

Rochester's Neighborhood Resource Center

RNeighbors

Providing tools to grow GREAT neighborhoods

**Rochester
Minnesota's
Neighborhood
Resource
Center**

Vision

RNeighbors works toward a future in Rochester when community life is rooted in neighborhood networks that nurture citizen involvement for positive community change.

Mission

RNeighbors empowers citizen leaders to create sustainable neighborhood networks that promote a vibrant, healthy and livable community.

Board of Directors

Mark Bilderback
Kelly Corbin
Jeff Ellerbusch
Michael LaPlante
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Executive Director
Ashley Borgschatz
UM Work-Study Student

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Mayor's Council on Neighborhoods Meeting Summary

Tuesday, December 16, 2014, 5:30-7 pm • Rochester Area Foundation Board Room

Mission of the Mayor's Council on Neighborhoods

To strengthen connections between neighborhood leaders and give neighborhoods a collective voice.

Welcome

Introductions - Name and Neighborhood (15 mins)

Olmsted County Housing Market (30 mins)

Presenters: Rochester Area Foundation

JoAnne Stormer (Joann@RochesterArea.org)

Steve Borchardt (Steve.borchardt@rochesterarea.org)

Shirley Lee (Shirley@rochesterarea.org)

- Overview of the October 2013 Housing Summit
- Brought in Maxfield
 - Mayo/County/RAF funded
 - Community will grow and produce more jobs
- Looked at 2014-2020, 2020-2040 – workforce housing, senior housing
- Market rate will take care of itself – above workforce to expensive and enough market rate rental; workforce homes (under 200,000) and workforce rental 650-850 for 1br is needed
- Need 242 new workforce rental units per year between 2014-2020; 172 housing units under 225,000 (many under 150,000)
- Affordability Gap – analysis included utilities since these groups often need to consider expenses
- Can't build starter homes for less than 175,000 – there is no stock in the area of need for workforce housing
- First homes is going to focus on for-sale, workforce housing – adding to land trust and gap loans; will not get involved in rental as other organizations are doing this
- Rental market at market rate is reaching saturation
- Met with county in July and formed steering committee and stakeholders – assistance from Greater Minnesota Housing Fund

Initiative Partners



- Reconvene Housing Summit in early part of the new year
 - Stakeholders from lenders, builders, realtors, county, city, school and RAF – among others (county HRA levy)
 - Group will more comprehensively raise money for all of the workforce housing needs that need to be met, not just focus on first homes
 - Multiple funding sources
- What does this mean for neighborhoods? We don't know yet but it will likely impact downtown core more heavily, may increase density in outer neighborhoods. Levy would change taxes
- Can city/county ensure that workforce housing is part of mixed use development plans – answer will likely come from the outcome of the comprehensive plan which will roll out at a later date than this fundraising will begin
- Concern that workforce housing is being built outside of downtown – can you require that a certain percentage of new housing be workforce
- Will rehabbing homes be an option, that is a goal in the future
- Ideas – granny flats and tiny house communities – these ideas have been thrown around along with mobile/prefab homes.
- Mixed zoning results in higher standards being met rather than segregating zoning and housing
- Question is whether there will be the will within elected bodies to enact any devised plans; there will be a public comment period early in 2015
- Concern that neighborhood input doesn't have much impact or are not getting enough notice for developments – it is often too late. Is there a way to incorporate meeting with the neighborhood into the process
- Suggestion of a session of communication with city government – this conversation should be brought to the steering committee level, how can we streamline the process for developers as building ramps up

Next Meeting: Tuesday, February 17, 5:30-7 pm

Dismissal



Attendees (not in order of photo)

Jesse Welsh, jessemoranwelsh@gmail.com, Kutzky; Paul Wilson, wilson.paul@co.olmsted.mn.us, Olmsted County Commissioner; Helen Roland, Helen.ap.roland@gmail.com, Eastside and SW; Richard Denny, dennyr123@q.com, Sunnyside; Mike LaPlante, mlaplante@aol.com, Eastside; Julia Karon, catjmk@gmail.com, Pine Ridge; Lisa M. Peterson, Imp1205@hotmail.com, Washington; Ann Lun, otlien55901@aol.com, Washington; Sue Rain, sue.rain@msn.com, Washington; Katie Cannons, kcannons@juno.com, Washington; Randy Schubring, randyschub@yahoo.com, Slatterly Park; Mary kujanson, mkujanson@farmersagent.com; NW Neighbors; Christine Schultze, ecschultze@gmail.com, Historic SW; Shirley Lee, Shirley@rochesterarea.org, First Homes/RAF; Lyle Plumhoff, lplumhoff@msn.com, Washington; Charlotte Krebs, chkmessage@gmail.com, ESPNA; April Sutor, aprilsutor@yahoo.com; Homestead Trails; Mary Jo Majerus, healingtouch.rmn@gmail.com, Eastside; Mayor Brede, abrede@rochestermn.gov, City of Rochester; Karen Andrews, andrewsk@charter.net, Kutzky Park; Sandy and John Guyse, guyses@gmail.com, Northrop; Time Schmitt, schmittts@yahoo.com, Northrop; Nancy Slocumb, phroebe@gmail.com, Historic SW; René Lafflam, rene@RNeighbors.org, RNeighbors; Steve Borchardt, Steve.borchardt@rochesterarea.org, RAF.

GREATER MINNESOTA HOUSING FUND



A Special Project of The McKnight Foundation & Blandin Foundation

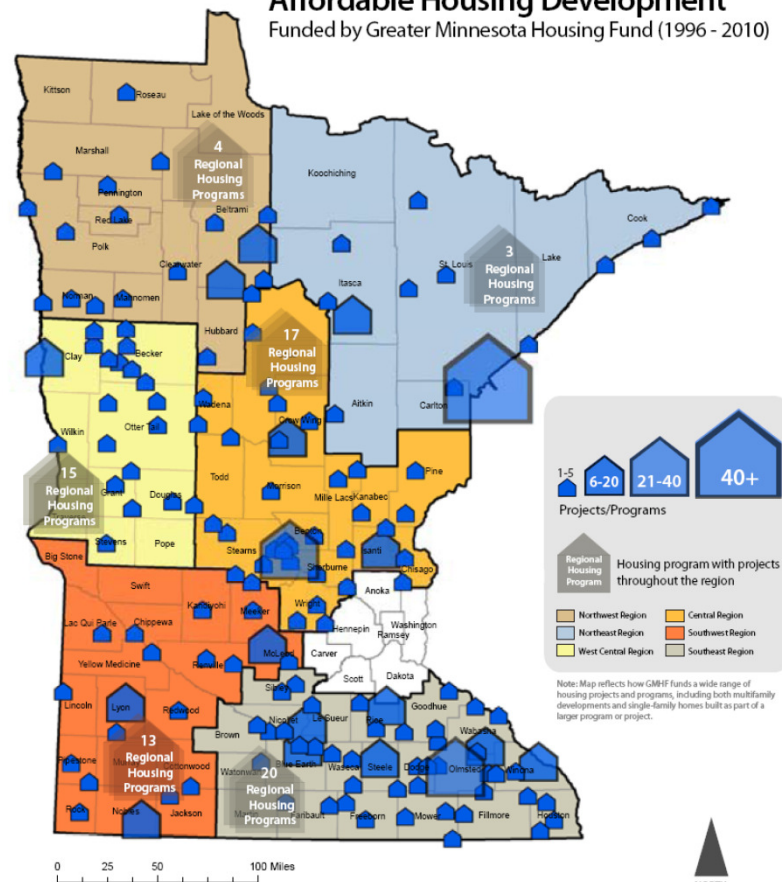
GREATER MINNESOTA HOUSING FUND

Supporting affordable housing throughout Minnesota for 18 years.

Financed over **550** developments in over **150** cities to support the creation of over **12,500** units of affordable housing in greater Minnesota.



Affordable Housing Development
Funded by Greater Minnesota Housing Fund (1996 - 2010)



Olmsted County Market Area

Housing Need Study

2014-2030

- Study by Maxfield Research
- Commissioned by Olmsted County, Rochester Area Foundation, and Mayo Clinic Rochester
- Rochester, Byron, Chatfield, Dover, Eyota, Oronoco, Pine Island, St. Charles, and Stewartville
- Quantifies Demand for all Housing Types
- Includes New Housing Demand Created by DMC

Major
Finding...

The Olmsted County
housing market is
working well for market
rate renters and
homebuyers, but...

...there is a crisis of
need for people
seeking affordable
workforce housing.

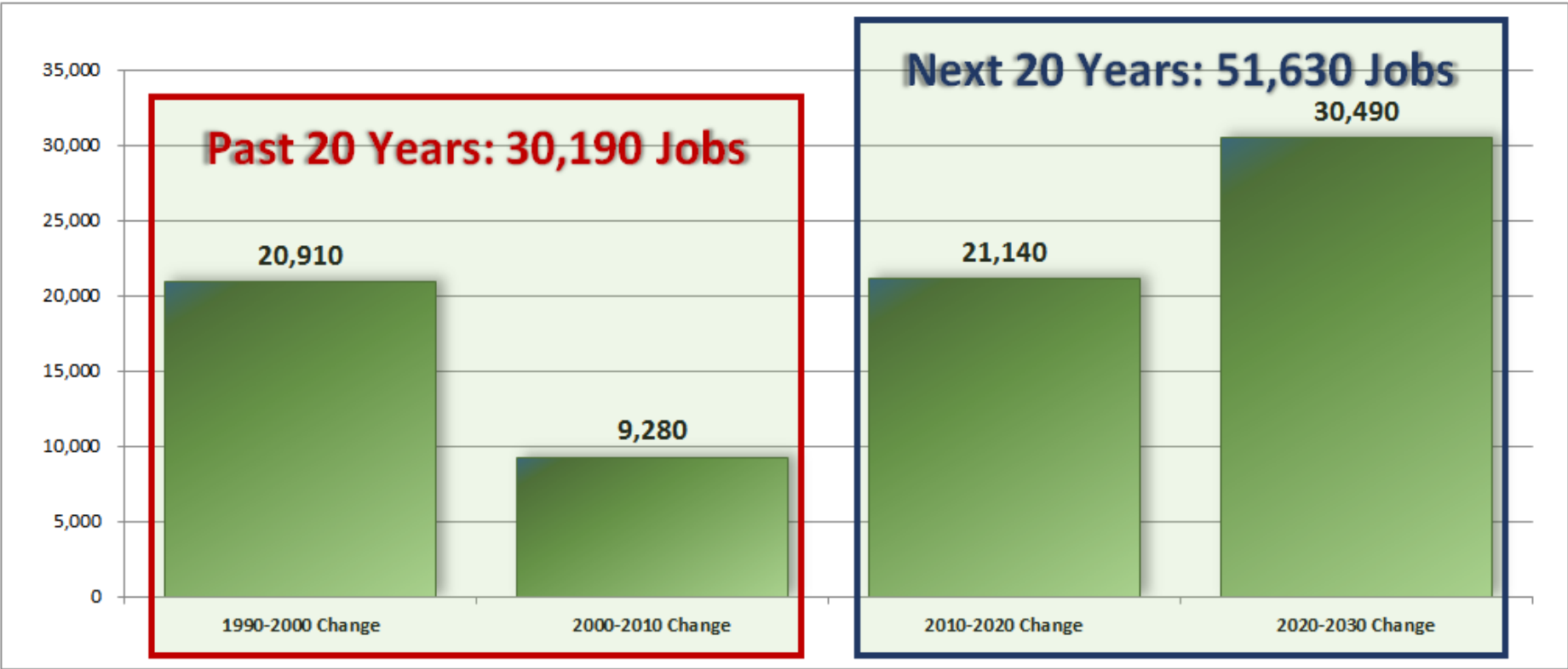
*Job Growth
Creates Housing
Demand...*

*...Housing Production
Supports Job Growth*

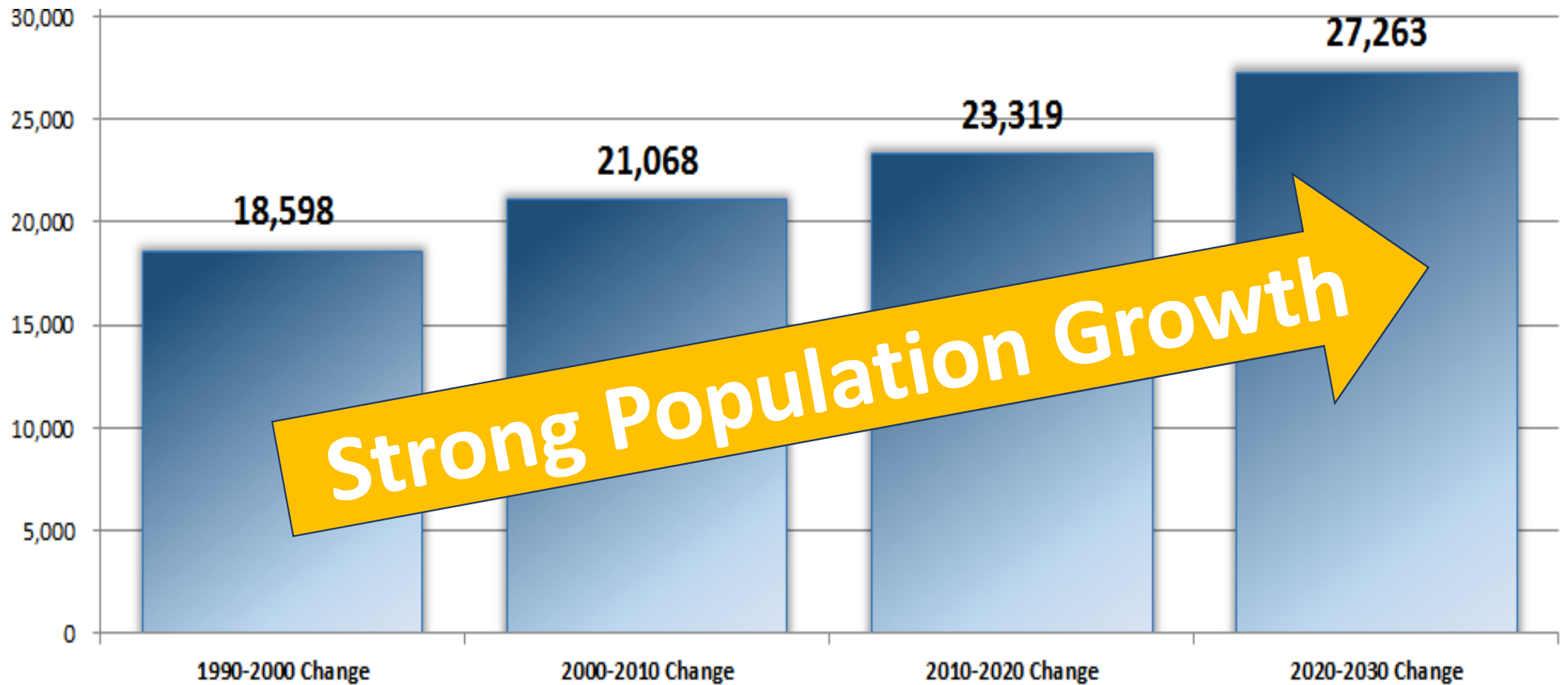
Job Growth

Olmsted County Market Area

2010 to 2030: 51,630 Jobs to be Created



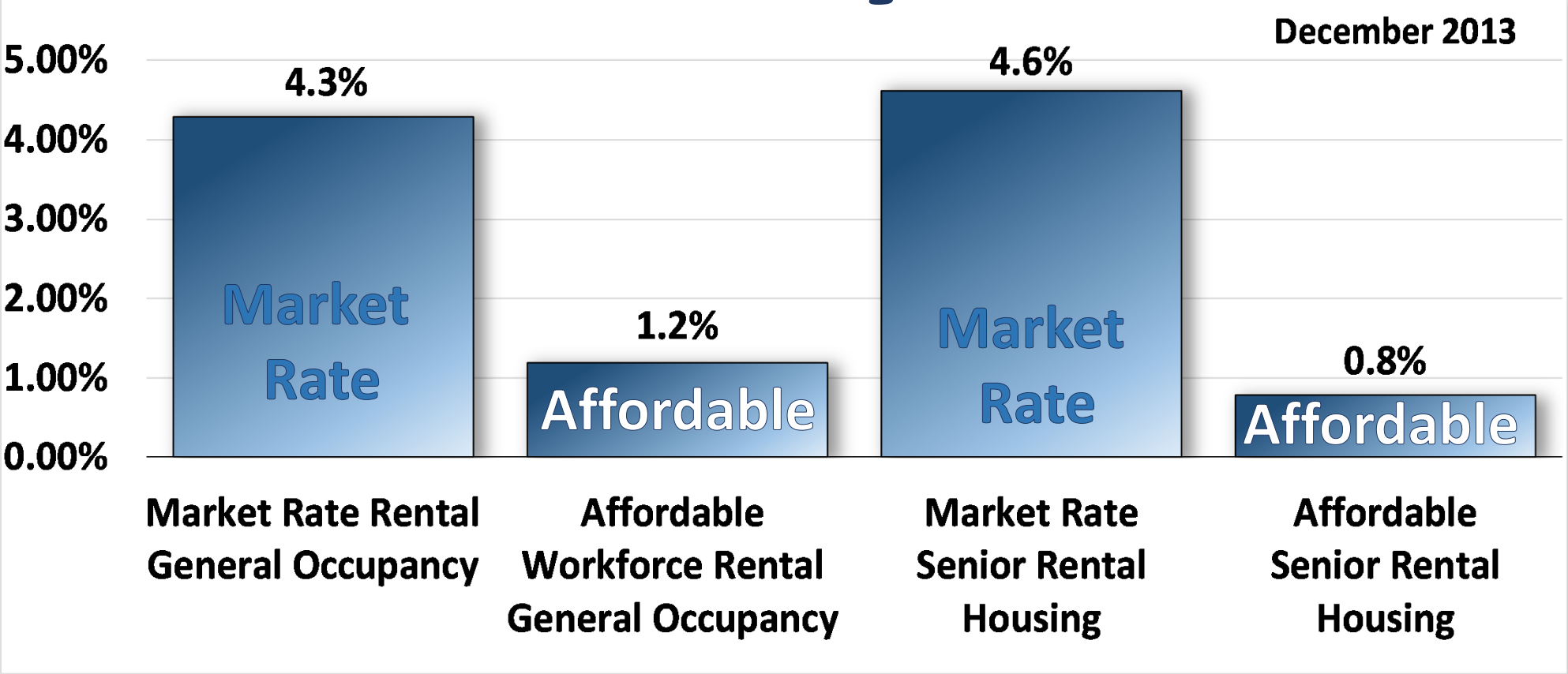
Population Growth



Rental Housing

Olmsted County Market Area

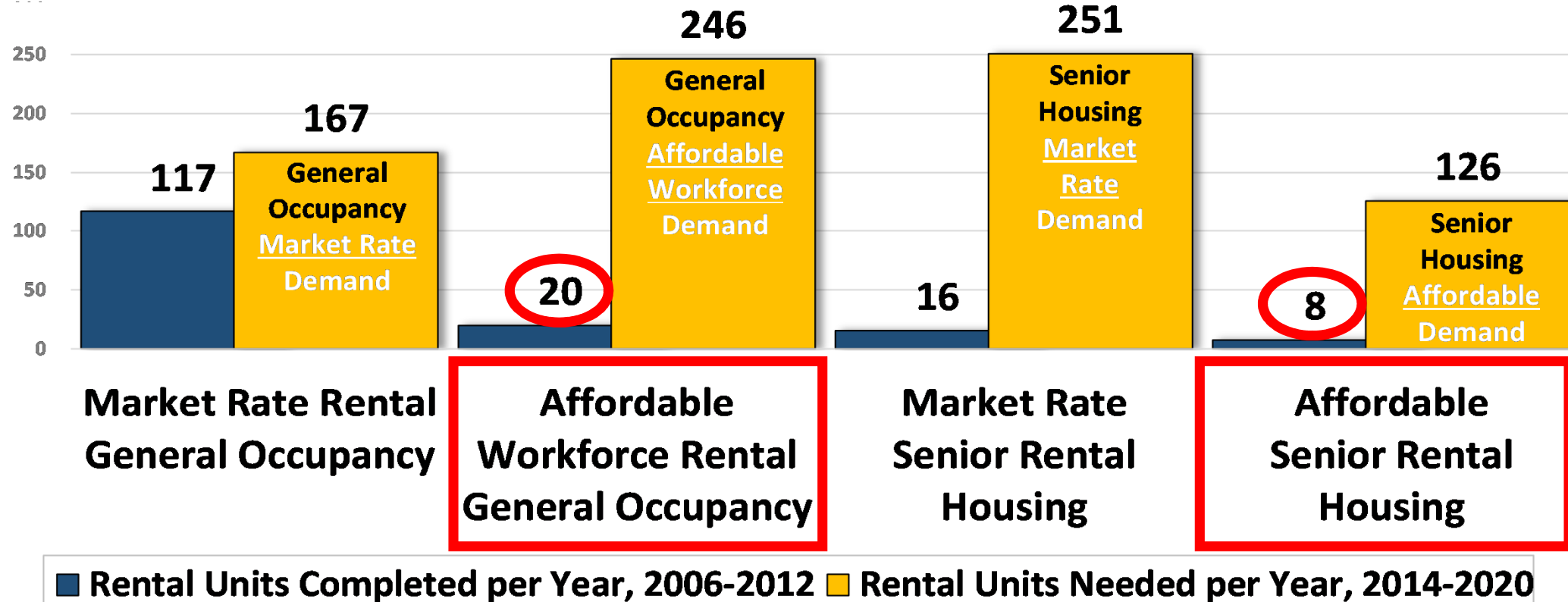
Low Vacancy Rates



Rental Housing Demand

Annual Rental Production: 2006-2012 vs.
 Projected Annual Demand: 2014-2020

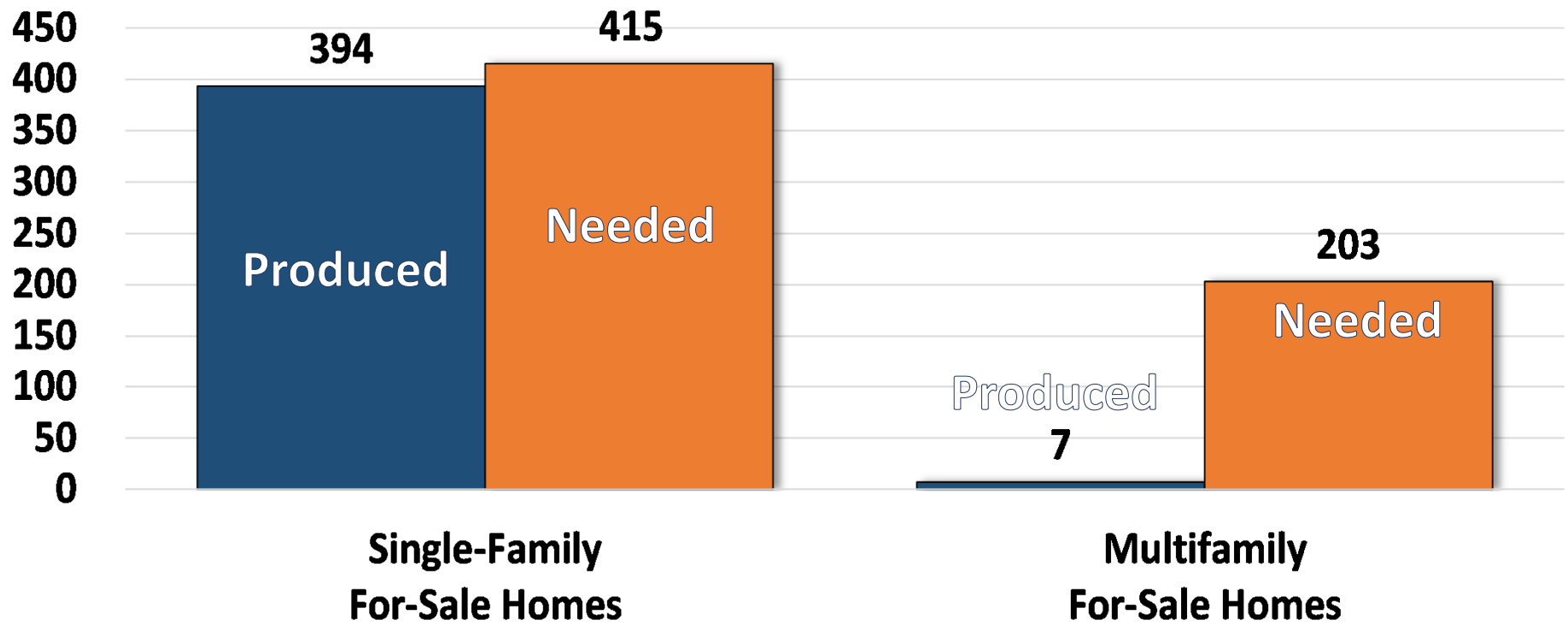
Olmsted County
 Market Area



For-Sale Housing Demand

Annual For-Sale Home Production: 2006-2012 vs.
Annual For-Sale Home Demand: 2014-2020

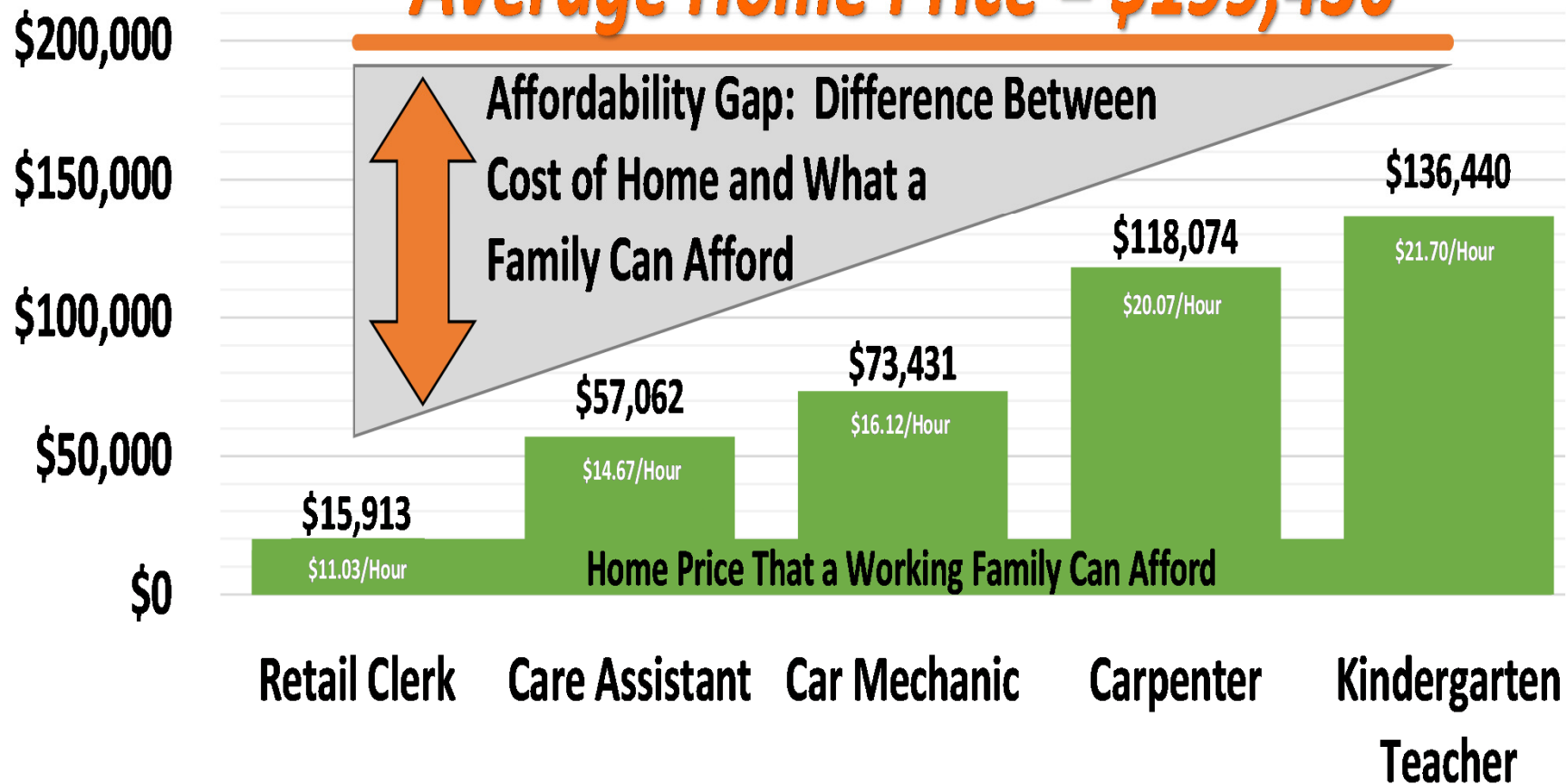
Olmsted County
Market Area



■ For-Sale Homes Permitted per Year, 2006-2012 ■ For-Sale Homes Needed per Year, 2014-2020

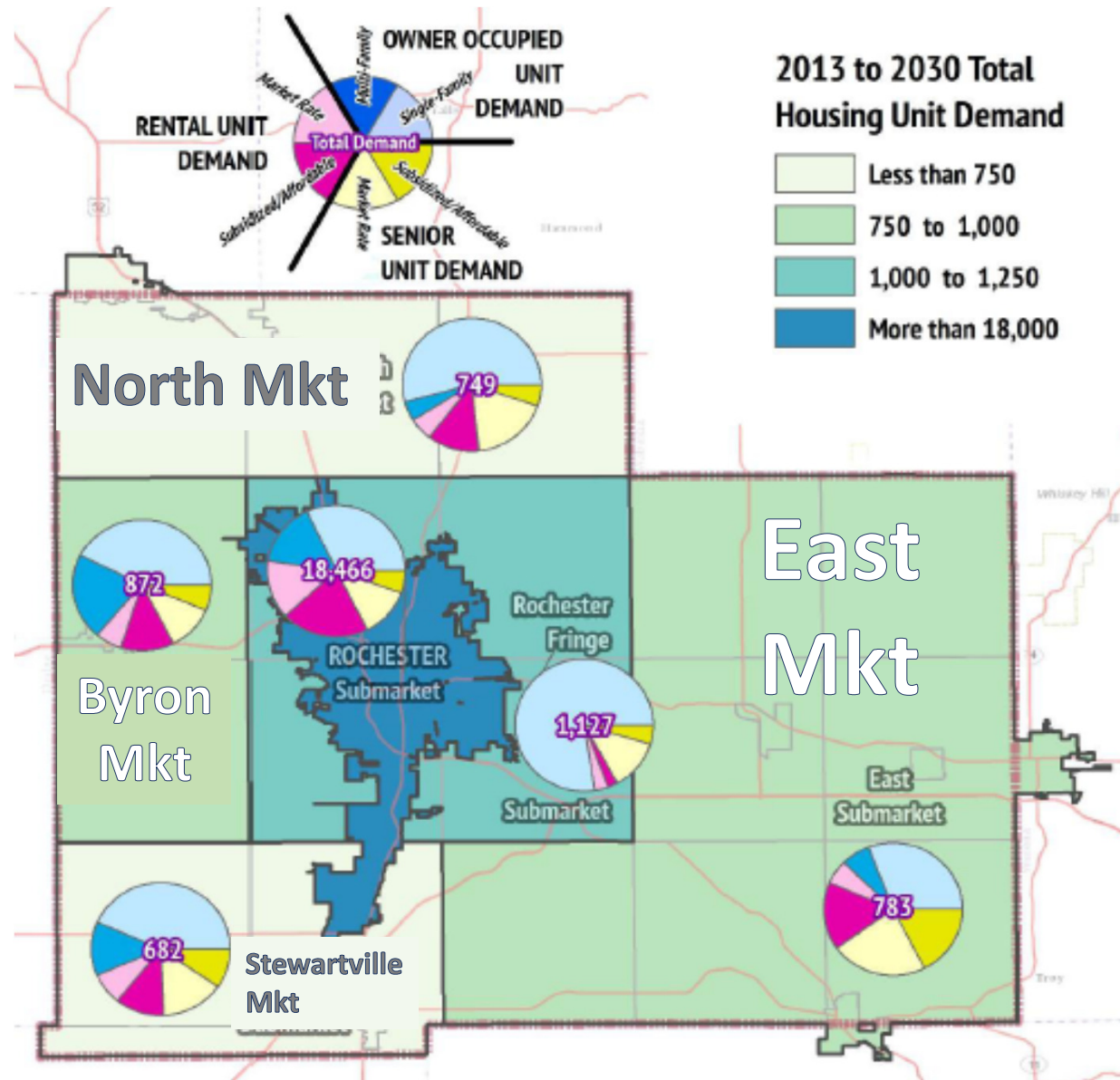
The Affordability Gap

Average Home Price = \$199,436



Olmsted County Market Areas

Six Submarkets

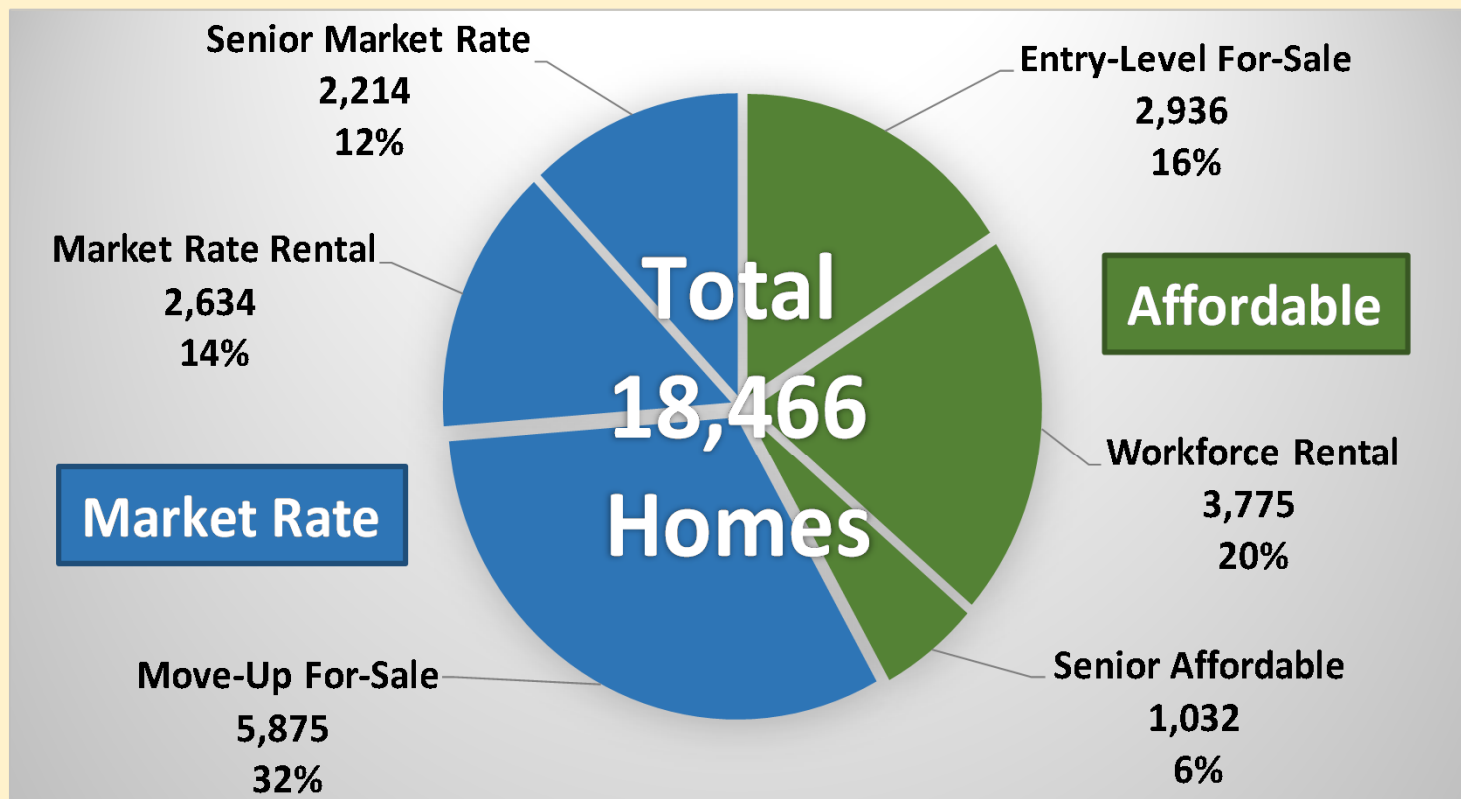


City of Rochester

- **80% of Total Market Demand in Rochester**
 - **18,466 Homes Needed, 2014-2030**
 - **42% of Demand is Affordable (7,743 Homes)**
 - **Workforce Rental > Market Rate Rental**
- **1,270 Units Being Planned**
 - **2/3 Market Rate, 1/3 Affordable**
- ***Affordable Housing Need is Underserved***

City of Rochester

2014 to 2030: 18,466 Homes



Rochester Housing Demand

Within City Limits

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	1,067	1,869	2,936	16%
Move-Up For-Sale	2,166	3,709	5,875	32%
Workforce Rental	1,546	2,229	3,775	20%
Market Rate Rental	1,079	1,555	2,634	14%
Senior Affordable	593	439	1,032	6%
Senior Market Rate	1,551	663	2,214	12%
Total Housing Demand	8,002	10,464	18,466	100%
Homes per Year	1,143	1,046	1,086	

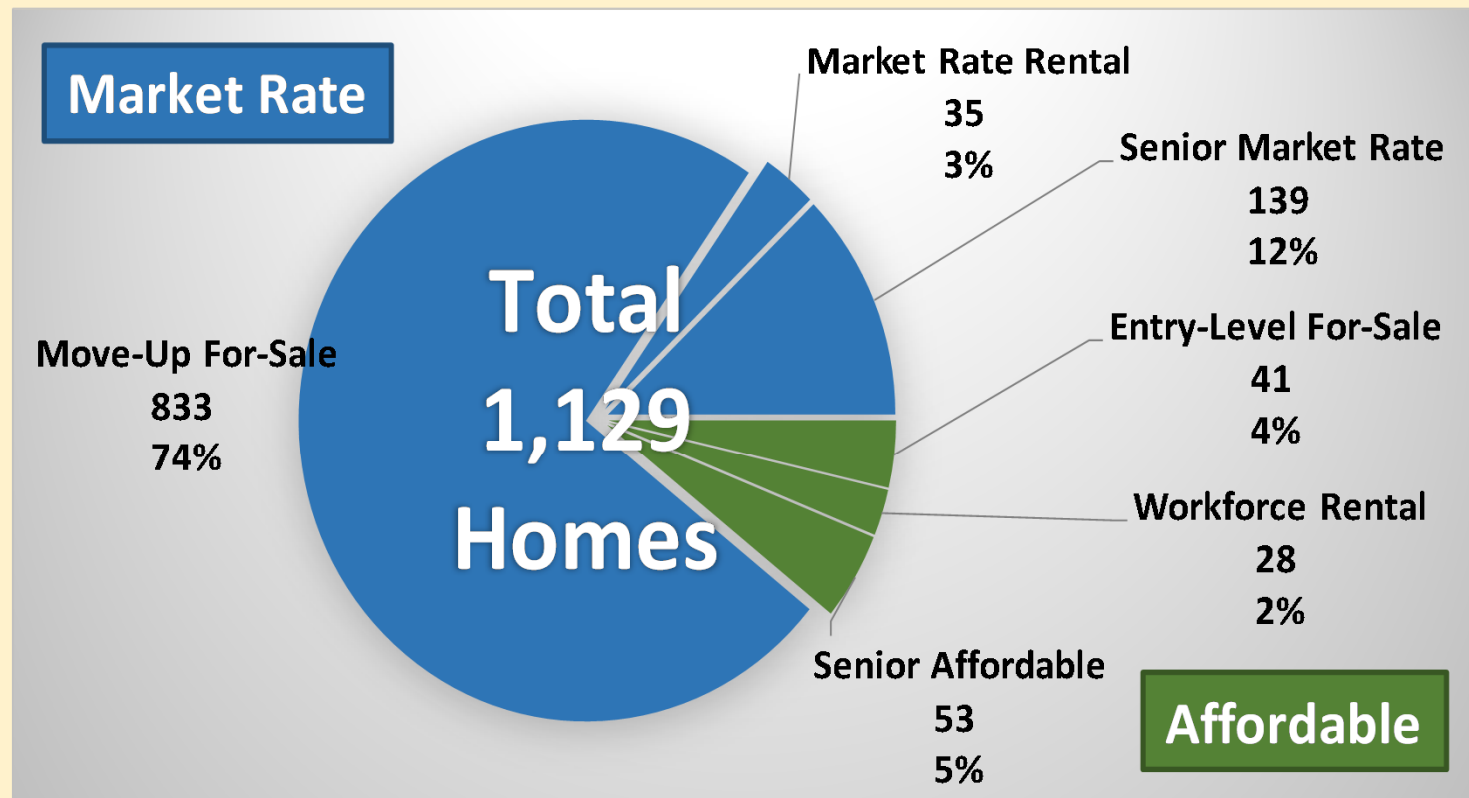
Sources: Maxfield Research, GMHF

Rochester Fringe Area

- **1,129 Homes Needed, 2014-2030**
- **74% of Demand is Move-Up For-Sale Homes**
- **Demand Stronger after 2020**
- **2014-2020: Focus on Senior Housing**
- **2020-2030: Focus on For-Sale Market**
- ***Generally Affordable Demand is Unmet***

Rochester Fringe Area

2014 to 2030: 1,129 Homes



Fringe Area Housing Demand

Includes Townships Adjacent to Rochester

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	6	35	41	4%
Move-Up For-Sale	132	701	833	74%
Workforce Rental	6	22	28	2%
Market Rate Rental	7	28	35	3%
Senior Affordable	41	12	53	5%
Senior Market Rate	112	27	139	12%
Total Housing Demand	304	825	1,129	100%
Homes per Year	43	83	66	

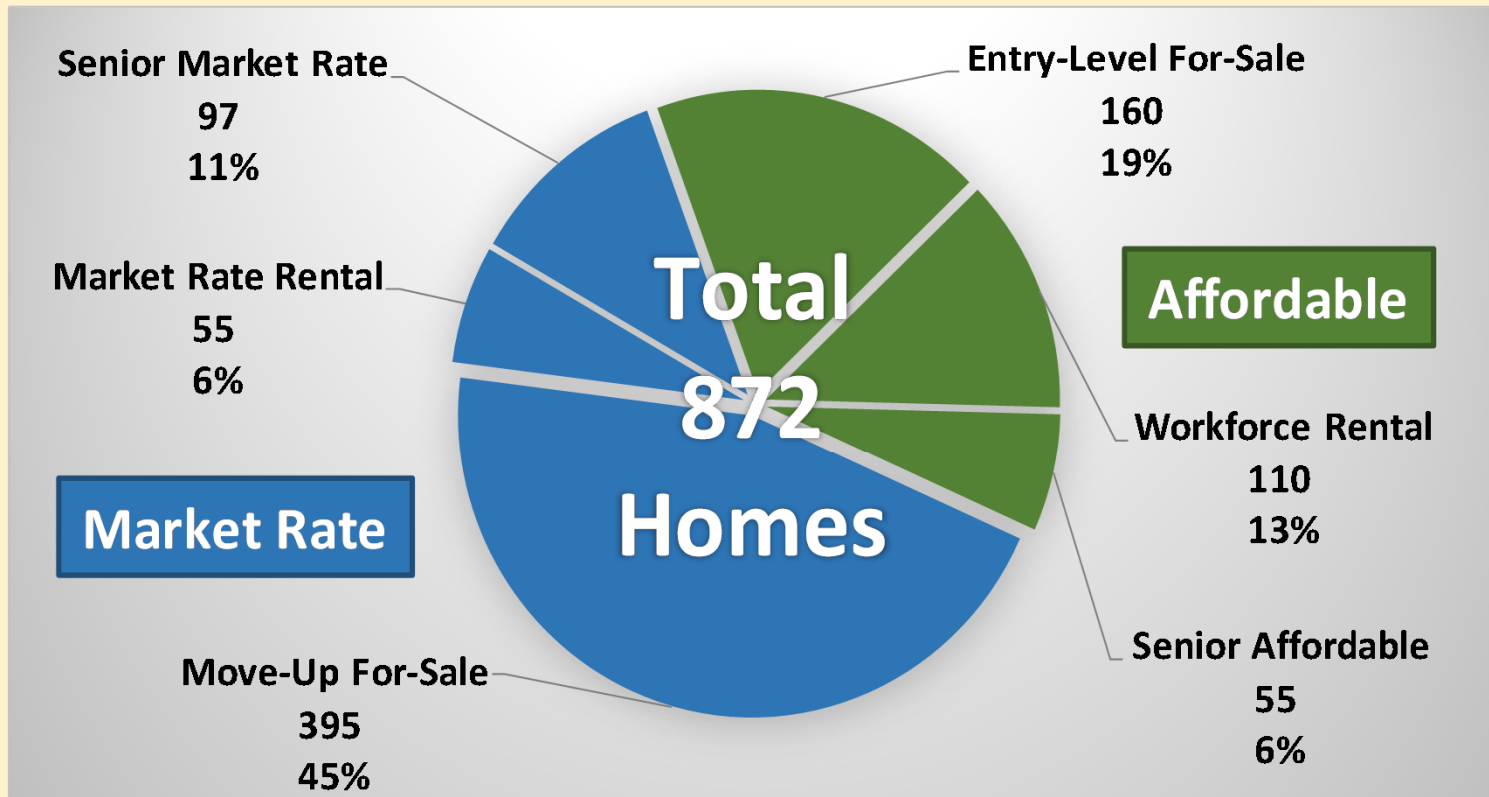
Sources: Maxfield Research, GMHF

Byron Area

- **872 Homes Needed, 2014-2030**
- **Steady Demand, 50-53 Homes/Year**
- **45% of Demand is Move-Up For-Sale Homes**
- **Workforce Rental > Market Rate Rental**
- ***42% of Demand is Affordable (325 Homes)***
- ***Generally Affordable Demand is Unmet***

Byron Area

2014 to 2030: 872 Homes



Byron Area Housing Demand

Includes Byron and Surrounding Townships

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	51	109	160	18%
Move-Up For-Sale	133	262	395	45%
Workforce Rental	43	67	110	13%
Market Rate Rental	21	34	55	6%
Senior Affordable	45	10	55	6%
Senior Market Rate	78	19	97	11%
Total Housing Demand	371	501	872	100%
Homes per Year	53	50	51	

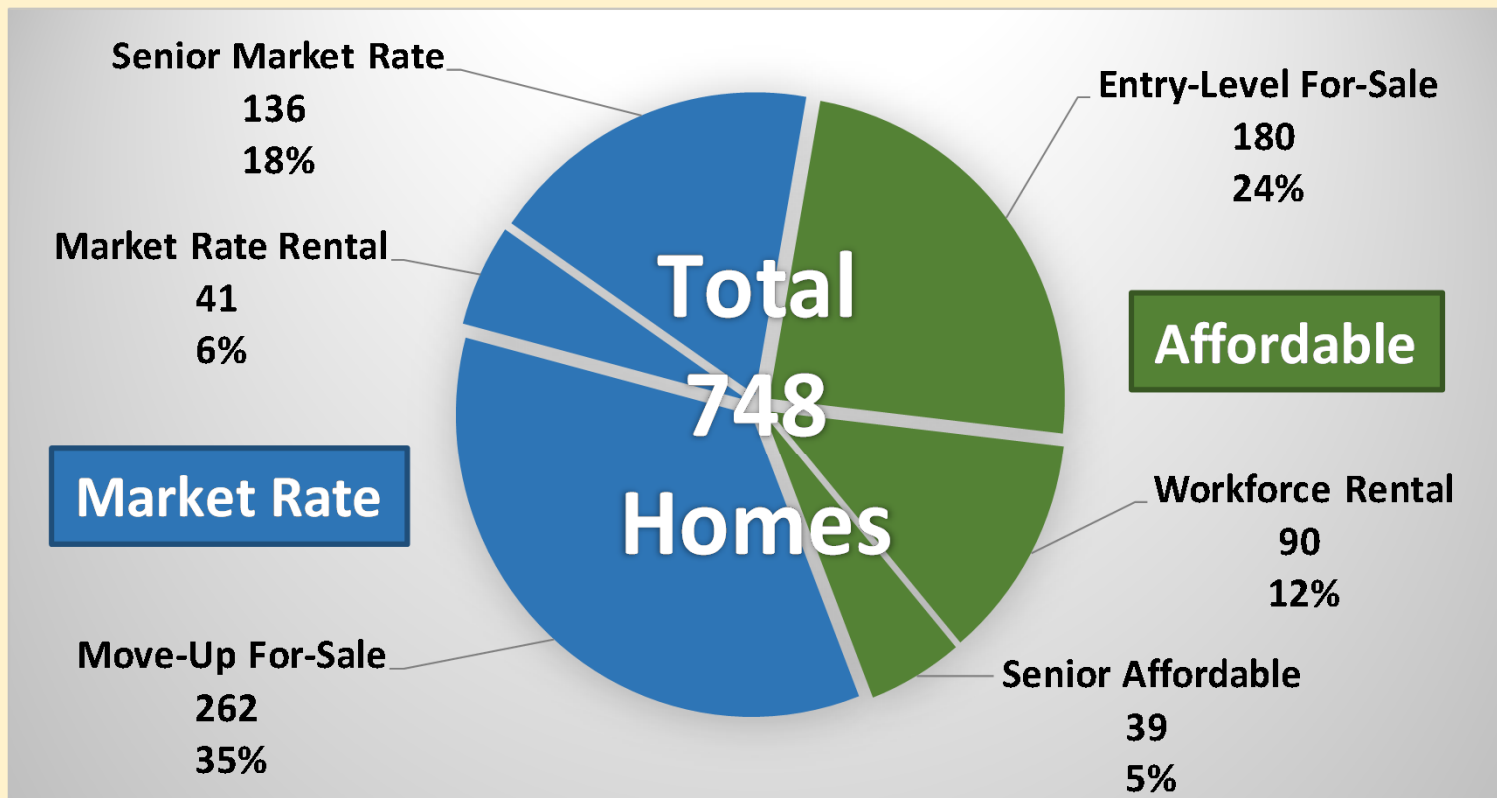
Sources: Maxfield Research, GMHF

North Area

- 748 Homes Needed, 2014-2030
- 42% of Demand is Affordable (309 Homes)
- 24% of Demand is Entry-Level For-Sale Homes
- Less Senior Demand after 2020
- Workforce Rental > Market Rate Rental
- *Generally Affordable Demand is Unmet*

North Area

2014 to 2030: 748 Homes



North Area Housing Demand

Includes Oronoco, Pine Island, and Surrounding Townships

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	66	114	180	24%
Move-Up For-Sale	97	165	262	35%
Workforce Rental	37	53	90	12%
Market Rate Rental	17	24	41	5%
Senior Affordable	29	10	39	5%
Senior Market Rate	116	20	136	18%
Total Housing Demand	362	386	748	100%
Homes per Year	52	39	44	

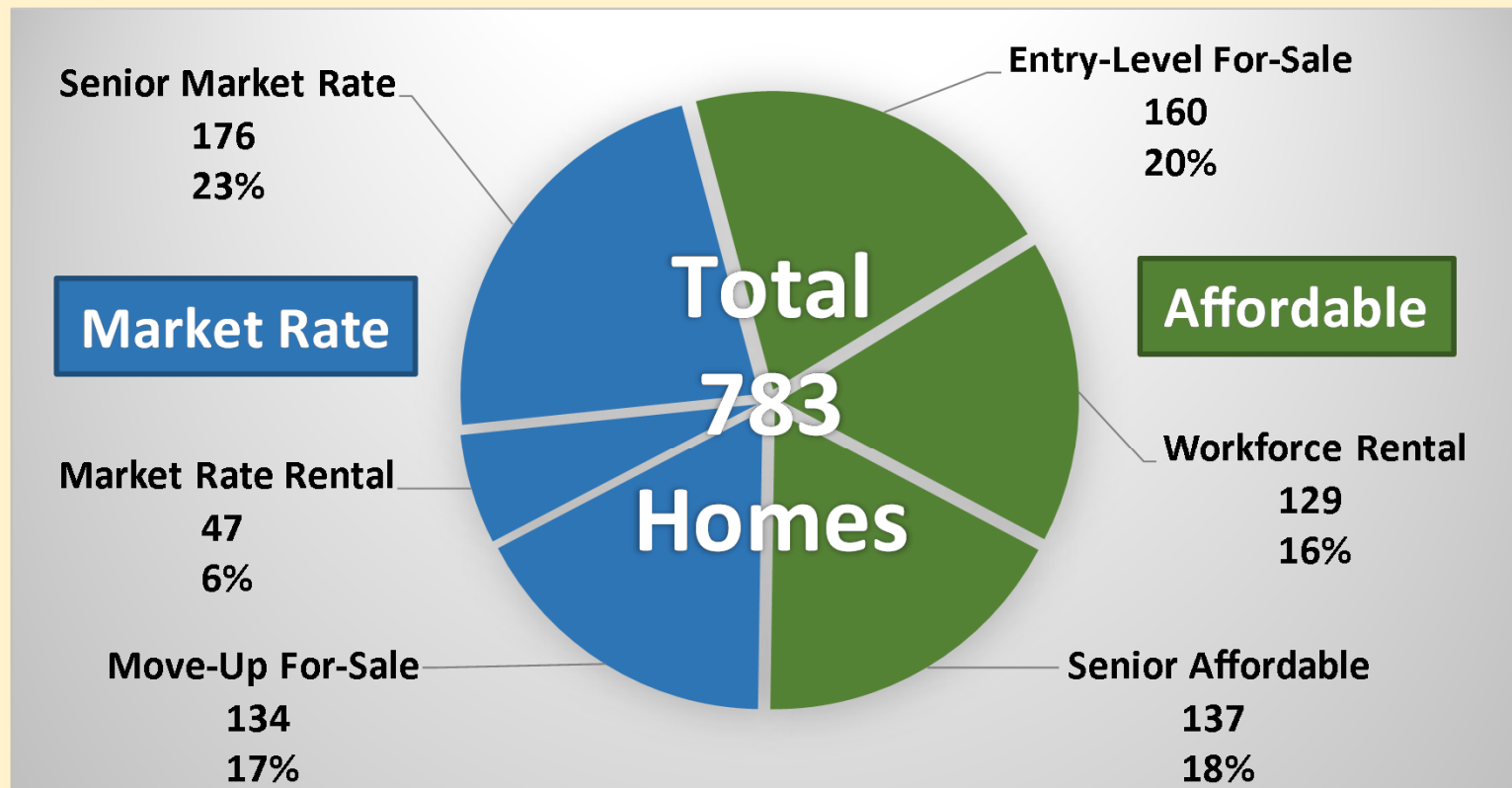
Sources: Maxfield Research, GMHF

East Area

- **783 Homes Needed, 2014-2030**
- **54% of Demand is Affordable (426 Homes)**
- **Entry Level For-Sale > Move-Up For-Sale**
- **Workforce Rental > Market Rate Rental**
- **23% of Demand is Senior Market Rate**
- ***Generally Affordable Demand is Unmet***

East Area

2014 to 2030: 783 Homes



East Area Housing Demand

Includes Chatfield, Dover, Eyota, St. Charles, and Surrounding Townships

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	62	98	160	20%
Move-Up For-Sale	54	80	134	17%
Workforce Rental	59	70	129	16%
Market Rate Rental	21	26	47	6%
Senior Affordable	121	16	137	17%
Senior Market Rate	155	21	176	22%
Total Housing Demand	472	311	783	100%
Homes per Year	67	31	46	

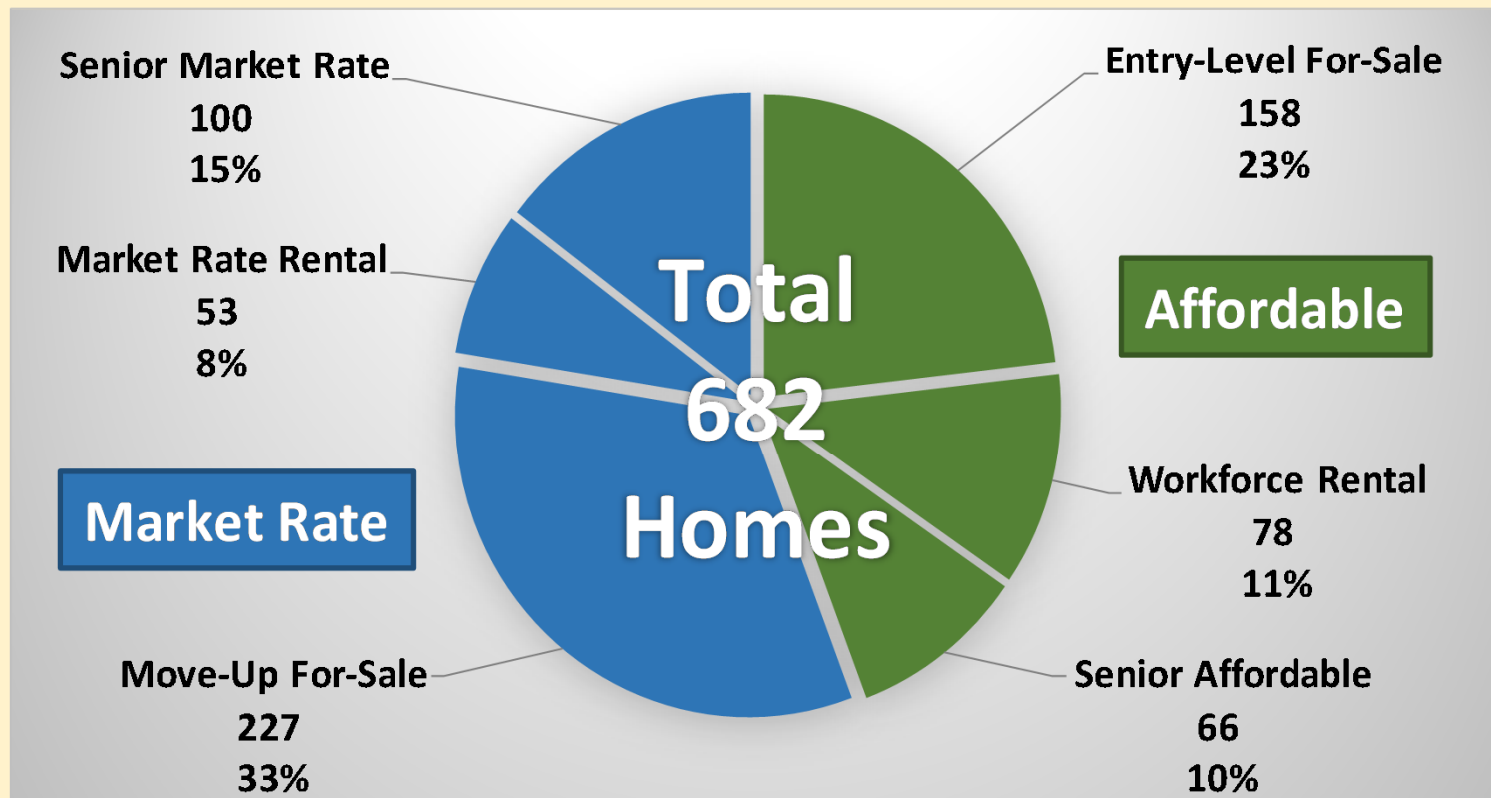
Sources: Maxfield Research, GMHF

Stewartville Area

- 682 Homes Needed, 2014-2030
- 44% of Demand is Affordable (302 Homes)
- 23% of Demand is Entry-Level For-Sale Homes
- Workforce Rental > Market Rate Rental
- 43 For-Sale Lots + Mobile Home Park Planned
- *Generally Affordable Demand is Unmet*

Stewartville Area

2014 to 2030: 682 Homes



Stewartville Housing Demand

Includes Stewartville and Surrounding Townships

Housing Product	2014-2020	2020-2030	Total #	Total %
Entry-Level For-Sale	62	96	158	23%
Move-Up For-Sale	92	135	227	33%
Workforce Rental	34	44	78	11%
Market Rate Rental	23	30	53	8%
Senior Affordable	53	13	66	10%
Senior Market Rate	84	16	100	15%
Total Housing Demand	348	334	682	100%
Homes per Year	50	33	40	

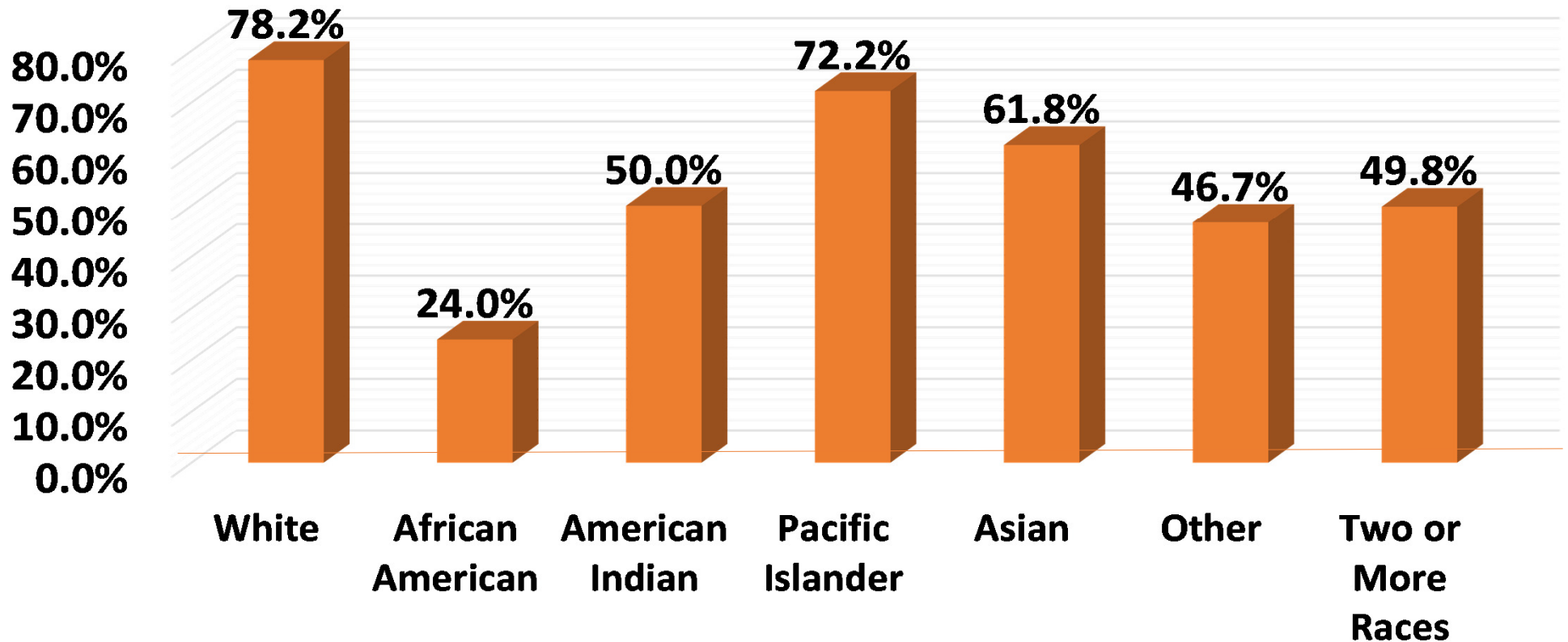
Sources: Maxfield Research, GMHF

The Rent Burden in Olmsted County

- \$957/Month = Average Market Rent
- 58.2% of Area Renters Cannot Afford!
- \$38,280 Annual Income Needed
- Majority of Renters are Rent Burdened

Homeownership Rate Disparities

Olmsted County
Market Area



Homelessness:

93% of ***Olmsted
County Homeless are
Women & Children***

Olmsted County

January 2013 Shelter Survey

Group	Number	Percent
Men	5	7.1%
Women	24	34.3%
Children Under Age 18	41	58.6%
Total Persons	70	100.0%

93% of Homeless Are Women and Children

Southeast MN has Highest Rate of Homeless Children

Sources: State of Minnesota, Wilder Research, Maxfield Research, GMHF



**In-fill Redevelopment
Neighborhood Revitalization
Affordable Workforce Housing
Green & Healthy, Energy Efficient
Walk to Work, Mixed Use
Well Managed**

Cascade Creek

**Kutzky Park, Rochester MN
Developed by MetroPlains**

Weigel Place

Kutzky Park, Rochester MN



**In-fill Redevelopment, Neighborhood Revitalization
Permanently Affordable Land Trust Housing
Walk to Work, Green and Healthy, Energy Efficient**

Summary

- **Strong Job Growth – 52,000 Jobs**
- **Strong Population Growth**
- **Strong Market Rate Housing Production**
- **Affordable Housing Production Weak**
- **Without Housing, Job Growth Falters**

Housing Action Plan

GMHF Facilitating “Housing Action Plan”

Coordinated with All Local Planning Efforts

Will Establish Housing Production Goals

Identify Financing Tools, Policy Tools, Best Practices

Consult with State, Fed & Local Gov & Foundations

Plan for Increased Local Development Capacity

Innovative Policies, Strategies & P/Pv Partnerships

GMHF ROLE

Funder, Lender, Investor & T.A. Provider

Manage and Fund Community Planning Process

Convene Local & State Leadership

Finance Developments

Seed Money for Capacity Building

Technical Assistance for Projects & Programs

Help Build Local Development Capacity

GREATER MINNESOTA HOUSING FUND

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