



Roseville Economic Development Authority (REDA)

Agenda

Monday, November 25, 2024

6:00 PM

City Council Chambers

(Any times listed are approximate – please note that items may be earlier or later than listed on the agenda)

- 6:00 p.m. **1. Roll Call**
Voting and Seating Order: Etten, Schroeder, Groff, Strahan, and Roe
- 2. Pledge of Allegiance**
- 3. Approve Agenda**
- 4. Public Comment**
- 5. Business Items**
- 6:02 p.m. a. Adopt 2025 REDA meeting calendar
- 6:05 p.m. b. Receive a presentation of preliminary market study data from Stantec
- 7:00 p.m. **6. Adjourn to City Council**

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 11/25/2024

Item No.: 5.a.

Department Approval

Janice Gundlach

City Manager Approval

Samuel Truogler

Item Description: Adopt 2025 REDA meeting calendar

Background

Per the Roseville Economic Development Authority (REDA) by-laws, the REDA is required to hold regular meetings, which are set by the Authority at the final meeting of the year. Staff recommends continuing to schedule six regular bi-monthly meetings and then allow for additional meetings to be scheduled as needed. This proposed schedule allows staff to provide developers and other outside parties with a clear, identified timeline of when the REDA is scheduled to meet. The meeting dates are aligned with the Council's meeting calendar for 2025. The REDA's regularly scheduled meetings occur in January, March, May, July, September, and November and have been aligned with the City Council's work session meetings, except November where a work session is not scheduled. The dates are provided within Attachment 1.

Policy Objectives

The REDA's role is to coordinate and administer housing, economic development and redevelopment efforts for the City of Roseville.

Equity Impact Summary

Equity impacts do not apply to this item.

Budget Implications

There are no budget implications.

Staff Recommendations

Approve the 2025 REDA meeting calendar.

Requested Council Action

By motion, adopt the 2025 REDA meeting calendar.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager

Attachments: 1. 2025 Meeting Calendar

ROSEVILLE

2025 City Council / EDA Meeting Schedule

The Roseville City Council will meet at 6:00 p.m. in the City Council Chambers of Roseville City Hall, 2660 Civic Center Drive, on the following dates:

January

6 *Org Meeting*
 13 *EDA
 13 Work Session
 27

February

10
 19 Comm. Interviews
 20 Comm. Interviews
 24

March

3
 17 *EDA
 17 Work Session
 24

Note: Roseville Schools Spring Break March 10-14
 Mounds View Schools Spring Break March 24-28

April

7
 14 Work Session
 21

May

5
 12 *EDA
 12 Work Session
 19

June

2
 16

Note: Rosefest Parade Monday, June 23

July

7
 14 *EDA
 14 Work Session
 21

August

11
 20 Comm. Interviews
 25

September

8
 15 *EDA
 15 Work Session
 22

October

13
 20 Work Session
 27

November

10 *EDA
 10
 24

December

1

*Economic Development Authority will meet before Council meeting



Patrick Trudgeon

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 11/25/2024

Item No.: 5.b.

Department Approval

Janice Gundlach

City Manager Approval

Samuel J. Truog

Item Description: Receive a presentation of preliminary market study data from Stantec

Background

On September 16, 2024 the Roseville Economic Development Authority (REDA) authorized entering into a contract for professional services with Stantec to perform a Housing Needs Assessment. During the course of this study, the REDA will receive and/or be asked to provide feedback. At this stage, Tom Leighton from Stantec will present a summary of the research they've completed thus far. This data will inform the overall Housing Needs Assessment and includes Roseville-specific observations surrounding:

- Economic context
- Demographics
- Existing housing inventory
- Market demand context

Some key takeaways:

- There is an abundance of employment opportunities
- Roseville's residential community is very diverse across a broad range of characteristics
- Roseville provides a broad diversity of housing options
- Roseville's market context for housing is strong, although new housing production faces the challenges inherent in a fully developed suburb—i.e. the scarcity and cost of development sites

Next steps will be to complete the following:

- Research Phase
- Developer interviews
- Gap analysis
- Homelessness research: existing programs and conditions
- Description of housing needs

Discussion of the presentation and feedback is sought from the REDA.

Policy Objectives

The REDA's role is to coordinate and administer housing, economic development, and redevelopment efforts for the city.

Equity Impact Summary

34 There are significant equity impacts related to housing, which is why the REDA is updating a
35 comprehensive housing study. The study requested to be conducted specifically addresses equity
36 impacts, including homelessness and affordability of certain types of housing products and populations
37 served. Any potential strategies unveiled by the study may require additional equity impact analysis.
38

39 **Budget Implications**

40 The REDA budgets \$5,000 annually for marketing. These funds have been primarily used to fund
41 housing/market studies. Since the last study was completed, \$30,000 had been budgeted for marketing
42 and not otherwise been spent. The REDA previously authorized this budget savings, along with other
43 REDA fund balance, to fund the Stantec study for \$57,500.
44

45 **Staff Recommendations**

46 Receive a presentation of the preliminary housing market study data and provide feedback.
47

48 **Requested Council Action**

49 Receive a presentation of the preliminary housing market study data and provide feedback.
50

51 **Prepared by:** Jeanne Kelsey, Housing and Economic Development Program Manager

Attachments: 1. Presentation Slides

52



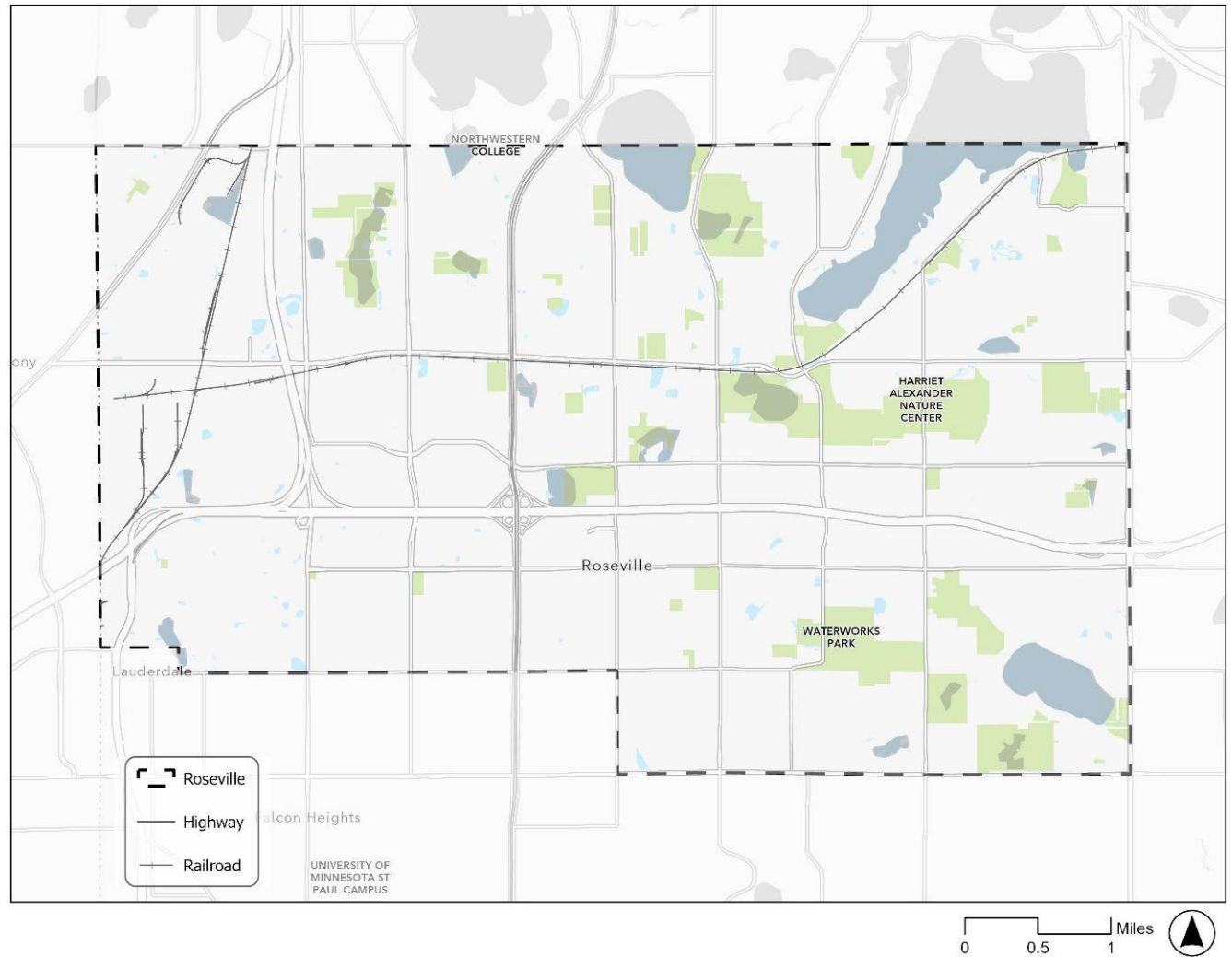
Roseville Housing Needs Assessment
Presentation of Research
Monday, November 25, 2024





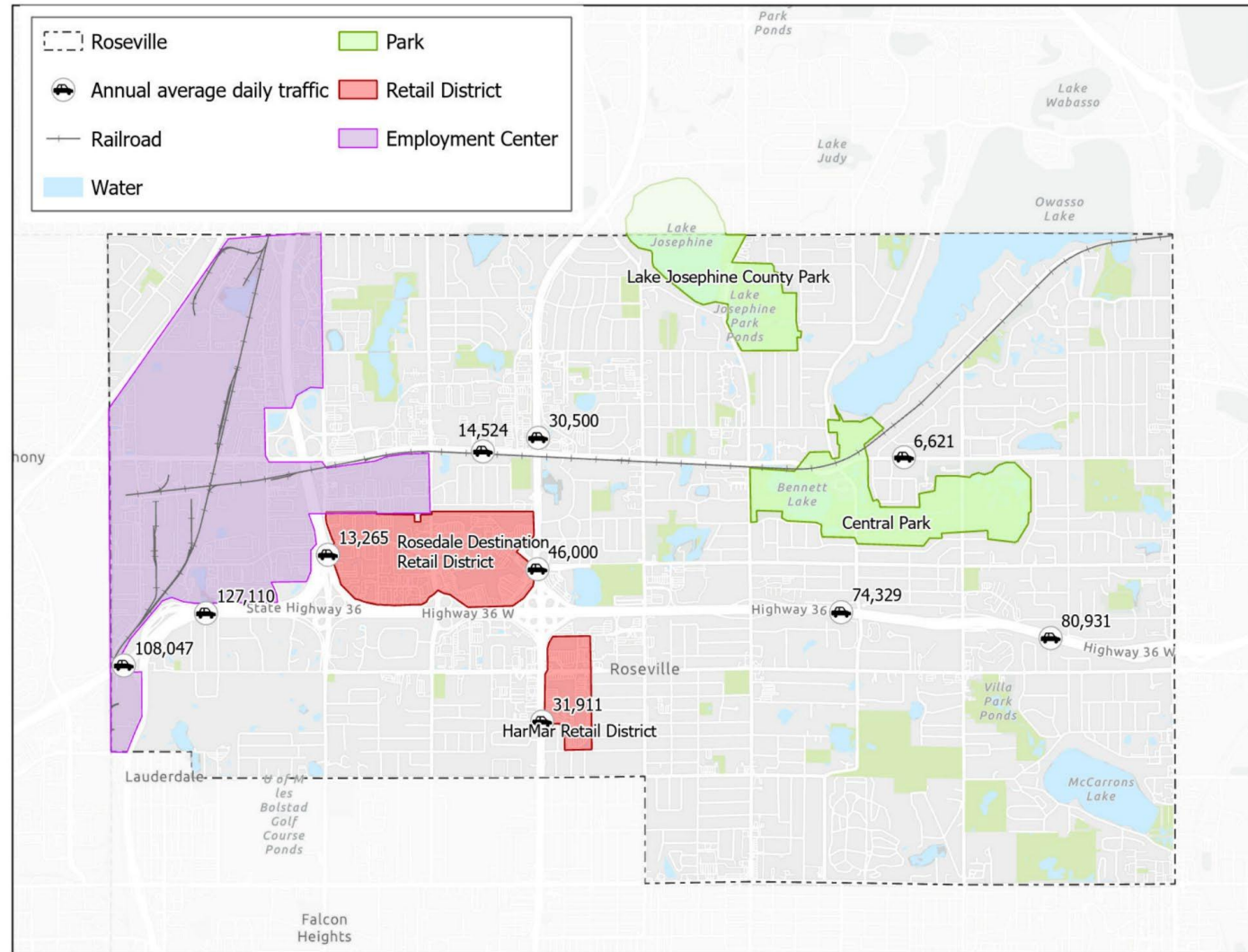
Context Setting

City of Roseville



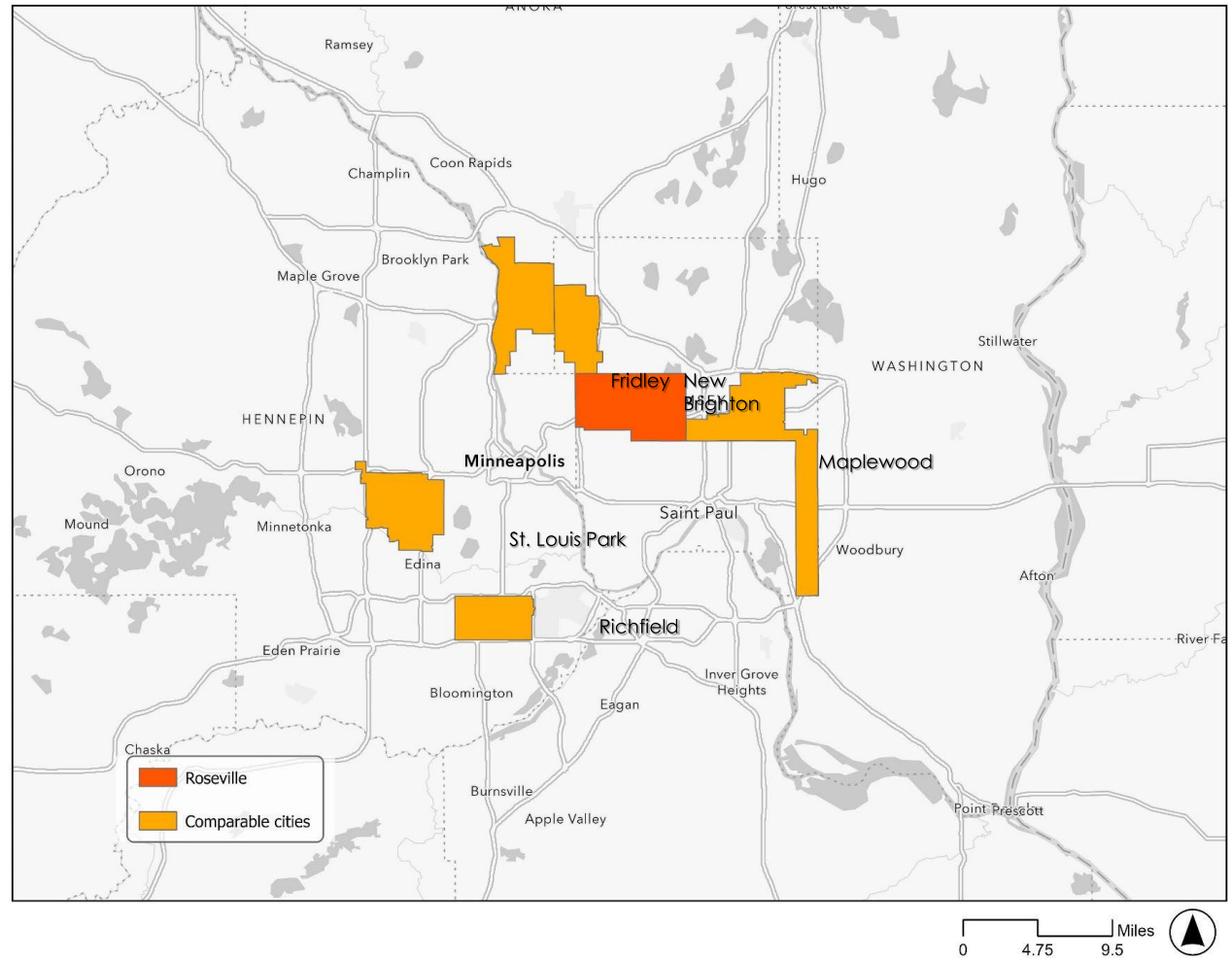
Housing Market Context

- The map shows features that anchor Roseville's housing market context—its well-known retail centers, its high-quality parks, and large employment districts.
- Beyond these features, Roseville is surrounded by stable, middle-class communities on all sides, and it is a short drive to the jobs and entertainment destinations in downtown Minneapolis and St. Paul.



Comparison Communities

- Fridley, MN
- Maplewood, MN
- New Brighton, MN
- Richfield, MN
- St. Louis Park, MN

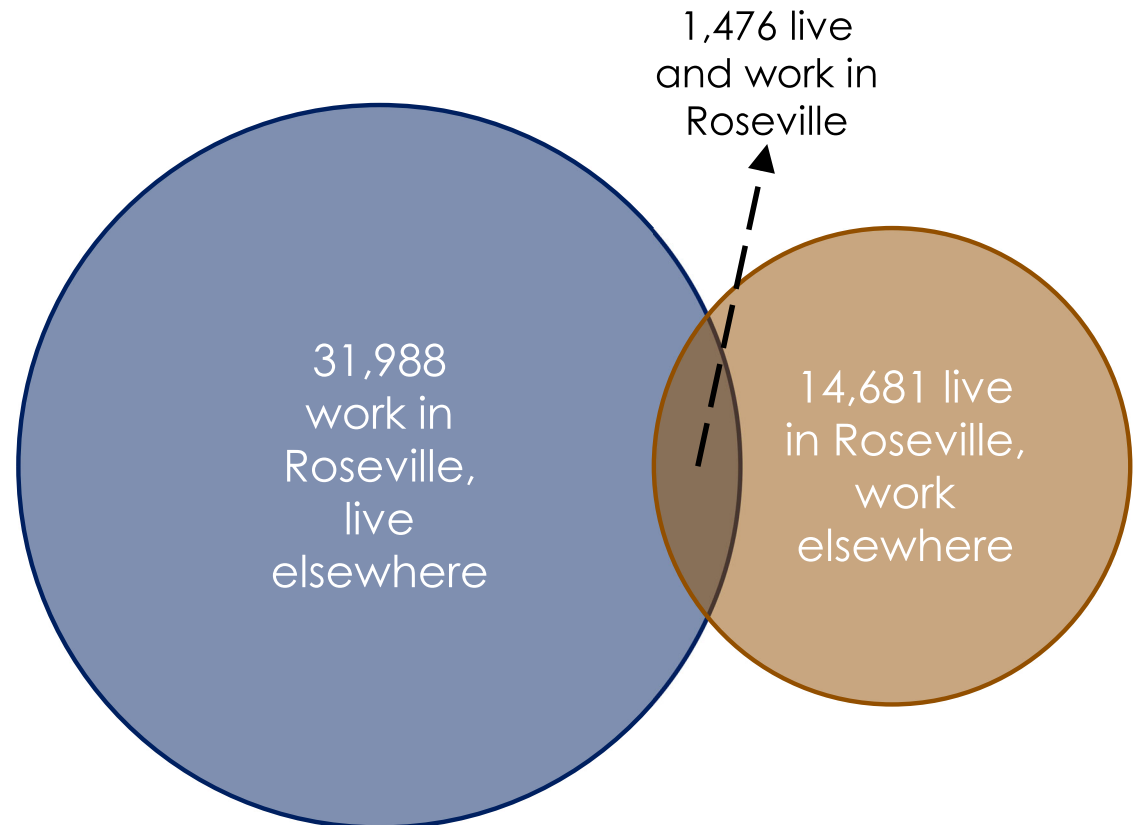




Economy, Growth Drivers

Commuting Patterns

- Roseville is job rich. The number of people who commute into Roseville to work is over twice the number of people who live in Roseville and commute to jobs elsewhere.
- Only around 9% of Roseville's working residents have jobs in Roseville.
- St. Paul is the leading home for people who work in Roseville. Minneapolis is the leading workplace destination for Roseville residents.



ACS, 5-year estimates, 2022

Employment

Analytical Category	NAICS Sectors
New Economy: High Wage	Finance and Insurance Real Estate and Rental and Leasing Information Management of Corporations Professional and Business Services
New Economy: Low Wage	Transportation and Warehouse Wholesale Trade Retail Trade Arts, Entertainment and Recreation Accommodation and Food Services Other Services
Blue Collar	Construction Manufacturing Utilities Agriculture, Forestry, Fishing and Hunting Mining, Quarrying, and Oil and Gas Extraction
Eds, Meds and Gov	Educational Services Health Care and Social Assistance Public Administration

The New Economy refers to transitions in the North American industrial structure post-globalization and the central drivers of regional economic development.

New Economy High Wage sectors are knowledge-based jobs that remain concentrated in urban centers and are historically less prone to geographical relocation. These industries remain the main catalyst for agglomeration – or spatial concentration – of industries. Knowledge production is a tradeable good that often drives urban development. Wages in these sectors drive effective demand for other service-based industries, medical services, and education.

Blue Collar sectors contain industries historically central to a manufacturing-based economy and contain tradeable goods that benefit from economies of scale. Manufacturing – in particular – is less geographically sticky in an era of globalization. These jobs often have lower educational requirements, but due to higher productivity, skill demands, and union density, wages remain higher than service sector work. They, likewise, are major drivers of regional economic development.

New Economy Low Wage sectors grow in proportion to other regional economic drivers. They are non-tradeable sectors and are 'geographically sticky.' Due to lower labor productivity, growth in demand is met with increased labor. Wages remain low, although exceptions exist (such as Wholesale Trade). These are generally non-tradeable goods, but often a sizeable sector in a regional economy.

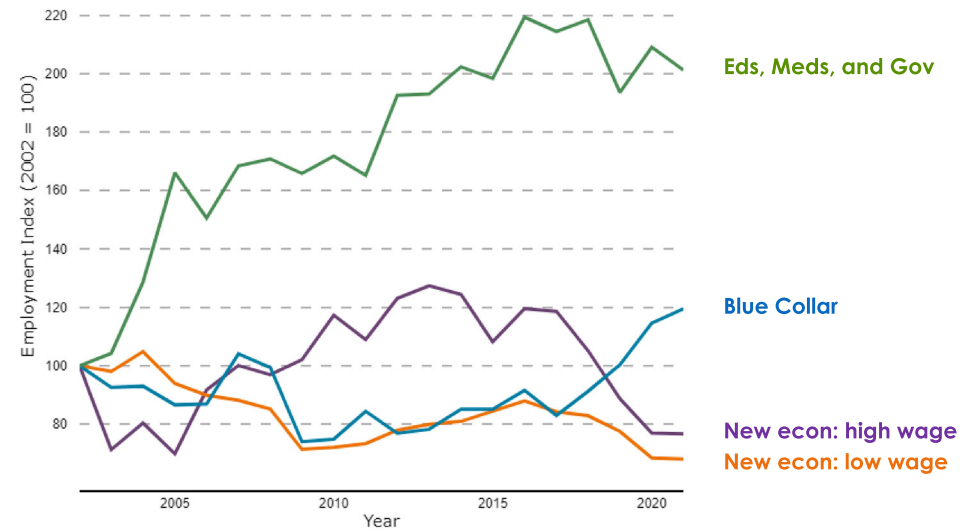
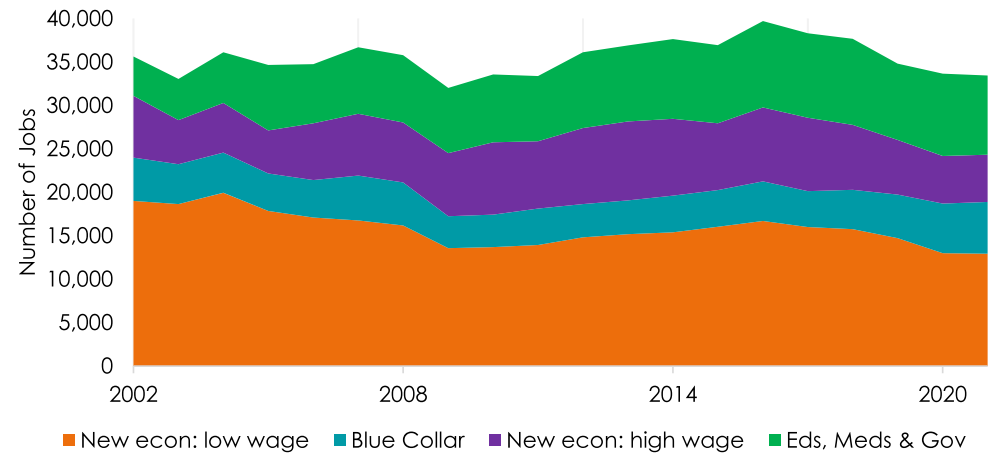
Eds, Meds and Gov contain industries have higher proportions of middle-income wage earners due to educational requirements. These jobs concentrate both in regional hubs driven by New Economy High Wage jobs and in historic regional centers. They are non-tradeable goods and place-bound, but in the case of higher education institutions or sizeable public sector installations (Army Bases or State governance), can drive regional economic development.

Employment – Overview

- Roseville provides a lot of employment, and the number of jobs has remained pretty constant over the last couple of decades.
- **New Economy Low Wage** jobs, centered on Roseville’s retail sector, and **Eds, Meds and Gov** jobs are predominant in Roseville
- Retail jobs have declined over the period. Eds and Meds jobs have increased over the period. Blue collar jobs are also more prevalent than average.

OnTheMap 2002-2020

Industrial Composition in Roseville

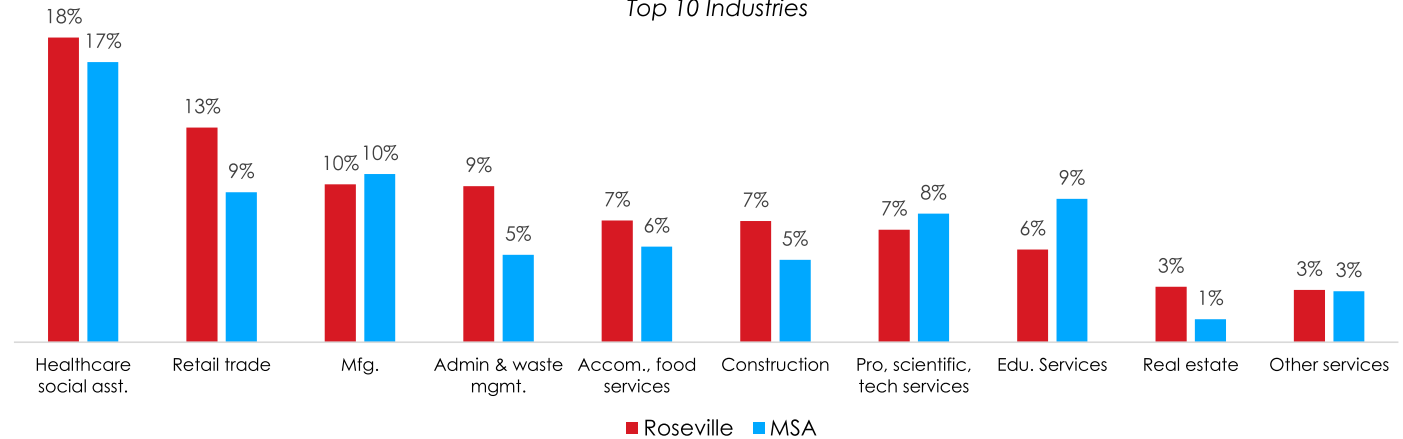


Top Employment Categories

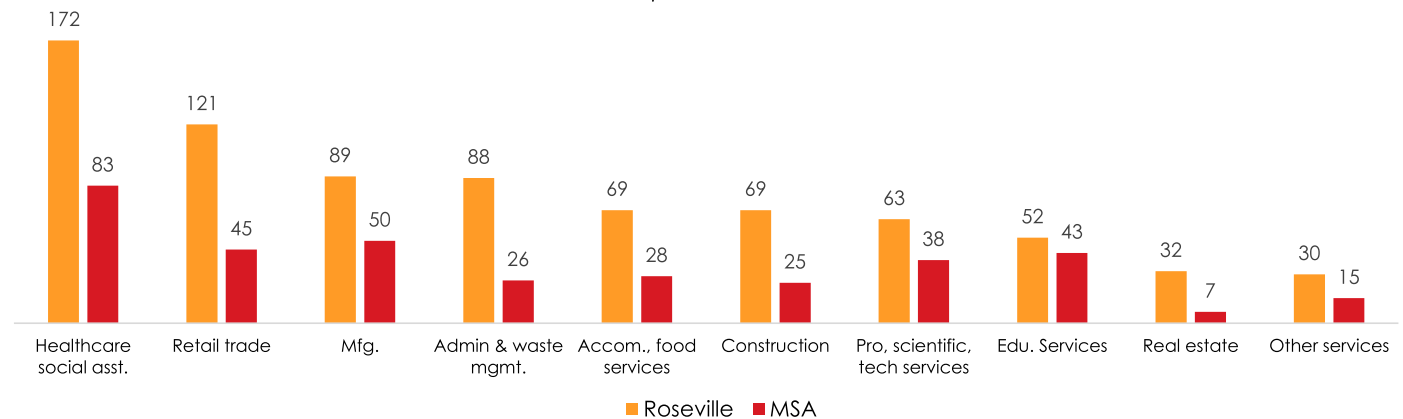
- Healthcare and social assistance is the most common employment sector in Roseville, accounting for 18% of all jobs.
- Per capita employment is a more accurate representation of job density. Through that lens, all of the top ten industries are represented in greater numbers than average compared with the overall Metropolitan area.

OnTheMap 2002-2020

Industry Employment Comparison
Top 10 Industries



Number of Jobs Per 1,000 Resident
Top 10 Industries



KEY TAKEAWAYS | **ECONOMY, GROWTH DRIVERS**

There is an abundance of employment opportunities in Roseville.

- Roseville is job rich. The people who are in-commuting to Roseville for work are more than double the Roseville residents that are commuting to jobs outside of Roseville.
- The abundant service sector jobs in retail and food service are complemented by a wealth of other types of jobs—including numerous manufacturing and construction jobs, jobs in health care and social assistance roles, and professional services

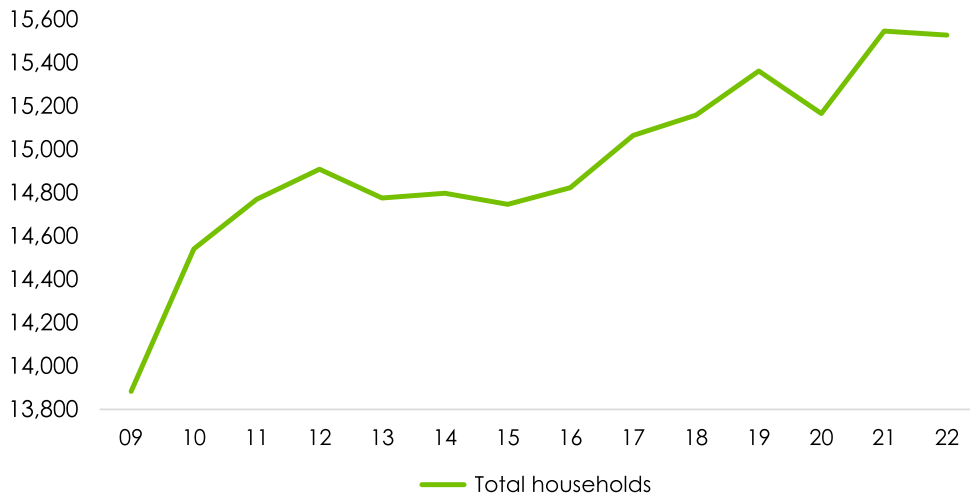


Demographics

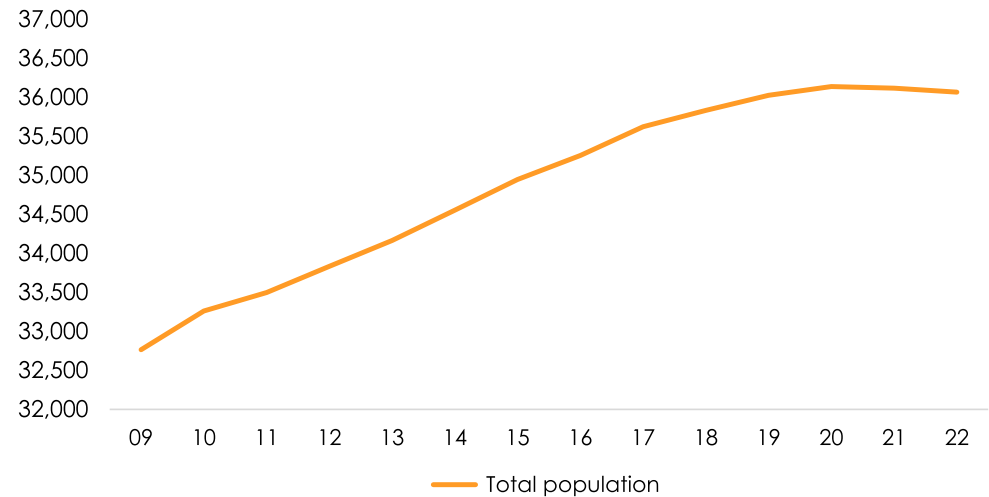
Population and Household Growth

- Household and population in Roseville have shown steady growth over the past 15 years, but have plateau-ed in the last few years.

Total Households



Total Population

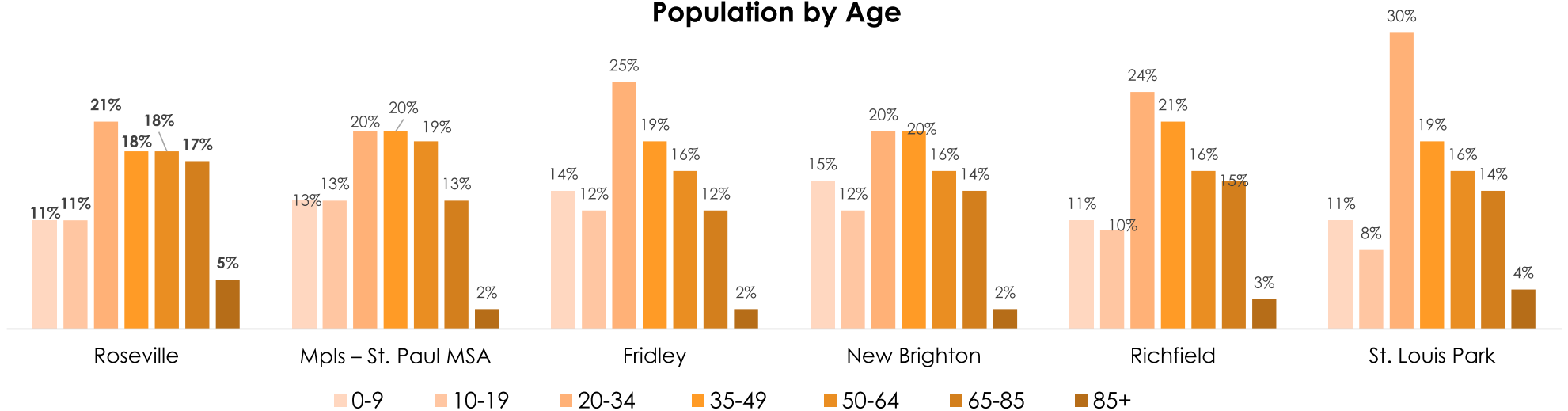


ACS 5-Year Estimates, 2009-2022

Median Age

- Roseville's median age is the highest among the comparable cities.
- The age profile is skewed toward older households, especially among the 50-85 age range. At the same time, 42% of the population is under age 35. So children, young adults and young families are present.

Population by Age

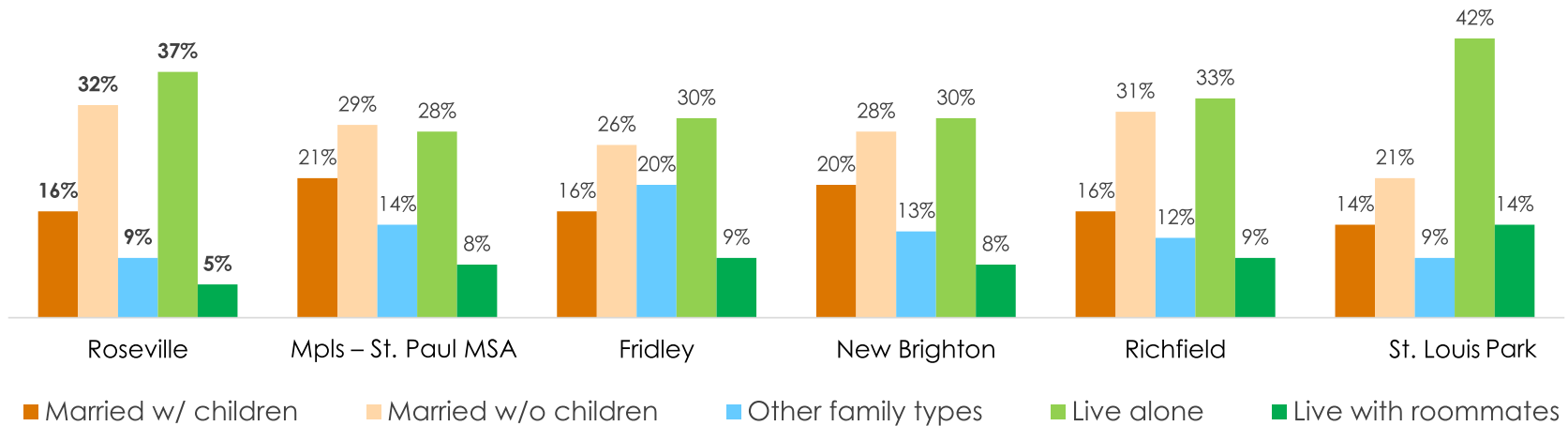


ACS 5-Year Estimates, 2009-2022

Household Structure

- Roseville has a significant number of households without children, with a combined 69% of residents either living alone or as married couples without children.

Household Structure

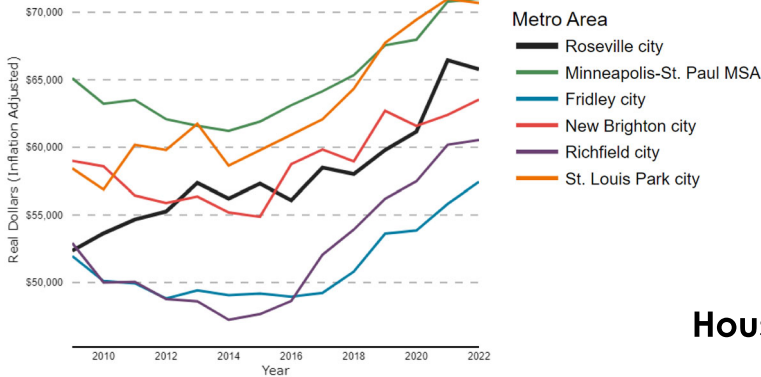


ACS, 5-year estimates, 2022

City of Roseville
Housing Needs Assessment

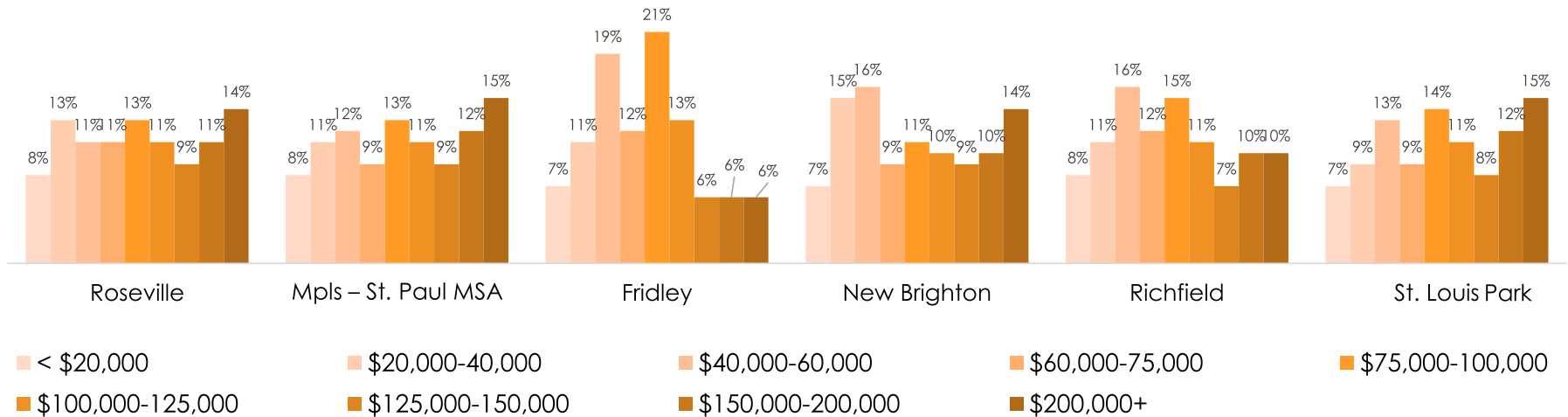
Household Income

Median Income



- Roseville has a broad income mix, similar to that of the Metropolitan region as a whole
- Roseville's median income is a bit higher than several of the comparison cities, and has risen more than average over the last fifteen years.

Household Income Profile

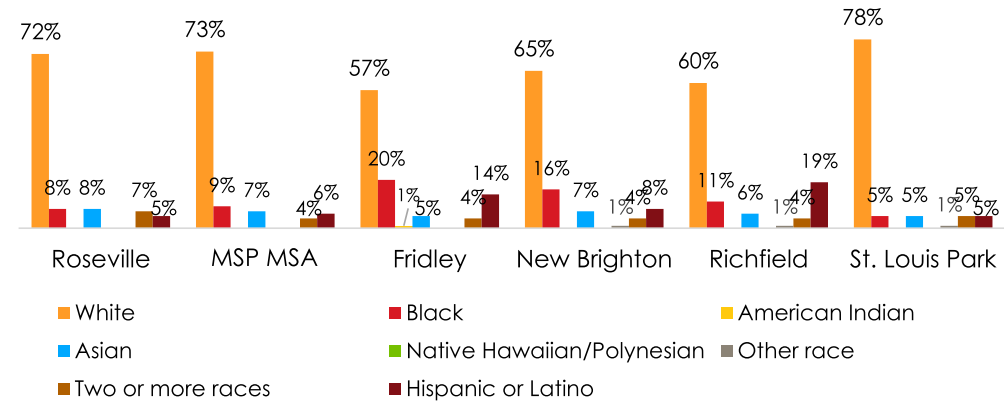


ACS 5-Year Estimates, 2009-2022

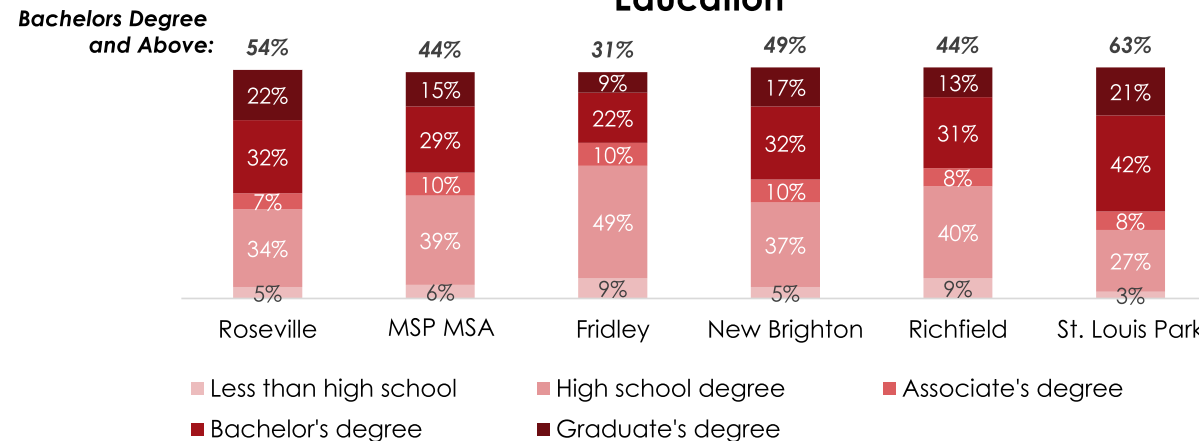
Education, Racial & Ethnic Diversity

- The racial composition in Roseville is similar to the MSP metropolitan area as a whole, and is less diverse than most of the comparison cities.
- More than half of the population in Roseville holds a bachelor's or post-graduate degree, a rate higher than most of the comparable communities—including the metropolitan region as a whole.

Racial & Ethnic



Education

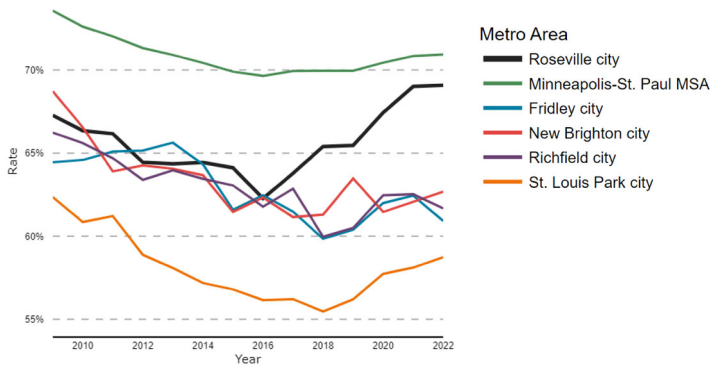


ACS 5-Year Estimates, 2009-2022

City of Roseville
Housing Needs Assessment

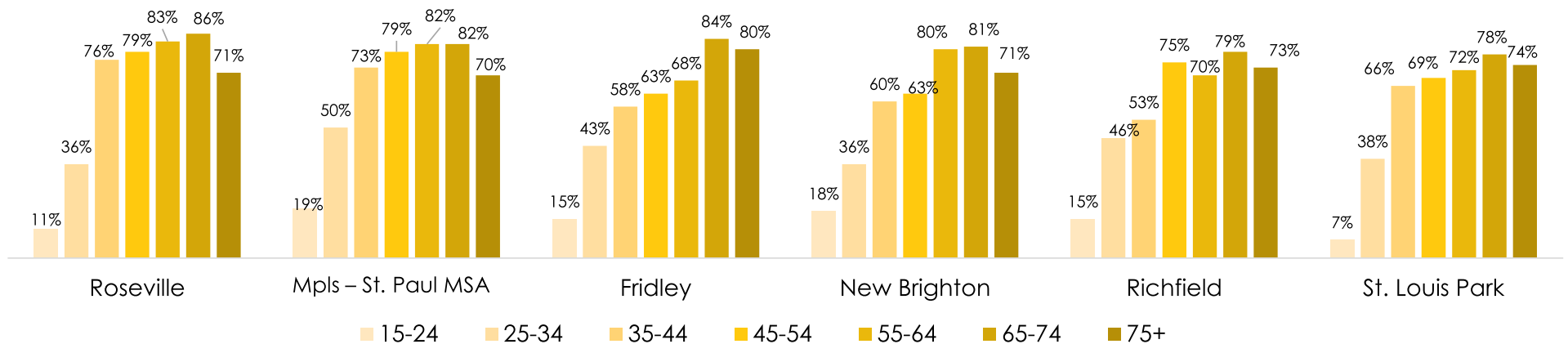
Homeownership

Homeownership Rates



- In general, Roseville has high rates of homeownership.
- Homeownership rates have been rising in Roseville since the mid-2010s, suggesting single family homes are being converted from rental properties to owner-occupied properties.

Homeownership by Age of Householder

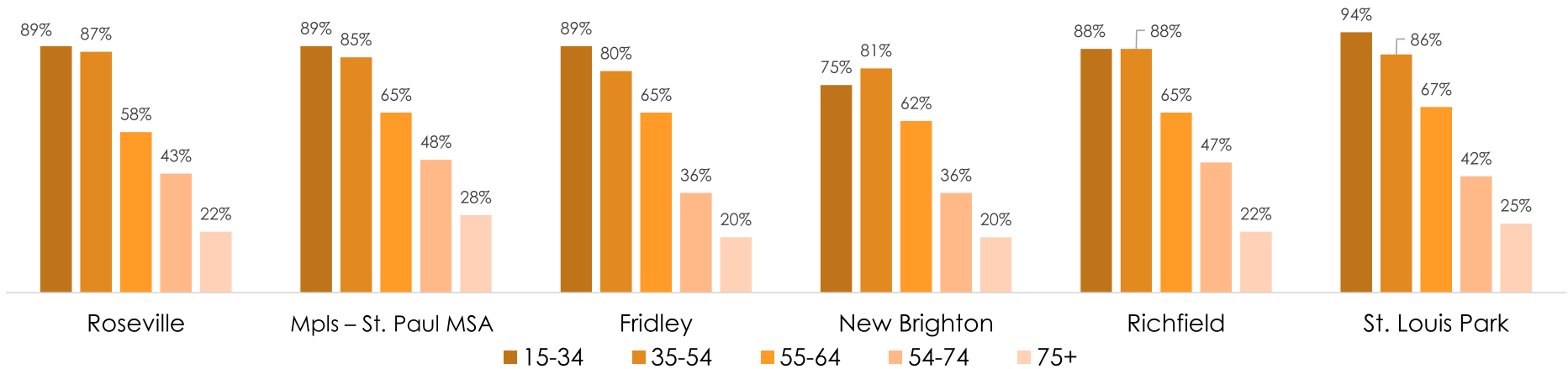


ACS 5-Year Estimates, 2009-2022

Mortgage

- Mortgages patterns largely mirror metro averages for younger homeowners.
- Roseville's 55+ age group have paid off their mortgages at a higher rate than average for the metropolitan area.

% of Homeowners with a Mortgage

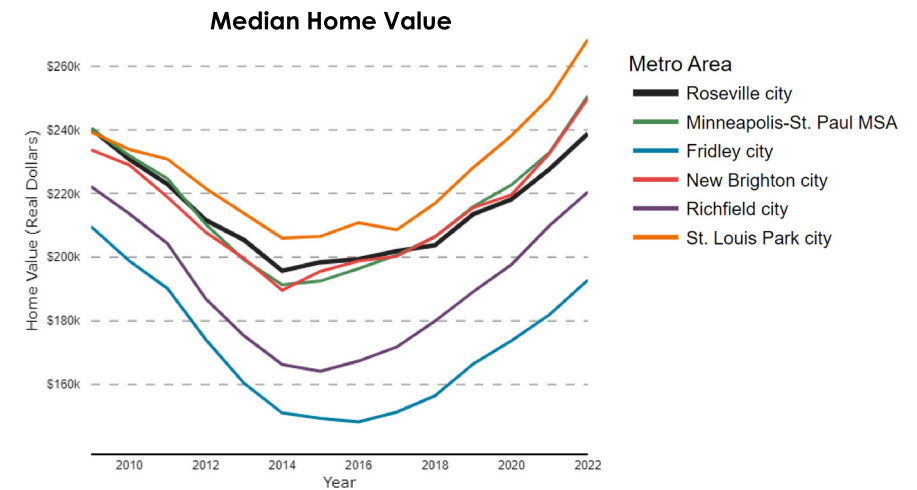
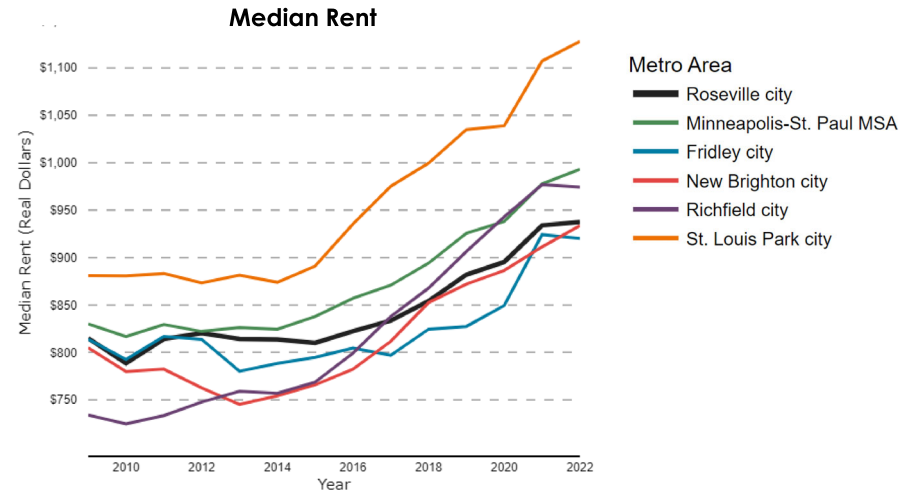


ACS, 5-year estimates, 2022

ACS, 5-year estimates, 2022

Rent Levels and Home Values

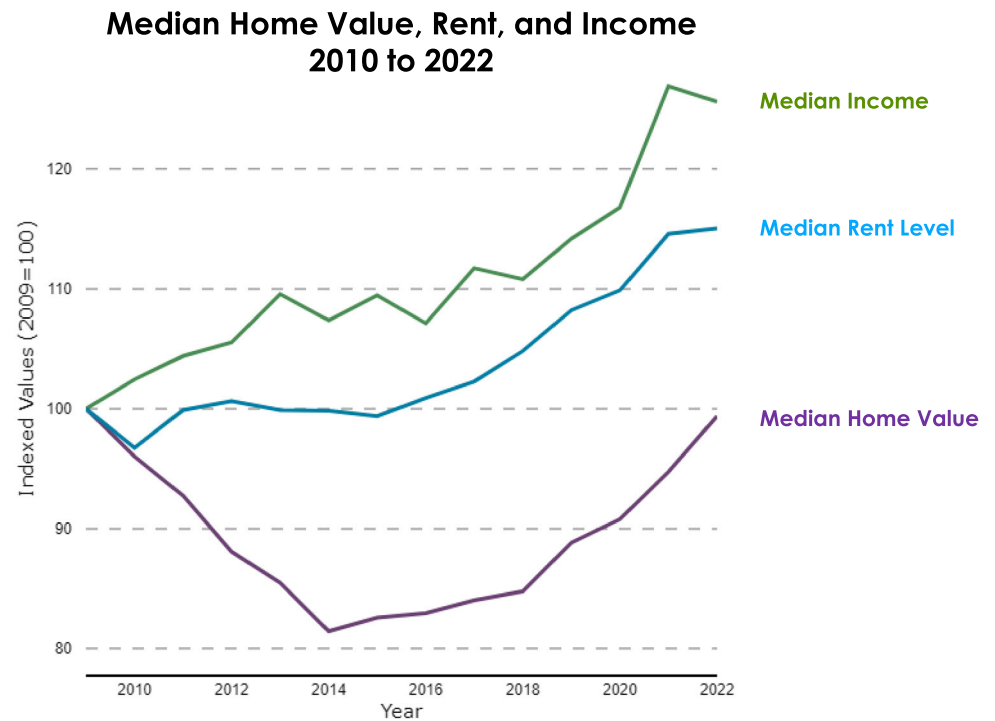
- This rent chart is based on ACS survey data, so they reflect the rent that people pay for all housing types, including single family homes.
- Rent rates in Roseville were flat in the first half of the 2010s. They have risen in real dollar terms since then, at rates that are similar to those of comparison cities.
- Over the same period, home values declined in the wake of the foreclosure crisis until around 2015. Since then they have recovered their inflation-adjusted value.



ACS, 5-year estimates, 2009-2022, SOCDS Building Permits Database

Income vs Housing Cost

- Construction costs have increased sharply, particularly after 2020, reaching about 120% above baseline.
- Median rents have shown upward growth over the past decade, increasing gradually to approximately 110% above baseline.
- Median home values followed a U-shaped pattern - declining until around 2014, remaining low until 2018, surging sharply post 2020 and reaching close to baseline in 2022.

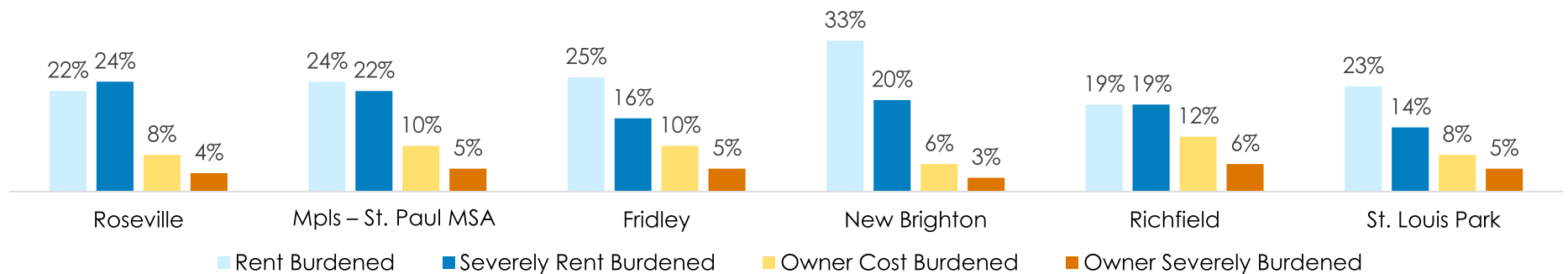


ACS, 5-year estimates, 2022

Housing Affordability

- Households who are housing cost-burdened pay more than 30% of their income on housing costs. Severely cost-burdened households pay more than 50% of their income on housing costs.
- In Roseville, almost half of renter households are cost burdened—which indicates that many households are financially stretched and fragile. It is also a similar level to the rate of housing cost burden for rental households in comparison cities.
- The number of cost-burdened homeowner households is relatively low in comparison.

Cost-Burdened Households



ACS, 5-year estimates, 2022

KEY TAKEAWAYS | **DEMOGRAPHICS**

Roseville's residential community is very diverse across a broad range of characteristics.

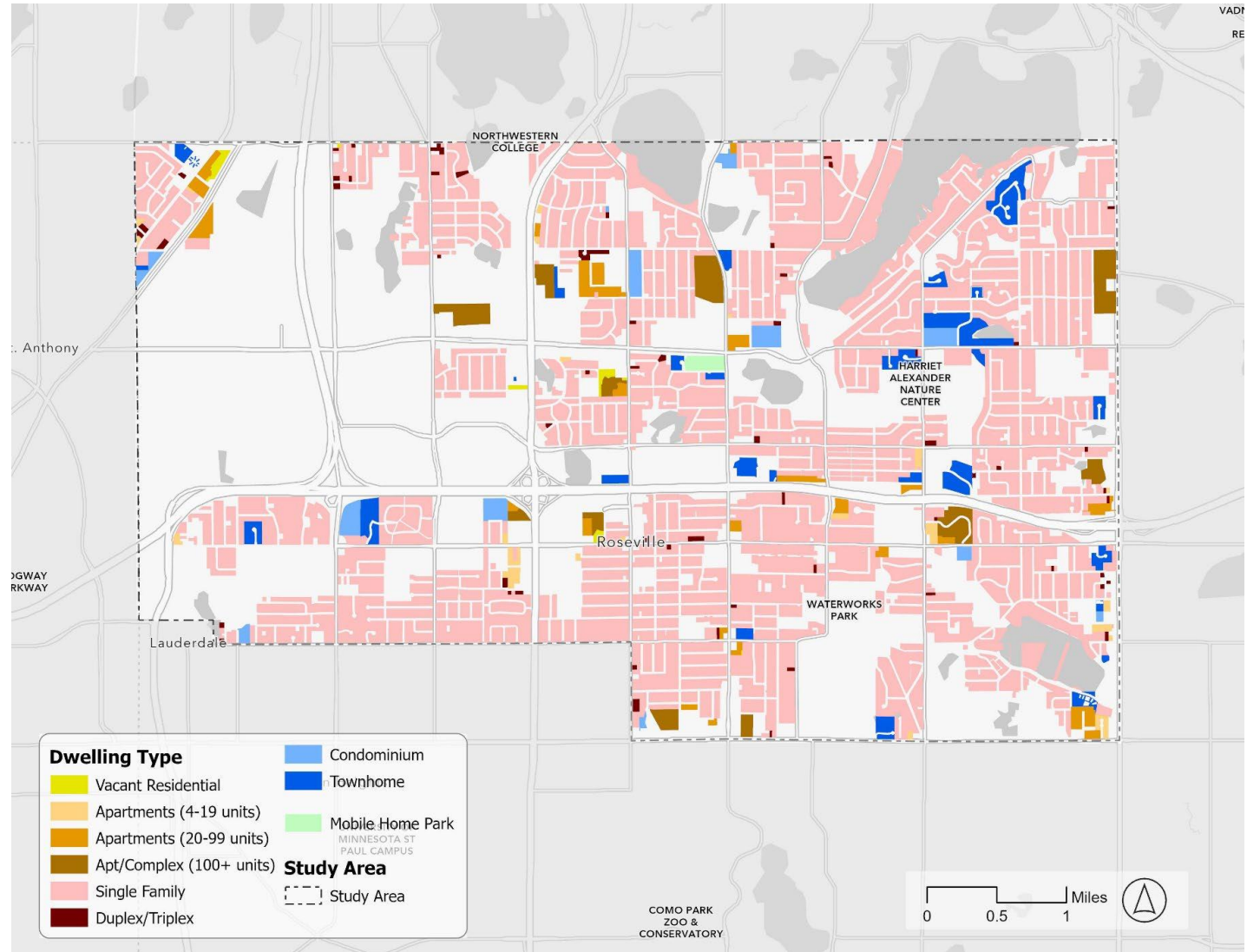
- In age it skews a bit older, as evidenced by both the age profile, and the percentage of households that are single person households or married without children.
- It is an educated community. Over half of its age 25+ residents have earned a bachelors degree.
- A pattern of longstanding home ownership is evident in the low rate of mortgages among older households.
- The household income profile mirrors that of the Twin Cities metro, and spans the range from under \$20,000 to over \$200,000 annual income.
- The presence of lower income households, and the fact that almost half of all renter households are housing cost burdened, suggest that there are many Roseville households that face challenges in making ends, and may have difficulty dealing with a financial or health setback.



Housing Inventory

Roseville Housing Stock

- Roseville has a rich diversity of housing types and ownership formats, ranging from single family neighborhoods to a range of multifamily housing formats.

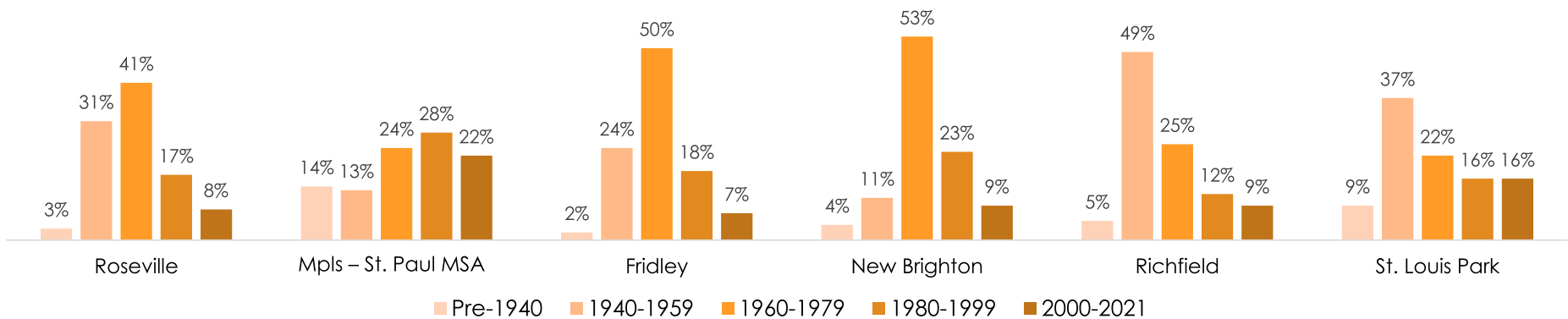


Costar, LIHTC Database

Residential Structures by Year Built

- Roseville's housing stock is aging, with 75% of housing units built before 1980.

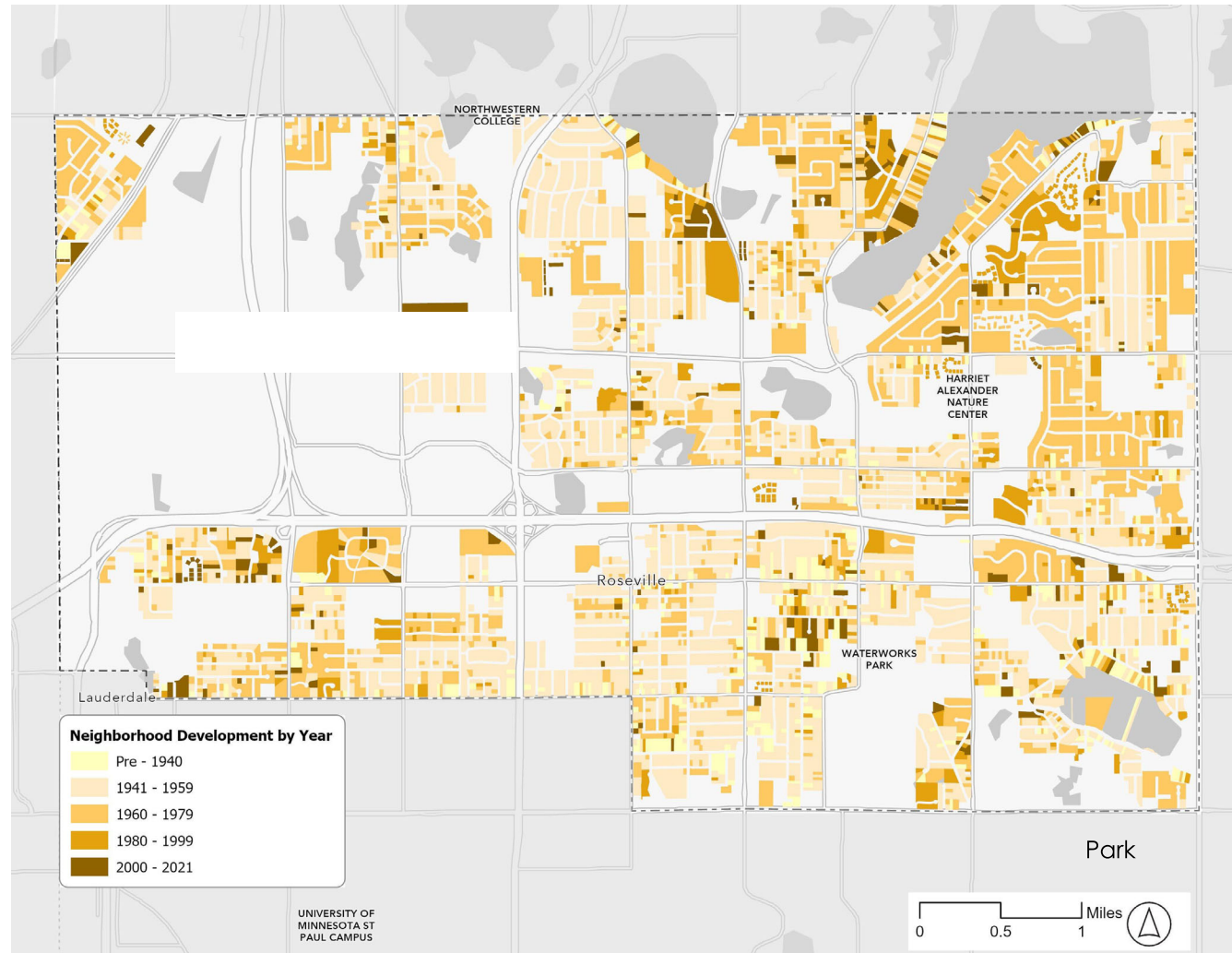
Residential Structures



ACS, 5-year estimates, 2022

Residential Structures by Year Built

- Roseville's first wave of housing was the widespread production of homes in the Post-war period before 1960. These neighborhoods were built in most sections of Roseville.
- Home-building continued at a rapid pace up until 1980, filling in neighborhoods across the City, but with a concentration of construction in the northeast part of the City.

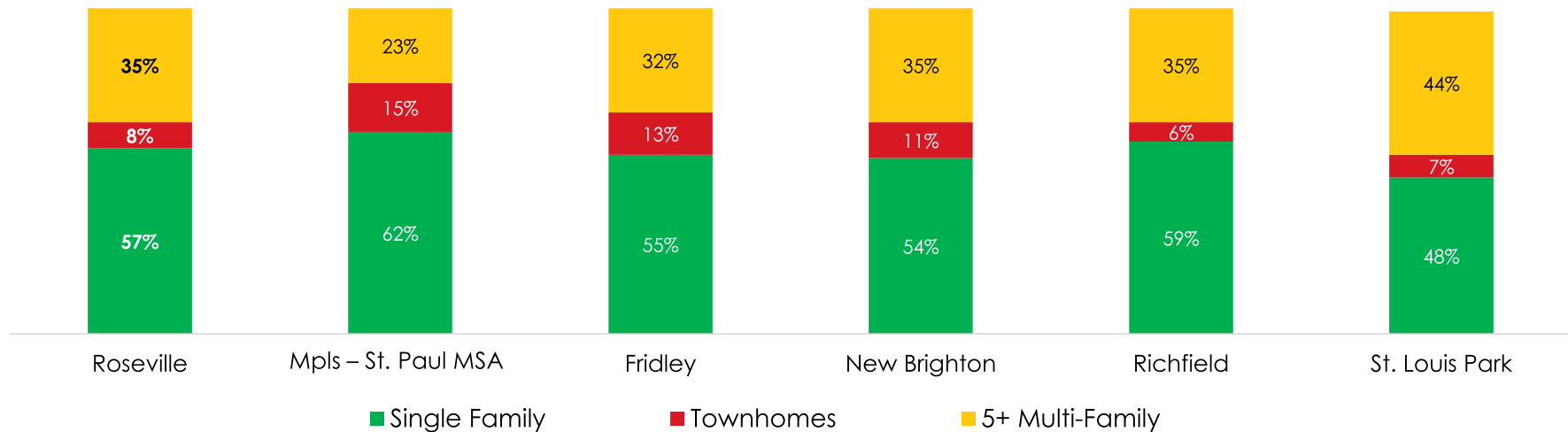


ACS, 5-year estimates, 2022

Housing Type

- Roseville has more multifamily housing than average for the metropolitan area, but it has a similar mix compared with the peer cities.

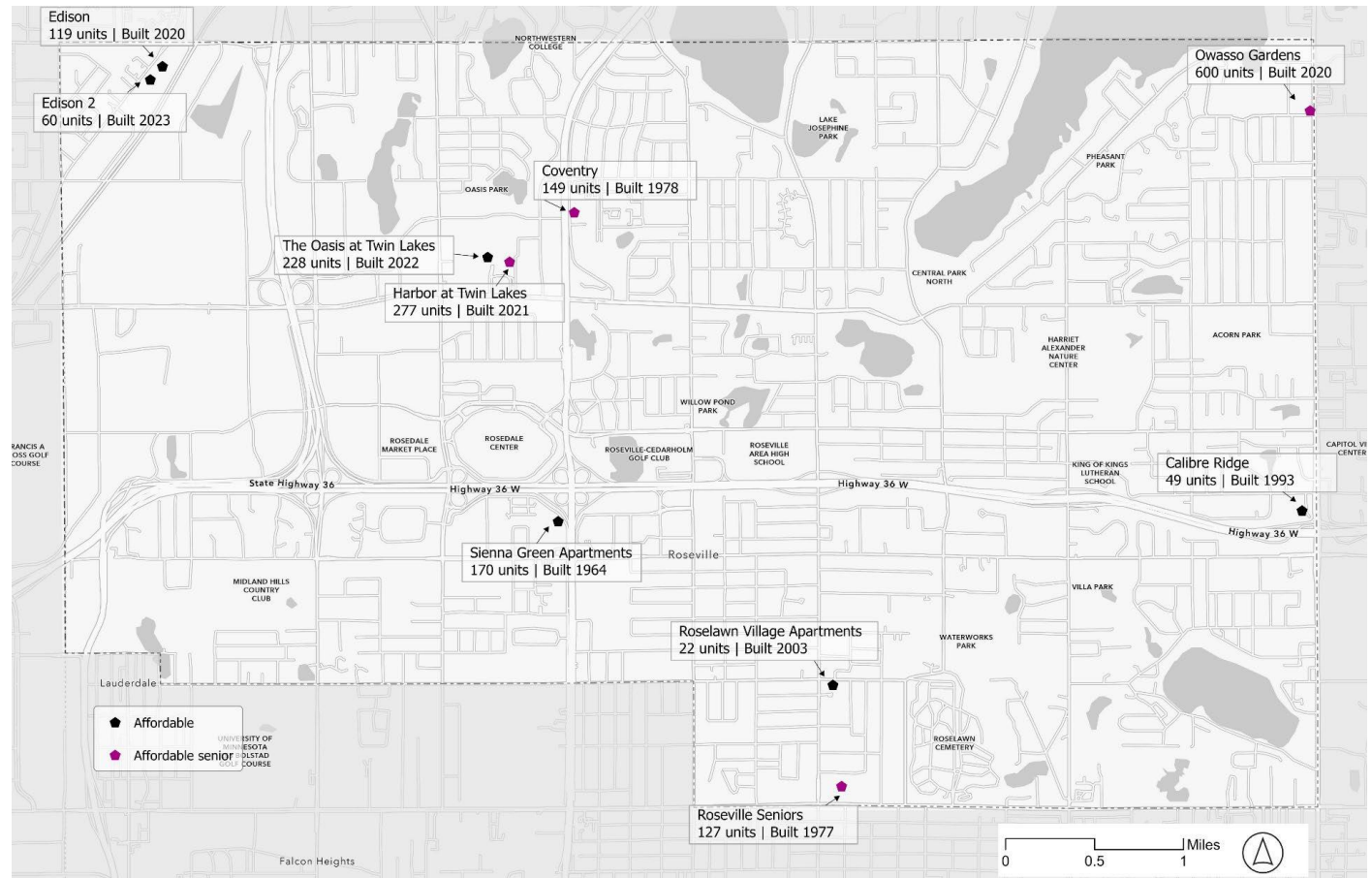
Housing Type



ACS, 5-year estimates, 2022

Affordable Housing

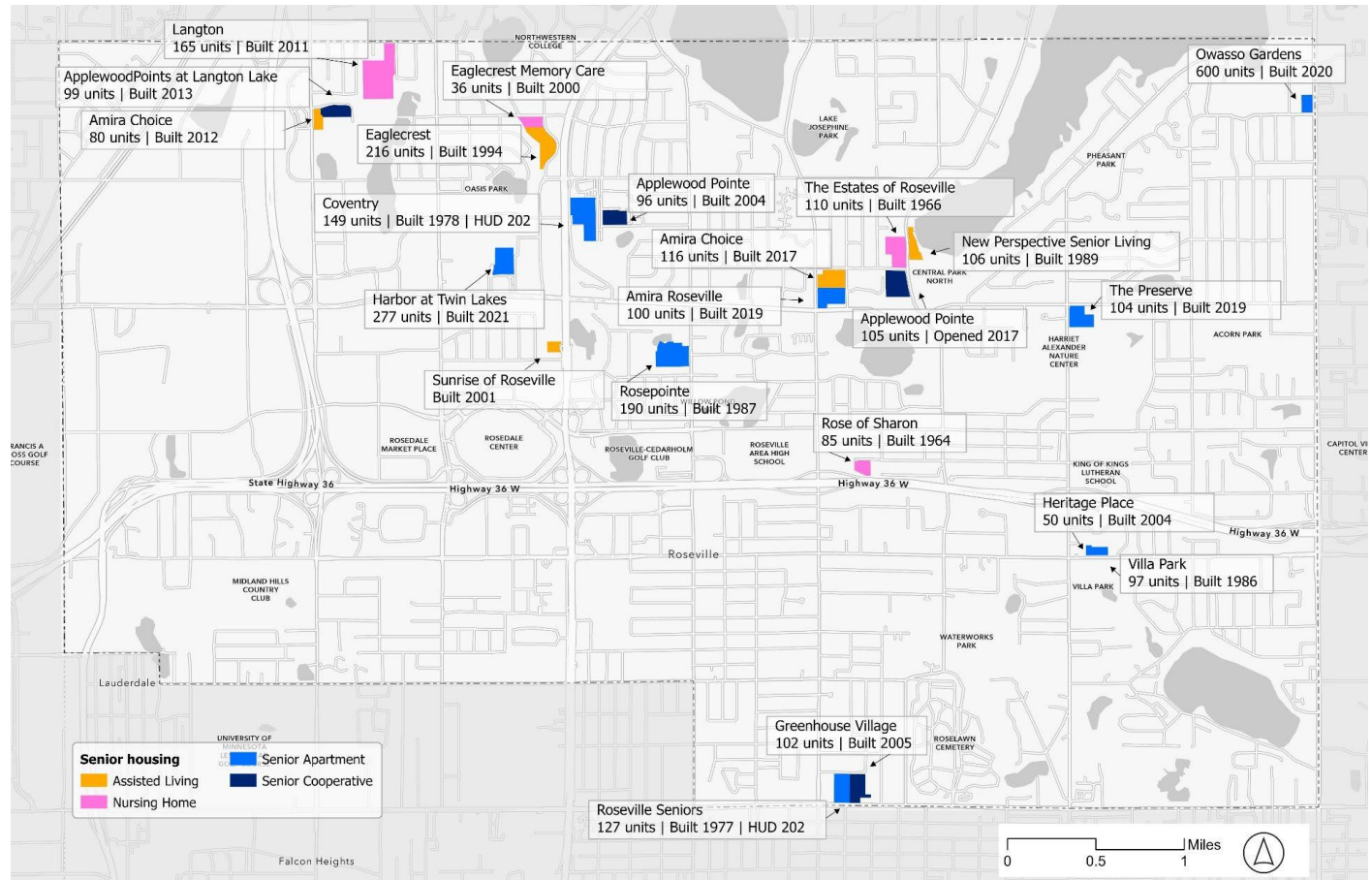
- There are a range of affordable housing developments in Roseville, including two Section-202 housing developments, which require occupants to pay 30% of their income for rent, with remaining costs covered by the federal government.
- Other rent-restricted housing developments are present, offering rents affordable to households earning anywhere from 30% to 80% of the area median income.



Costar, LIHTC Database

Senior Housing

- Roseville has a wealth of senior housing options, including:
 - Rent restricted and rent subsidized rental apartments.
 - Market rate rental apartments
 - Housing co-ops
- Levels of care include independent living, assisted living, memory care, and nursing care



Costar, City of Roseville

KEY TAKEAWAYS | HOUSING INVENTORY

Roseville provides a broad diversity of housing options.

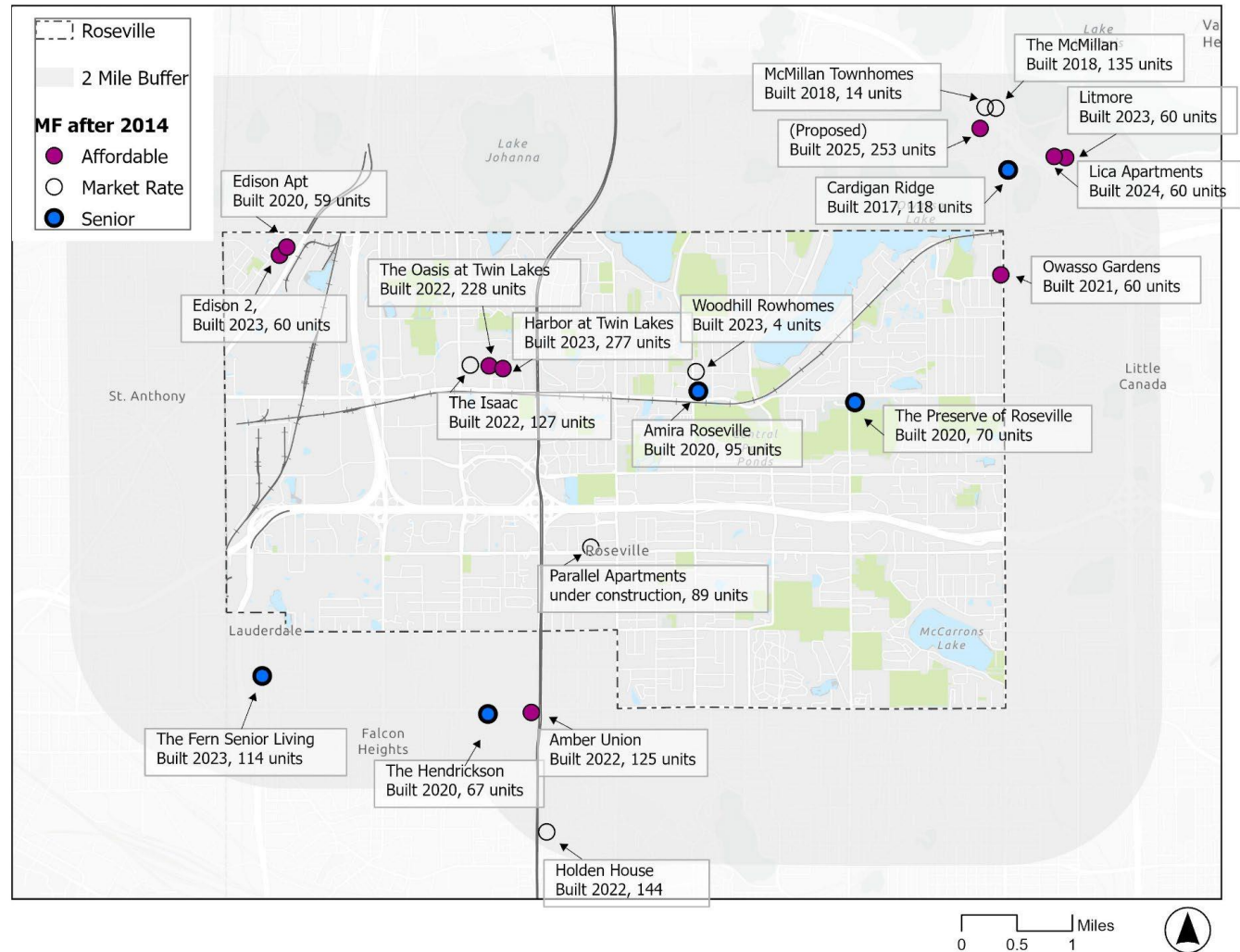
- The housing inventory encompasses a broad mix of housing formats, from single family homes of different eras to a range of multifamily formats, both newer and older. 43% of all housing units are in multifamily housing formats.
- The housing inventory includes quite a few affordable housing options. Ten developments are either rent restricted or rent subsidized. Those include five newer projects built in the past five years. A set of older apartment buildings are not rent restricted but are affordable in that they charge modest rents. (These are sometimes referred to as NOAH—naturally occurring affordable housing—developments). Roseville’s manufactured home park—MH Village—is an affordable community of owned and rented manufactured homes.
- Almost two dozen senior housing developments are present in Roseville, varying in their level of care, affordability, and tenure (rental units and co-ops).



Market Demand Context

Multi Family Housing After 2014

- The strongest indicator of demand for a development product is the development that is occurring. Market rate apartment development has been occurring in and around Roseville at a healthy rate, particularly over the last five years.
- The map shows six market rate housing projects built since 2018.
- The area is clearly seen as desirable for senior housing as well. Five projects have been built since 2017.



City of Roseville
Housing Needs Assessment

Housing Development Since 2014

	The Isaac	The Oasis	Harbor at Twin Lakes	Amira	Edison 2	Edison Apt.	Woodhill Rowhomes	Parallel Apt.	The Preserve	Owasso Gardens
Address	2740 Fairview Ave N	2725 Herschel St N	2730 N Herschel St W	2650 Lexington Ave	3080 Old Highway 8	3110 Old Highway 8	1095 Woodhill Dr	1415 County Road B W	2600 Dale St N	161 S Owasso Blvd W
Market seg.	All	All	All	Senior	All	All	All	All	Senior	Senior
Affordability	Market Rate	Affordable	Affordable	Market Rate	Affordable	Affordable	Market Rate	Market Rate	Market Rate	Affordable
Developer	Reuter Walton Development	Dominium	Eagle Building Company, LLC		City Of Roseville	Sand Companies, Inc.	RMX Construction LLC	Alliance Building Corporation		CommonBond Housing
Year built	2022	2022	2023	2020	2023	2020	2023	2025	2020	2021
# of units	127	228	277	95	60	59	4	89	70	60
# of bldg.	1	2	3	1	1	3		1	1	1
# of stories	5	4	5	4	4	4	2	3	4	3
Studio units										
Units	1			3			4	44		
Rent	\$1,350			\$1,670						
Floor area SF	557			617						
1-bed units										
Unit	94	43	82	34	30	10		45	40	40
Rent	\$1,601	\$1,345	\$1,081	\$2,729	\$1,017	\$919			\$2,433	\$1,067
Floor area SF	753	723	711	1,025		718			650	694
2-bed units										
Unit	22	118	116	54	20	30			30	20
Rent/unit	\$2,458	\$1,611	\$1,481	\$3,777	\$1,218	\$1,102			\$3,279	\$1,131
Floor area SF	1,217	1,052	1,029	1,331		1,100			1,000	934
3-bed units										
Unit	10	67	79	4	10	19				
Rent	\$2,975	\$1,857	\$1,479	\$4,030	\$1,406	\$1,269				
Floor area SF	1,452	1,335	1,416	1,522		1,418				

Costar

KEY TAKEAWAYS | MARKET CONTEXT

Roseville's market context for housing is strong, although new housing production faces the challenges inherent in a fully developed suburb—i.e. the scarcity and cost of development sites.

- Roseville is situated in a healthy housing submarket within the modestly but steadily growing Twin Cities region—which itself continues to see new multifamily housing production.
- Demand for rental housing is seen in rising rent levels for preexisting apartment properties and in the ability of Roseville and surrounding areas to support new apartment development where circumstances are conducive. Those developments are achieving target rents, and have not resulted in higher vacancy rates in preexisting developments.
- Demand for ownership housing is seen in the rising trend of home values since the mid-2010s.



Sienna Gr
Next Steps

Next Steps

RESEARCH PHASE

- Developer interviews
- Gap analysis
- Homelessness research: existing programs and conditions
- Description of housing needs

STRATEGIES PHASE

Homelessness Strategies

		Physical Development	Programmatic Strategies
Needs of Homeless Individuals and Families	Prevention of Homelessness		

Other Strategies and Case Studies

STANTEC HOUSING STUDIES

Preservation Strategy:
Naturally Occurring Affordable Housing (NOAH)

Objective


- Preserve the condition and affordability of some of the older apartment buildings in Vadnais Heights.

Context

- Vadnais Heights has several apartment buildings that were built in the 1970s and 1980s that benefit lower and middle income households because of their "naturally occurring" affordable rent levels.
- Older apartment properties face risks of:
 - Underinvestment and deferred maintenance
 - Being repositioned for a higher income demographic with rents that are no longer affordable for current residents—often after investor purchase of the property.
- Some local CDCs (Community Development Corporations) are experienced at buying and stabilizing affordable rents in older apartment buildings.

Strategy

- Build a relationship with a local CDC that can evaluate a NOAH property purchase.
- Open up communication channels with apartment property owners to request early notification when they may be putting their property on the market.
- **Resource requirements.** Financial support in the form of tax increment financing or the equivalent will be required when a property is acquired and rent stabilized.



STANTEC HOUSING STUDIES

Case Study:
Telluride Foundation – Rural Homes Initiative

Description

- The Telluride Foundation has created rural workforce housing in several locations near Telluride Colorado—which faces similar tourism-related housing pressures to Sister Bay.
- The homes are produced through a collection of cost reducing mechanisms
 - Building only occurs when land is donated
 - Homes use modular, factory-built methods, which results in cost efficiencies when building in volume
 - A capital fund, secured through donations from wealthy residents, provides the revolving construction financing

Purchasers

- Purchasers receive other cost incentives. Low interest rate mortgages have been secured through a local bank (CDFI), and the foundation provides downpayment assistance
- Homes are subject to deed restrictions
 - The homeowner needs to reside in the home at least nine months of the year
 - Homeowners need to earn less than 120% of AMI
 - Value appreciation is capped by an inflation benchmark that averages around 4% per year

