

VI. HOUSING

As part of the 2040 Comprehensive Plan update, the Metropolitan Council provides housing estimates for each community in the seven-county metropolitan area, based on the 2010 Census and the number of permitted units between 2010 and 2015. However, this level of analysis is only meant to provide a framework, and typically works best in larger communities. Given the small size of the City of Scandia, it can be difficult to obtain accurate data for housing units.

To provide a more accurate picture of current housing conditions in Scandia, data for occupied housing units from the 2011-2015 American Community Survey (ACS) was used to provide a baseline for current housing conditions in Scandia. This was determined to be the most appropriate data to use, as it most closely aligned with Washington County property assessments in Scandia and focused solely on occupied units. There are a number of seasonal dwelling units in Scandia (i.e. cabins), but there is no consensus between data sources (US Census/ACS, Washington County, and the Metropolitan Council) as to how many seasonal “vacant” units there are in Scandia. This can be misleading, as seasonal units are counted as “vacant” even though they are owned and occupied for varying lengths throughout the year. Based on community experiences, the City of Scandia has very low to no vacancy rates for permanently occupied units.

To help guide effective, community focused policies pertaining to housing in the City of Scandia, the city presumes there to be low/no vacancies within city limits. Seasonal housing units may or may not become permanently occupied in the future; this is the decision of the property owner, not the city. The City of Scandia will plan for and consider policies that do not assume any conversion of seasonal units into permanent residences, meaning development or redevelopment is assumed to be needed to accommodate all future households. This will ensure that enough land is reserved for residential uses in areas that are close to or are connected to existing residential areas and service, supporting orderly residential growth. Any conversion of seasonal units to permanent housing would ultimately decrease the number of new housing units and amount of land needed in Scandia to accommodate projected population growth.

A. Housing Goals and Objectives

Goal: Support a variety of housing types and densities for residential uses in and surrounding the Village Center and other areas where appropriate.

Objectives:

- Encourage residential development in areas where sufficient infrastructure capacity can be provided.
- Offer density bonuses for development providing senior housing, lifecycle housing, or work with property owners on the transfer of development rights.

Goal: Expand life-cycle housing opportunities for residents at all points of life.

Objectives:

- Encourage residential buildings to be designed for accessibility in order to meet the needs of current and future owners.
- Continue to work with the Washington County Community Development Agency to identify opportunities for providing additional affordable senior housing in the Village Center.

Goal: Encourage a range of housing choices that fit with the character of the community

Objectives:

- Review current development ordinance for districts to allow smaller lot sizes or

- higher densities while respecting the rural character and land uses.
- Encourage Open-Space Cluster housing development and Lot Averaging development.
- Continue to monitor the general condition of the housing stock, with a special focus on the physical condition of the older housing.

B. Existing Housing

As of 2015, Scandia contained approximately 1,518 occupied-housing units, 98% of which are single family and 2% or which are multi-family. About 90% of the households (1,367 units) in Scandia are owner-occupied, compared to 10% renter-occupied units (151 units). About 37% of homes in Scandia are affordable to households with incomes at or below 80% Area Median Income (AMI). However, about 30% of households in Scandia experience cost burden. There are 40 subsidized units in Scandia, all of which are designated as senior housing. These and other housing conditions are outlined in Tables VI-A and VI-B.

Table VI-A – Housing Conditions		
Housing Units	Number of Units	Percent of Total
Total Occupied Housing Units	1,518	100%
– Owner Occupied	1,367	90%
– Rental	151	10%
Single Family Homes	1,488	98%
Multi-family Homes	30	2%
Publicly Subsidized		
– Senior Housing	40	3%
– Housing for People with Disabilities	0	0%
– All Other Publicly Subsidized Units	0	0%
Affordable Housing		
Housing Units affordable to households with incomes at or below 30% Area Median Income (AMI)	16	1%
Housing Units affordable to households with incomes between 31 and 50% Area Median Income (AMI)	137	9%
Housing Units affordable to households with incomes between 51 and 80% Area Median Income (AMI)	416	27%

Source: Metropolitan Council Tabulation of American Community Survey Data, 2011-2015

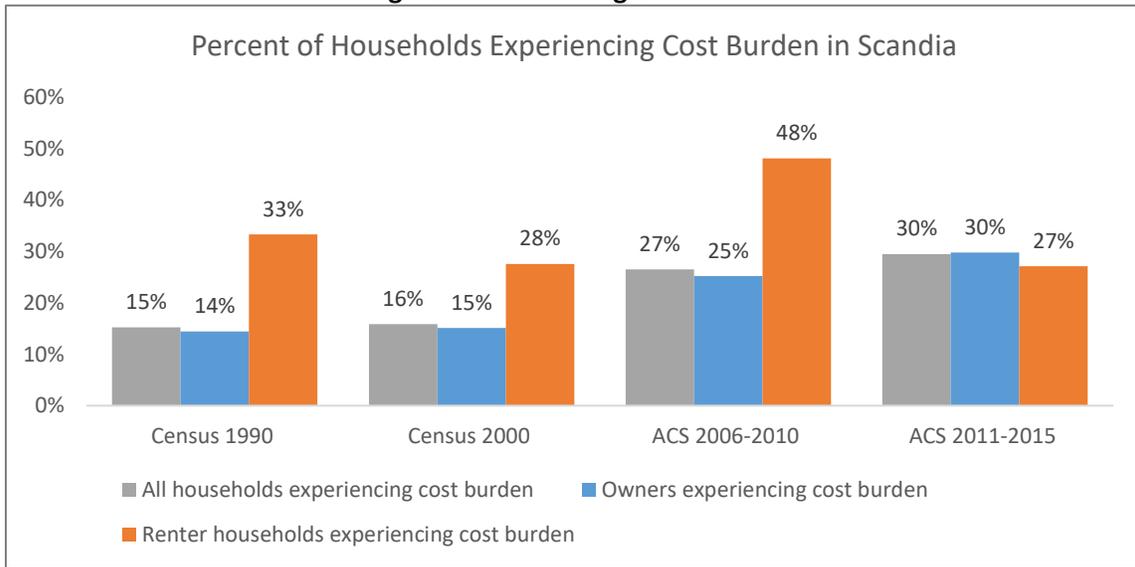
Table VI-B - Households Experiencing Cost Burden		
Existing households experiencing housing cost burden with incomes below 30% AMI	83	5%
Existing households experiencing housing cost burden with incomes between 31 and 50% AMI	114	8%
Existing households experiencing housing cost burden with incomes between 51 and 80% AMI	22	1%

Source: Metropolitan Council Tabulation of American Community Survey Data, 2011-2015

Housing affordability is an issue every community needs to address. In Scandia, about 30% of all households spend 30% or more of the household income on housing and are considered to experience housing cost burden (shown in Figure VI-A). About half of all cost-burdened households have incomes at or below 80% AMI; the other half have incomes higher than 80% AMI.

Housing affordability has become a growing concern in Scandia, detailed in Appendices D and E. Only 15% of all households experienced housing cost burden in 1990; in 2015, that percentage doubled to 30%. High housing costs can make it difficult for young families to move into the community or for older residents on fixed-incomes to age in their community.

Figure VI-A – Housing Cost Burden



Source: US Census and American Community Survey

1. Housing Units

Housing in Scandia is predominantly single family detached, which is characteristic of rural communities. Approximately 94% of the occupied housing stock in Scandia are detached single family, compared to 4% attached single family residences. There is a limited amount of multifamily housing in Scandia. Multifamily units make up roughly 2% of the city’s housing stock with 0.6% of being duplexes, triplexes, and quads and 1.4% being larger, five units or more buildings. These data are noted in Table VI-C.

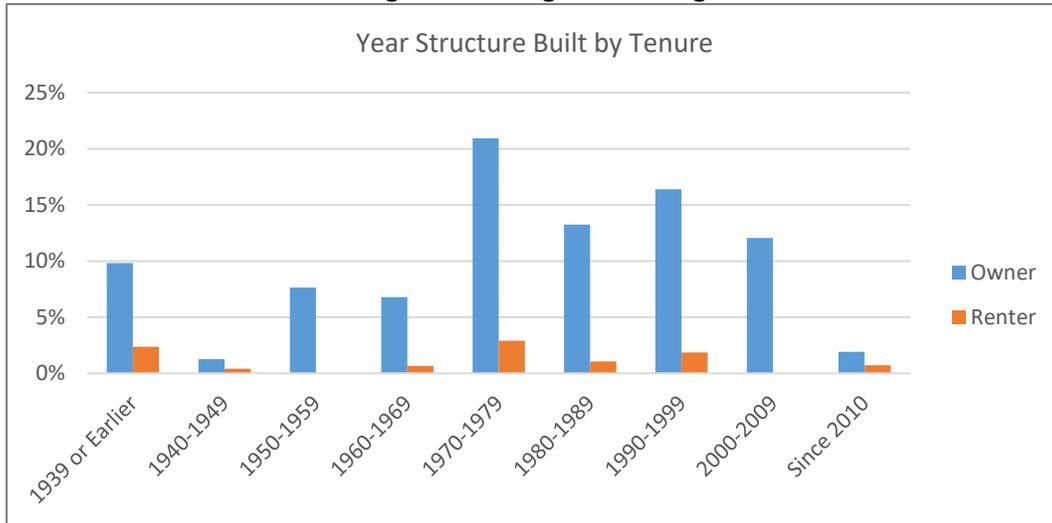
Household Type	Units	Percentage
Single-Family Detached	1,428	94%
Townhomes (single-family attached)	59	4%
Duplex, triplex and quad	9	0.6%
Multifamily (5 units or more)	21	1.4%
Total Households	1,518	

Source: American Community Survey, 2011-2015

As shown in Figure VI-B, over 70% of the city’s housing stock has been built since 1970 with almost a quarter of all units built between 1970 and 1979. About a third of Scandia’s housing units were built in the last 25 years (1990-2015). The proportion of the city’s

oldest housing units built in 1939 or earlier, has decreased from 19% of the city’s total stock in 2000 to 12% in 2015.

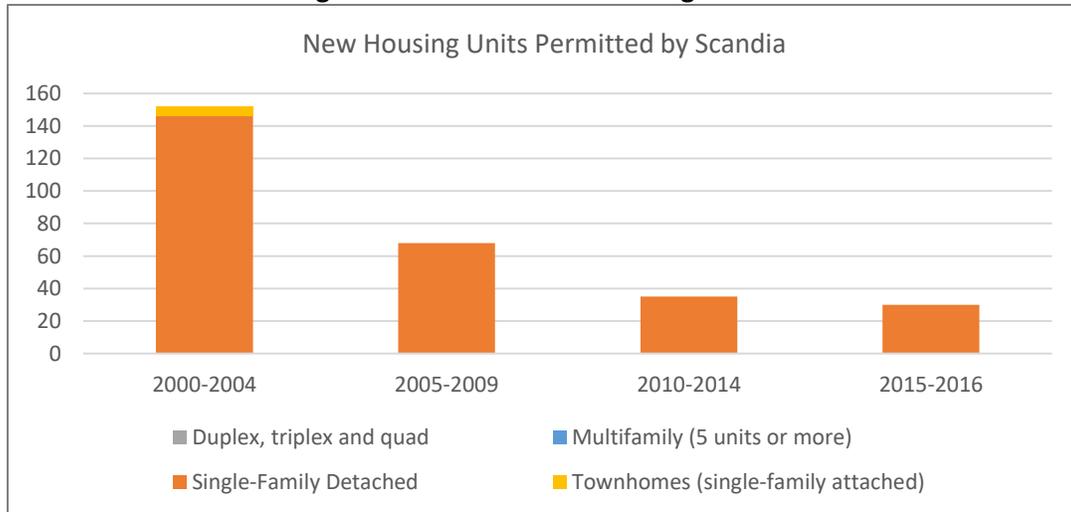
Figure VI-B – Age of Housing



Source: American Community Survey, 2011-2015

There has been little housing development in Scandia since 2010, though the pace of development has increased in 2015 and 2016, shown in Figure III-C. Most development since 2000 has been in single family, detached homes.

Figure VI-C – Residential Building Permits



Source: Metropolitan Council

2. Housing Demographics

Table VI-D illustrates the distribution of owner-occupied and renter-occupied households in Scandia by age. The largest cohort of owners is the 55 to 64-year old range, making up about 34% of all homeowners in Scandia. This cohort also makes up the largest share of renter households, representing 42% of all renters. About 60% of all households in Scandia are owned or rented by residents age 55 or older. In contrast, approximately 6% of all

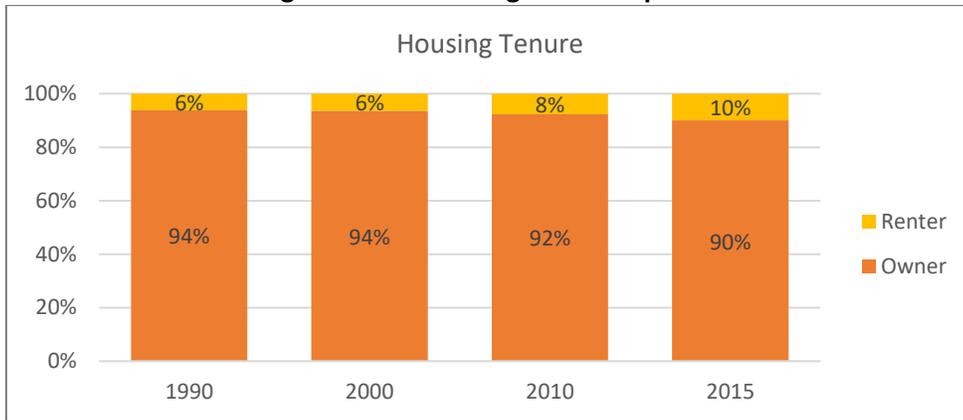
households are headed by persons under the age of 35, and about 20% of all household are headed by persons under the age of 45.

Table VI-D – Age Distribution of Owners and Renters		
Householder Age	Owners	Renters
15-24	10	0
25-34	53	28
35-44	132	23
45-54	342	20
55-64	448	63
65-74	311	17
75 or Older	71	0
Total Households	1,367	151

Source: American Community Survey, 2011-2015

Scandia has a high rate of homeownership; 90% of all housing units are owner occupied. Figure VI-D shows historical homeownership rates in the city; the current homeownership rate in Scandia is estimated to be the lowest rate the city has seen in 25 years.

Figure VI-D – Housing Ownership

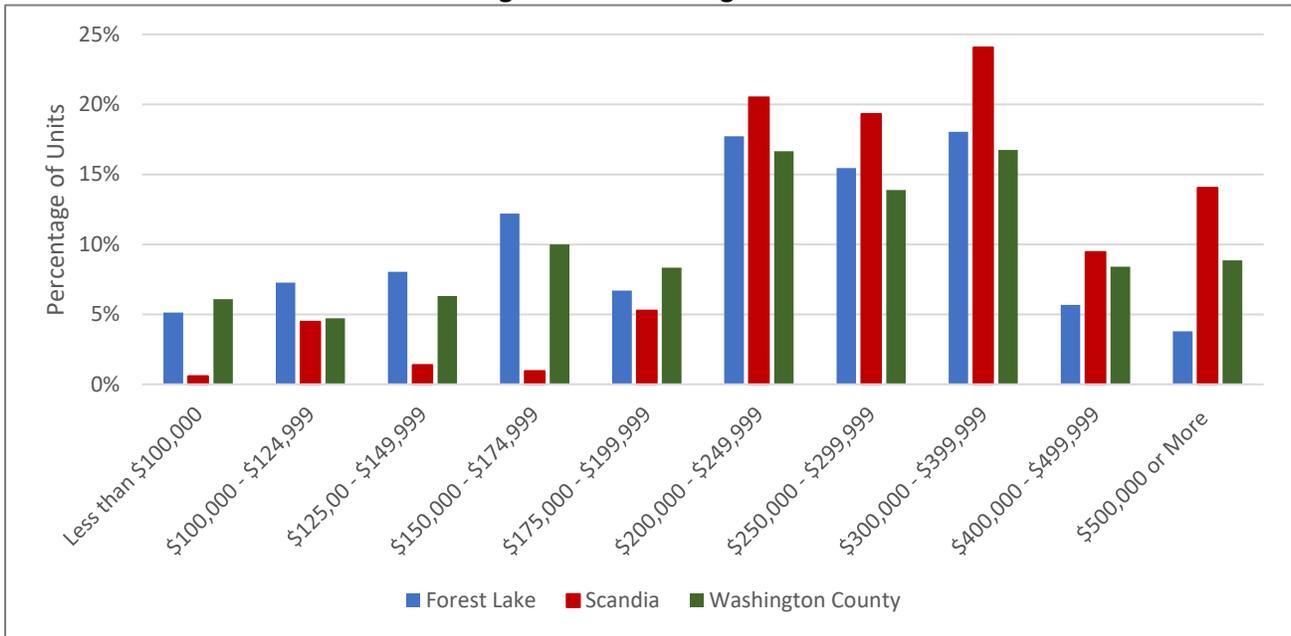


Source: US Census, American Community Survey

3. Housing Values

Housing values in Scandia are higher compared to other areas in the region. Scandia has higher values than both Forest Lake and Washington County, as shown in Figure III-E. Scandia’s median housing value is \$293,700, compared to \$230,100 in Forest Lake and the County average of \$243,600. About 13% of the city’s housing market is valued below \$200,000 while about 23% are valued above \$400,000. While high home values can be beneficial to homeowners and the city, they can price out young families, lower-wage workers like teachers and health care assistants, and seniors on fixed-incomes.

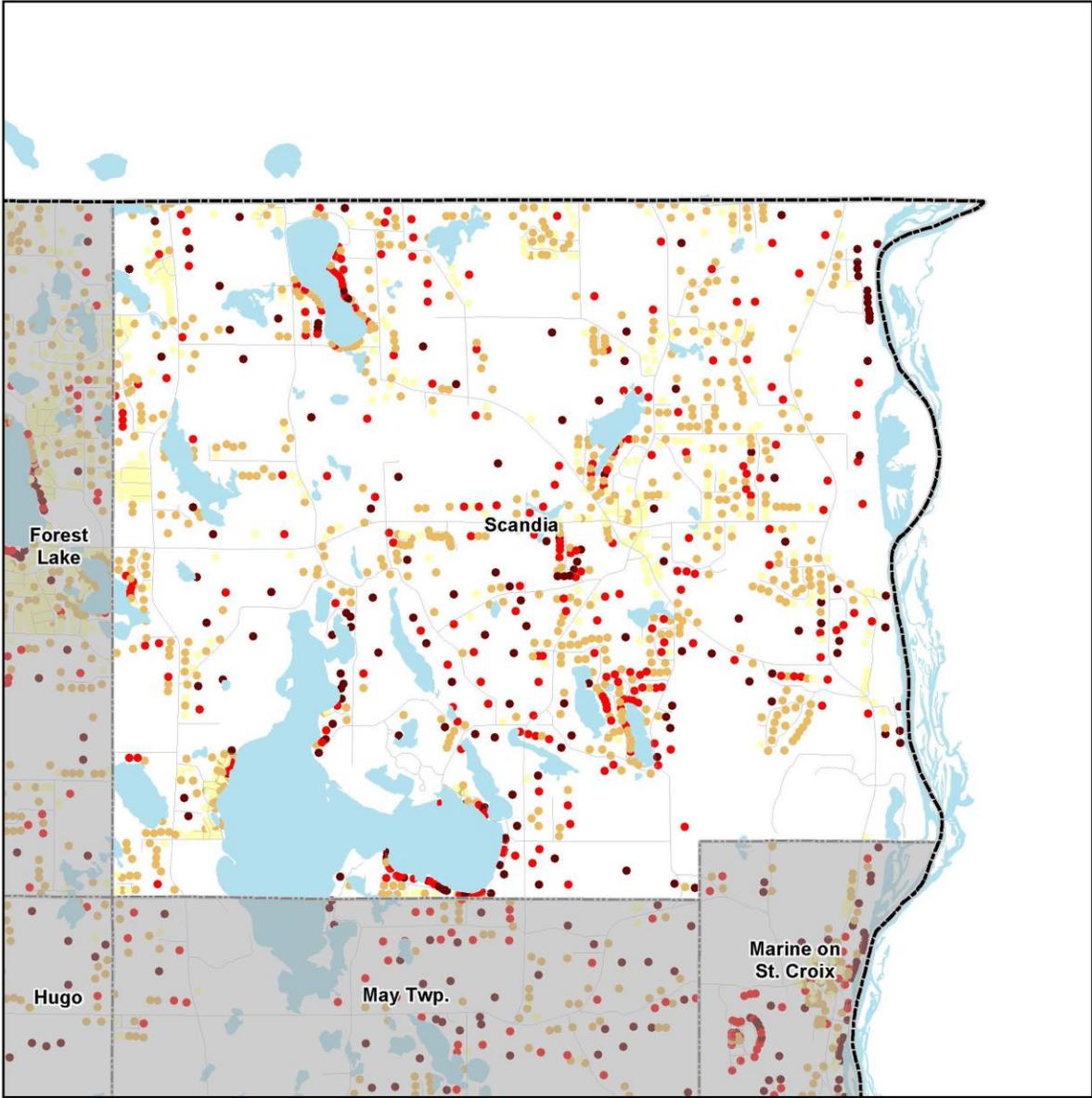
Figure VI-E – Housing Values



Source: Metropolitan Council Tabulation of American Community Survey Data.

Figure VI-F - Owner Occupied Units by Value

**Owner-Occupied Housing by Estimated Market Value
Scandia**



- County Boundaries
- City and Township Boundaries
- Lakes and Major Rivers
- Street Centerlines

**Owner-Occupied Housing
Estimated Market Value, 2015**

- \$238,500 or Less
- \$238,501 to \$350,000
- \$300,001 to \$450,000
- Over \$450,000

1 inch = 1.1926 miles

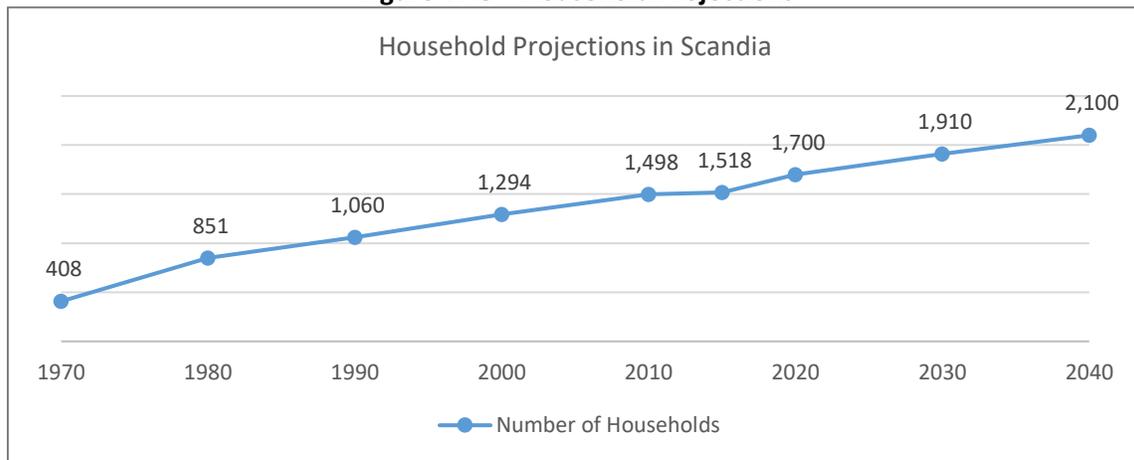
Source: MetroGIS Regional Parcel Dataset, 2015 estimated market values for taxes payable in 2016.

Note: Estimated Market Value includes only homesteaded units with a building on the parcel.

C. Projected Housing Needs

The City of Scandia is anticipated to see modest population and household growth by 2040. Exact housing needs and demand for new housing development will be influenced by the actual population growth and average household size. The amount of land needed to accommodate new housing units will be influenced by several factors, including the desire for accessory dwelling units and the location of new units. Most of the city’s housing growth is anticipated to take place in the Village Neighborhood designation, which permits higher density residential development than General Rural or Agricultural. Accessory dwelling units on existing lots can also accommodate the city’s projected population growth without greatly increasing the demand for developable land.

Figure VI-G – Household Projections



Appendix A details the housing needs and gaps identified by respondents to the 2017 Community Survey. Residential development was noted as one of the top priorities for the city for the next 20 years. Most survey respondents expressed a desire for mid-range, single-family homes on larger lots. When asked to identify gaps, the most common response was about the lack of senior or assisted living (45% of survey responses).

As noted in Appendix B, focus group participants also expressed a desire for housing north of Highway 97, north/west of the current village center and around Big Marine Lake. There was interest in senior housing options, which ranged from care facilities to varying house sizes (smaller single family, townhomes) and lot configurations, such as accessory dwelling units.

To accommodate projected housing needs, the Future Land Use plan expands the Village Neighborhood designation north and west, a reflection of both public comments and orderly, contiguous residential expansion. This designation accommodates smaller homes and smaller lot sizes, blending into the historical character of the Village Center. The zoning ordinance also includes density bonuses for the development of life-cycle housing, where the housing units are designated for residents age 55 or older or are affordable to households with incomes less than 120% of AMI. Large lot, single family homes are the primary housing type permitted in General Rural, Agricultural Core, and the St. Croix River zoning districts to preserve the city’s rural character.

D. Affordable Housing Allocation

The Affordable Housing Allocation reflects the region’s forecasted population that will need affordable housing. According to the Metropolitan Council’s affordable housing allocation, Scandia’s share of affordable housing need is zero units, noted in Table VI-E.

Table VI-E – Affordable Housing Allocation	
At or below 30 AMI	0
From 31 to 50 AMI	0
From 51 to 80 AMI	0
Total Number	0

While the City of Scandia does not have an affordable housing allocation, residents have expressed a concern about the lack of affordable housing in the city. High housing costs were identified in the Community Survey as one of the top three challenges facing Scandia. About 37% of existing housing units are affordable to households with incomes at or below 80% AMI. As mentioned in the previous section, Scandia offers a density bonus for the development of affordable housing (up to 120% AMI) in the Village Neighborhood zoning district. The City will work with developers and Washington County to inform residents of available programs and identify opportunities for implementation.

E. Housing Implementation Plan

There are a variety of tools that aid the development of affordable housing. Table VI-F lists several of the tools available to the City of Scandia. The City of Scandia will consider the following tools on a case-by-case basis, as development occurs.

Table VI-F – Housing Implementation

Housing Goal/Need	Available Tool	Opportunity and Sequence of Use	Potential Partners
Multi-Generational Community Living	Start-Up Loan Program	Assist first-time homebuyers with financing a home purchase and down payment assistance through a dedicated loan program	Minnesota Housing
	Home Improvement Loans	Assist homeowners in financing home maintenance projects to accommodating a physical disability	Washington County CDA, Minnesota Housing
	ADU Ordinance	The City will continue to support ordinances permitting the construction of accessory dwelling units or guest homes in specific zoning districts	Planning Commission and City Council
	Planned Unit Development (PUD)	The City would consider a PUD application for senior housing in the Village Mixed Use district.	Planning Commission and City Council
	Program or Framework	The City will work with groups and stakeholders to develop guiding principles, frameworks, and action plans to consider and incorporate the needs of older residents into development decisions	Senior advocacy groups or networks, residents
Maintaining Existing Housing Units	Home Improvement Loans	Assist homeowners in financing home maintenance projects like roof repair, plumbing and electrical work, accommodating a physical disability, or select energy efficiency improvement projects	Washington County CDA, Minnesota Housing
	Subsurface Sewage Treatment System Repair Grant/Loan	Assist homeowners with noncompliant subsurface sewage treatment systems	Washington County
New Housing Construction	Tax Increment Financing	The City would consider the creation of a TIF district to encourage development of new housing units, redevelopment and/or infrastructure improvements affordable at or below 80% AMI	Washington County CDA
	Site Assembly	The City would consider assembling a site for senior housing. This may include acquiring and holding land as well as sub-allocating such monies to a qualified developer approved by the City Council.	City Council/Developer
	Housing Bonds	The City would consider housing bonds to support the new construction of affordable and/or senior housing affordable at or below 80% AMI.	Washington County CDA
	Tax Abatement	The City would consider tax abatement to support the new construction of affordable	Washington County CDA

Table VI-F – Housing Implementation

		and/or senior housing affordable at or below 80% AMI.	
	MN Housing Consolidated RFP	The City would consider supporting an application to support the new construction of senior housing.	Washington County CDA, Minnesota Housing
	GROW Fund	Provide gap financing for new or redevelopment projects affordable to owner or renter households at or below 60% AMI	Washington County CDA
Maintaining Homeownership	Home Buyer Education	The City will consider partnering with the CDA and other agencies to offer resources to homeowners pre- and post-purchase.	Washington County CDA
	Homeowner Counseling	The City will consider partnering with the CDA and other agencies to offer counseling and foreclosure prevention to homeowners.	Washington County CDA
	Community Land Trust	The City will consider supporting the addition of appropriate single-family homes into the Two Rivers Community Land Trust to increase affordable housing options.	Washington County CDA
Other	City Ordinances	The City will review zoning and subdivision ordinances to identify the potential opportunities for cluster development and flexible development that will encourage affordable housing.	Planning Commission and City Council
		The City will review its zoning and subdivision ordinances to identify any regulations that inhibit the housing priorities in this document. This effort is slated for completion by 2020.	
	Local Fair Housing Policy	The City will consider developing a Fair Housing Policy.	