing stock was, in 2000, only 19% of all housing. The housing boom accelerated in the 1990's – according to the 2000 Census results, 15.4% of Scandia's 1,200 housing units were built during the 1990's.

Figure 4 - Age of housing stock



Source: U.S. Census 2000

Since 2000, the rate of construction has continued, with almost 30 single-family homes being built each year (175 over six years from 2001 to 2006). Over 70% of Scandia's housing units have been built since 1970, and over 60% have been built in the last 25 years.

Recent construction trends show a slowing of new construction, consistent with the housing market for the metropolitan region. The 2006-2007 rate of issuance for new building permits is less than half the annual number issued between 2000 and 2006.

Housing Ownership

By far the majority of housing units in Scandia and Washington County are owner occupied. Scandia had a smaller portion of renter-occupied housing units than Washington County in both 1990 and 2000 as indicated in Table 21 - *Renter vs. owner occupied housing units*. The ratio of renter occupied units to owner occupied units remained relatively unchanged between 1990 and 2000 for both Scandia and Washington County.

Table 21 - Renter vs. owner occupied housing units

Renter vs. Owner Occupied Housing Units				
	1990		2000	
	% Renter	% Owner	% Renter	% Owner
Scandia	6	94	6	94
Washington County	16	84	14	86

Source: U.S. Census 1990 and 2000

Type of Housing

The number of housing units in Scandia increased 16% between 1990 and 2000. Table 22 - *Number of housing units in structure*, describes the growth in the number of housing units in various types of structures between 1990 and 2000. Most of these additional housing units were single family, detached homes (176 units). Mobile homes and trailers accounted for the next largest increase in units between 1990 and 2000; 13 additional units. Four additional units located in structures with five to nine housing units were also constructed between 1990 and 2000, as were two additional town houses or duplex units.

The majority of housing units in Scandia have historically been single unit detached structures. Town homes and duplexes were next largest followed by structures with five to nine housing units. The housing unit category with the smallest number of units in Scandia is mobile homes and trailers. Scandia has no large multi-family structures with 10 or more housing units.

Table 22 - Number of housing units in structure

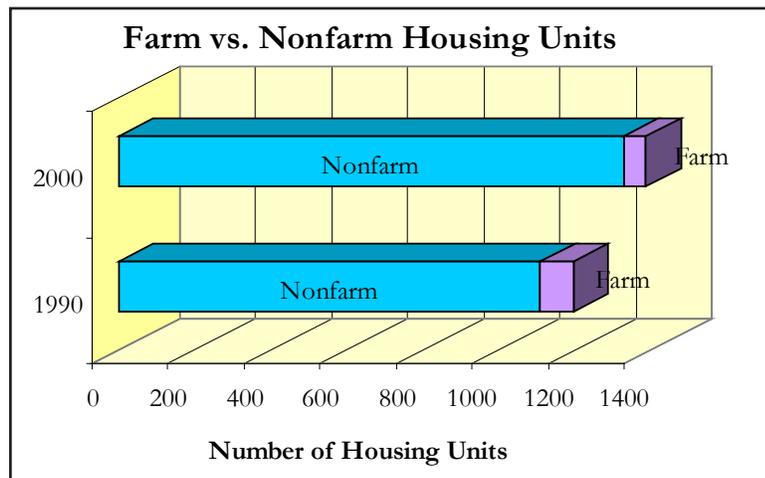
Scandia Number of Housing Units in Structure			
	1990	2000	Percent Change
Single unit detached	1156	1,332	15
Town homes and duplexes	25	26	4
3 or 4 units	0	0	0
5 to 9 units	14	16	14
10 or more	0	0	0
Mobile home or trailer	2	15	650
Total	1197	1389	16

Source: U.S. Census 1990 and 2000

Farm and Nonfarm Housing Units

Census data report on the number of housing units associated with working farms. Starting with the post World War II era (post 1950) nearly all new housing has been characterized by the Census as nonfarm housing. By 1990 the number of farm housing units was less than 10% of the total housing units. Between 1990 and 2000 the number of nonfarm housing units in Scandia has gone up (from 1,111 in 1990 to 1,329 in 2000) and the number of farm housing units has gone down (from 86 in 1990 to 60 in 2000) (see Figure 5 - Farm vs nonfarm housing units in Scandia). While agriculture is still a significant land use in Scandia, the number of housing units associated with farms is continuing to decrease.

Figure 5 - Farm vs. nonfarm housing units in Scandia

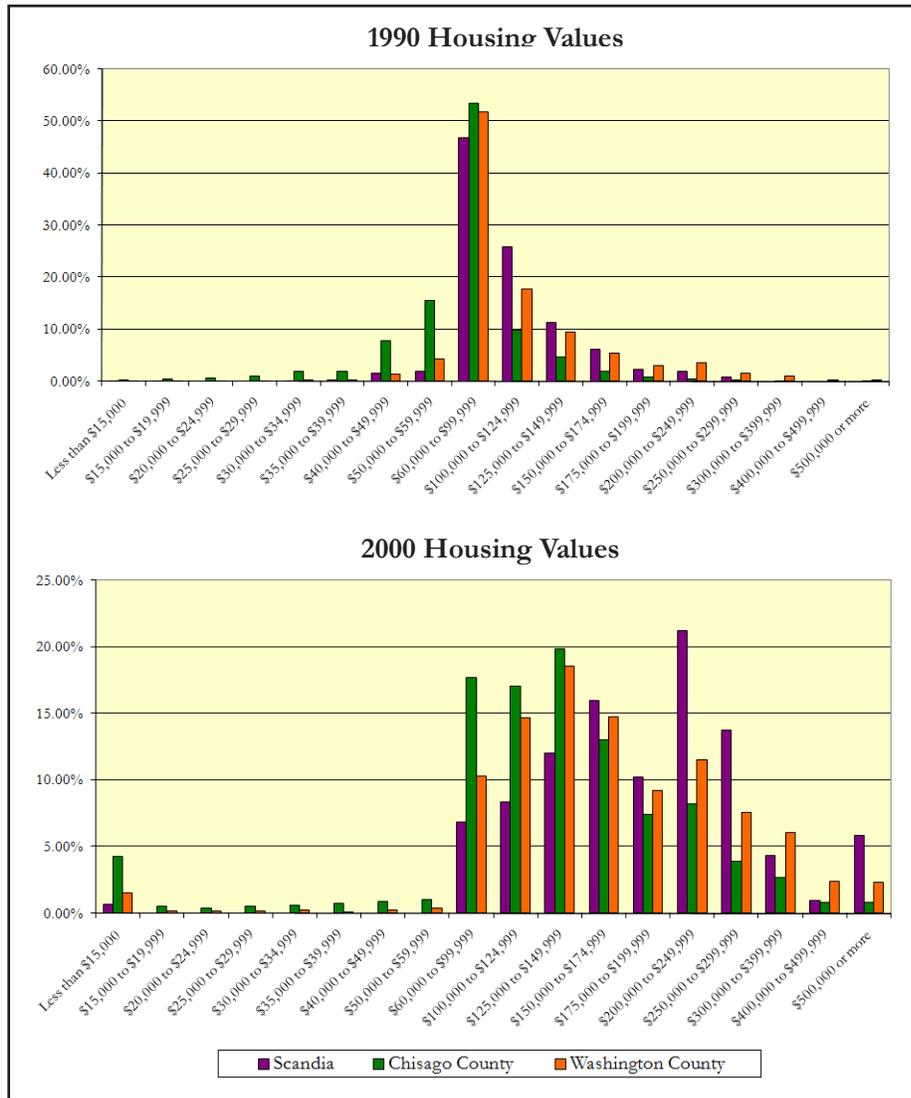


Source: U.S. Census 1990 and 2000

Value of Housing Stock

Most of the housing built in Scandia in the last 15 years has been in the upper end of the value spectrum for Washington and Chisago counties. The value of Scandia's housing stock has gone up dramatically between 1990 and 2000. As Figure 6 - Value of housing stock illustrates, Scandia housing values reported in the 1990 Census were generally similar to Washington and Chisago counties. Scandia and the rest of Washington County showed a skew toward more highly valued homes, while Chisago County showed a slight skew toward the lower end of the value spectrum. In 1990, most homes in all three areas were valued between \$60,000 and \$120,000. By 2000, Scandia's housing values were much more skewed to the high end of the scale than either Washington or Chisago County.

Figure 6 - Value of housing stock in 1990 and 2000



Source: U.S. Census 1990 and 2000

Table 23 - Median home values

Median Home Values			
	Chisago County	Washington County	Scandia
2000	132,500	156,200	177,700
1990	72,900	94,100	99,300
Percent Change	82%	66%	79%

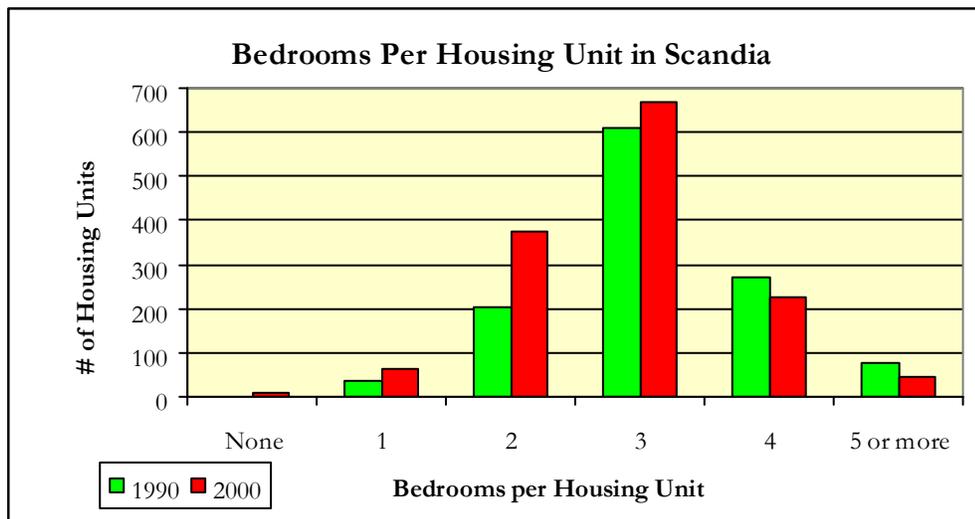
Source: U.S. Census 1990 and 2000

The median value of homes in Chisago County, Washington County, and Scandia all went up considerably between 1990 and 2000 (see Table 23 - *Median home values*) consistent with the state-wide trend during the decade. While Chisago County saw the greatest percent change in median home values, Scandia had the highest median home value in both 1990 and 2000.

Number of Rooms and Bedrooms per Unit

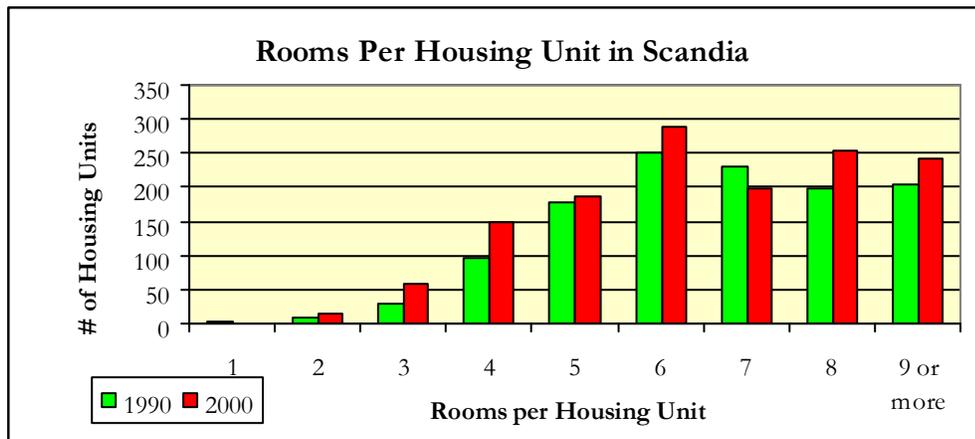
The Census also reports on the number of rooms and bedrooms in each community’s housing units. Between 1990 and 2000 in Scandia the number of bedrooms per housing unit went down, but the number of rooms per house went up. Figure 7 - *Bedrooms per housing unit*, shows the number of homes in Scandia with 0 to 5 or more bedrooms. Figure 8 - *Rooms per housing unit*, shows the number of homes in Scandia with 1 to 9 or more rooms. The responses could indicate both a building trend toward houses with more alternative rooms such as offices or recreation rooms, or an increased interest in characterizing extra bedrooms differently in 2000, relative to 1990.

Figure 7 - Bedrooms per housing unit



Source: U.S. Census 1990 and 2000

Figure 8 - Rooms per housing unit



Source: U.S. Census 1990 and 2000

Vacancy Rates

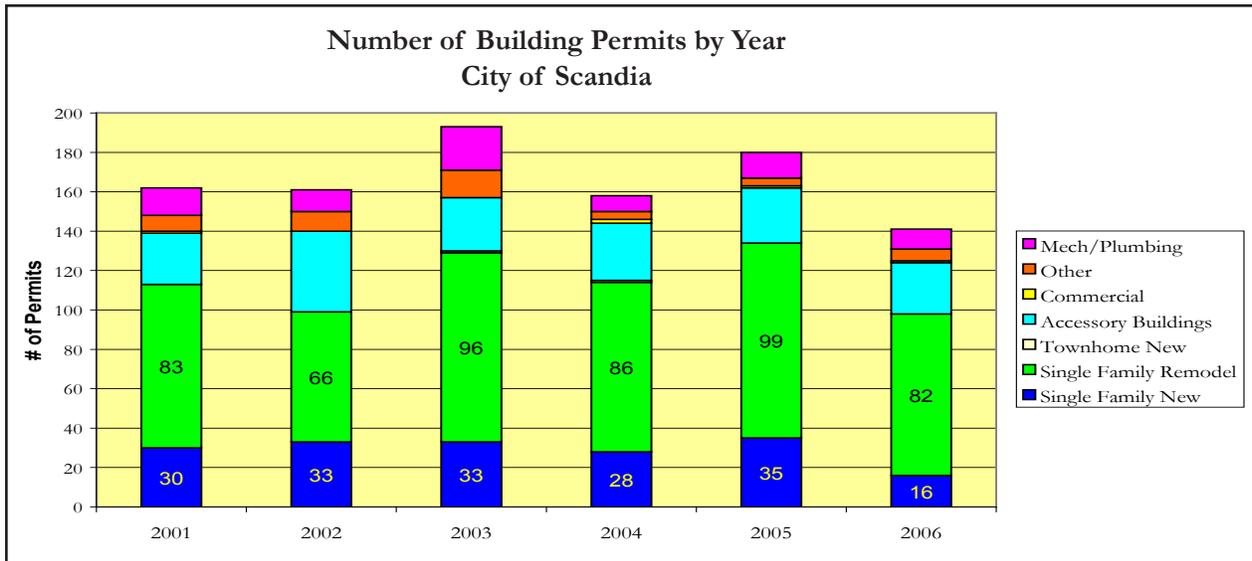
Vacancy rates have been consistently low in Scandia, with very few housing units vacant in either 1990 or 2000. Census data identified only three vacancies in Scandia in 1990 and eight vacancies in 2000. The Washington County Housing and Redevelopment Authority study (see final section of this report) similarly noted vacancy rates well below what is considered a “normal” market. Such low vacancy rates for a community that is seeing consistent growth generally demonstrates a demand for housing (both owner-occupied and rental) that exceeds supply.

Housing Permits

The number of housing permits issued per year in Scandia has fluctuated between 2001 and 2007. A steady upward or downward trend is not apparent (see Figure 9 - *Number of building permits by year*). The fewest permits were issued in 2006 and the most were issued in 2003. Single family remodeling permits have been the most common permit issued since 2001 (578 permits), followed by accessory building (192) and single family new (181) permits.

Although remodeling permits are the most commonly issued permit, new single family building permits accounted for the greatest value between 2001 and 2006. The value of permits grew between 2001 and 2005. However, there was a sharp drop in the value of permits in 2006, reflecting the drop in the number of new single family home permits. Total permit value was \$16,049,295 in 2005 and \$7,886,995 in 2006.

Figure 9 - Number of building permits by year



Source: City of Scandia

Housing Choice and Affordable Housing

As suggested in the data above, Scandia has relatively fewer housing opportunities for middle and low income families when compared to surrounding communities. Much of the new construction is targeted to people with higher incomes who can afford more costly homes and to people desiring larger homes, such as families. Larger houses are consistent with the higher median household size in Scandia compared to Washington County (Scandia's median household size is noticeably higher, see the demographic background section). Larger and more expensive homes are also consistent with the very low number (relative to the county-wide data) of young adults who live in Scandia, as few housing choices are available for households with below-median incomes.

As the population ages, demand for larger homes is expected to taper off. While Scandia's low vacancy rate shows that demand continues to outpace supply, the housing market in the metropolitan area has been shifting toward a preference for smaller homes on small lots. These trends pose difficult questions as to how Scandia should plan for housing into the future.

In 2000, Washington County conducted a housing needs analysis (A Comprehensive Study of Housing Needs In Washington County, Minnesota; Maxfield Research, WCHRA, 2001). The findings identified specific needs within Washington County for entry-level housing, moderately-priced rental housing, and small market niches such as transitional housing. The study also examined eight distinct housing markets within the County, including the Northeast Market Area that included Scandia, Marine on St. Croix, and May Township. Similar to the County-wide findings, the analysis concluded that the Northeast Market Area had unmet needs in the following housing market segments:

- Market rate and subsidized general occupancy rental housing;
- Market rate and subsidized senior housing;
- Affordable for-sale housing, including both single-family and townhome types.

The study specifically noted Oakhill Cottages as an example of a successful senior housing development, but also recommended that additional efforts may be needed if local government wanted to proactively address the evolution of the housing market over the next 10-15 years (WCHRA, p. 196).

Washington County Affordable Housing Programs

The Washington County Housing and Redevelopment Authority (WCHRA) offers three programs for cities interested in affordable housing. These programs include bond financing, low income housing tax credits, and the “Grow Fund” which assists developers with gap financing for affordable housing developments. Gap financing is an interim loan that finances the difference between the more traditional loans and the total capital needs of a given project.

Bond financing includes tax-exempt or taxable revenue bonds and conduit bonds. Conduit bonds are bonds whose repayment is the responsibility of the business or developer who benefits from the financing, rather than the issuer, who only collects the taxes, fees or revenues and passes them on to the bondholder. The City of Woodbury and the City of Newport have received conduit bonds from the WCHRA for affordable housing development.

Developers can apply for low income housing tax credits through the WCHRA to provide a subsidy for this market niche. The WCHRA has recently issued tax credits for two projects in Woodbury and one project in Stillwater.

