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**FULL REPORT TO THE  
ROCHESTER/OLMSTED COMMUNITY  
HOUSING PARTNERSHIP, INC.  
ON HOUSING NEEDS AND MARKETS**

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The content of this report is the responsibility of the authors and is not necessarily endorsed by CURA.

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- Rochester Building and Safety Department
- Olmsted County Public Works Department
- Olmsted County Community Services Department
- Olmsted County Community Action Program
- Rochester Public Utilities
- People's Cooperative Power Association
- Rochester Housing and Redevelopment Authority

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## I. PURPOSE AND SCOPE

There is a belief by many in Olmsted County that there is a lack of affordable and decent housing for low and moderate income households. However, there is no current and comprehensive documentation to support this claim and to prompt action. The purpose of the NAMS is three-fold:

- To provide a data base that describes and quantifies the unmet housing needs of low and moderate income households in Olmsted County.
- To identify a market niche the Housing Partnership could fill in addressing those unmet needs in the future.
- To provide an information base that can be periodically updated and become part of the county's housing plan and from which the public and private sector can work cooperatively to maintain and expand the supply of affordable housing.

A variety of approaches were used to research this project. The primary data source was obtained from a random sample household survey on household characteristics, attitudes, and housing conditions. These data were complemented with information obtained through interviews with various community leaders and key informants, and with data supplied by cooperating agencies. A decision was made to analyze the data on the supply of and demand for housing by four geographic subareas of the county: the City of Rochester, small cities in the county, suburban townships surrounding Rochester, and the outlying rural townships. This facilitates comparisons of housing needs and characteristics throughout the county. This is also consistent with the 1981 Housing Plan for Olmsted County.

The project consists of a series of reports addressing different aspects of Olmsted County's housing situation:

- Community Goals Report. This report presents findings from multiple interviews with provider agencies, community leaders, and business representatives on the desired roles of the public and private sectors in providing and maintaining affordable housing for low and moderate income households.
- Housing Supply Reports. This report provides a profile of the 1989 housing stock including number of units by type, tenure, age, and value. Information and analysis focus on the change that has taken place between 1980 and 1988 on the size and characteristics of the housing stock. Also included are statistical summaries of the existing supply of housing for special population groups including the disabled, the homeless, and the elderly; a data base on the existing supply of subsidized housing and how this has changed since 1980; and a general description of substandard housing - where and to what extent does it exist.
- Housing Needs Report. This report summarizes the findings from the household survey, focus group interviews, and from interviews with key

informants and provider agencies on the characteristics and unmet needs of low and moderate income households. Housing stock characteristics are linked with the responses provided in the corresponding survey using the county assessor's data base to identify the demographic characteristics of households occupying the most affordable units.

- Market Report. This report integrates the housing needs and supply data with community goals to establish direction for future action. It identifies the critical unmet needs for the target population groups.
- Innovative Programs. Illustrative examples of successful public/private partnerships from other communities are described and evaluated in terms of their appropriateness for the Rochester/Olmsted community, and to suggest strategies for the Partnership in fulfilling their mission.

Major findings and implications for the Partnership to broaden housing opportunities for low and moderate income households will be brought together in an executive summary.

## II. COMMUNITY GOALS REPORT

### Housing Issues and Community Response

#### A. PURPOSE AND SCOPE

The procedure for determining community goals involved a series of over twenty personal and phone interviews with civic leaders. (See Appendix 1 for a complete list of interviewees). The purpose of the interviews was to discuss perceptions of their community's and the county's goals for expanding the supply of low and moderate income housing. The respondents were chosen because they either represent a group of people with special interests, have access to information about people and housing, have the responsibility of providing housing, or have the ability to influence housing policy.

Each respondent was asked the same set of basic questions, many of which were open-ended to allow for individual responses. This report summarizes their responses and reviews the community attitudes in context with the Rochester/Olmsted Community Housing Partnership (ROCHP) goals listed below.

#### Rochester/Olmsted Community Housing Partnership Goals

The Partnership's main goal is "To ensure the availability of acceptable, affordable housing for low-to-moderate income citizens of Rochester and Olmsted County." The following list of objectives, identified by the Partnership, are ways to obtain this goal:

1. To complete a comprehensive needs assessment/market study on the need for and the nature and availability of low-to-moderate income housing within Rochester and Olmsted County; and to maintain this information on a current basis in the future.
2. To initiate major efforts for ongoing community education and planning in order to nurture a substantial, long-term community effort and commitment to ensuring the availability of acceptable, affordable housing for low-to-moderate income citizens.
3. To sustain and/or increase the supply of acceptable, affordable rental and other housing that meets the needs of its occupants.
4. To ensure the preservation, restoration, renovation, repair and maintenance of acceptable, affordable housing.
5. To expand homeownership opportunities for families and other persons, and to explore ways to enable them to stay in their own homes.

#### B. MAJOR FINDINGS

All the respondents agreed that there is a lack of affordable decent housing for low and moderate income households in Olmsted County. Specific-

ally, three target populations were mentioned as having a particularly difficult time finding and keeping adequate housing: the refugee population, the working poor, and the single parent (mostly women) with children population. A few respondents stated that the elderly and the handicapped populations appeared to be well-provided for.

The most common responses to what goals their community has for future housing for low and moderate income people were very broad: "to provide adequate decent housing for all wanting to live in this community," and "to be able to provide services for these people." None offered specific goals or objectives. Most were not documented. Strategies to achieve the general goals are listed later.

Rental units were mentioned most often when the respondents were asked what type of units required the most attention. Problems identified with rental units included high rent for the condition of certain apartments and, in general, not enough rental units available. For example, a City of Byron representative explained how the city has been building rental units in the past several years due to high demand, but at the present time no units are available and rental offices report long waiting lists.

Responses varied as to why the rental housing market is in its current state. One response was that some tenants are not aware that they should contact their landlords or the authorities when things are wrong with their apartments. Another response was that some tenants do not feel they can report to their landlords or to the authorities for fear of having to leave their apartments or have their rent raised. More than one respondent mentioned that there are some tenants who simply do not know how to properly maintain a housing unit, specifically, newly arrived refugees and other first-time renters. Conversely, another response was that landlords are neither able to nor wish to take care of their rental property given the current strong demand for rental units.

Housing codes were mentioned more than once as being part of the rental housing problem. Some felt the Rochester housing code has not been adequately enforced, allowing landlords to leave problems unaddressed and conditions to deteriorate. Others felt the codes are too stringent: "almost ridiculous." And, that this has hurt the rental housing situation: "the code can be used as leverage to oust certain people from their homes." Refugee residents are one such group of people. One respondent felt that the enforcement of the city housing code based on a complaint system was not the best way to enforce the code. Many residents would not feel comfortable or safe reporting their neighbors. Other residents might use it as a way to hassle neighbors. There are some single-family homeowner areas that do not welcome rental property in their neighborhoods.

With regard to the lack of a county housing code, one response was that this has led to residents, especially renters, living in substandard units outside of Rochester's jurisdiction. Other respondents could see the benefits of a county housing code, but fear this might take away badly needed rental and other affordable housing units from the housing stock (i.e. housing units not up to code may be better than none at all).



Several respondents mentioned the sewer, water, and annexation situations as major housing problems. Rochester city has plans to annex even more land and this has upset many of those affected homeowners. Many of the affected households do not want to or are not able to pay the sewer assessments. The city's policy is "whoever benefits, pays their share." This can be up to several thousand dollars depending on lot size. Others feel that the construction of new housing in more rural areas is deterred by the county not approving as many independent septic systems and wells as in the past. Some respondents feel this is a good health and safety policy, others feel it hurts the housing market. No one mentioned how either of these situations specifically affect low and moderate income people except to say that it must have a trickle-down effect.

Again, a variety of responses were given to the question of what should be done to improve the housing situation and who should be doing it. The responses were very general and many offered no solutions except to say: "something has to be done." It does not appear as though many communities have had housing as a stated goal or have had any kind of housing policies or plans in the past. Many still do not specifically address housing issues in general or the housing needs of low and moderate income people.

The City of Rochester adopted a housing plan in 1981 and has been implementing that plan through various programs of the Rochester Housing and Redevelopment Agency since that time. This agency administers existing state and federal low-income housing programs (public housing, rental assistance, and rehabilitation) and limited amounts of Community Development Block Grant (CDBG) funds for Rochester and smaller cities. The Mayor of Rochester, Chuck Hazama, does have "adopt a housing policy for first time buyers, low income renter, needs of the elderly, halfway houses, and homeless" as one of his ten stated goals that he would like to achieve during 1989. The city has also identified affordable housing as a priority in its first strategic plan adopted in January of 1989. According to several respondents, the city has come a long way just by recognizing the need to address housing issues, especially the need for more affordable housing. Housing has not always been a publicly supported topic and many feel the city will not act on it unless they are pushed by the community to do so. The city is waiting for more detailed information about where and to what degree the problems exist before taking any action.

Rochester has entered into a cooperative effort with a non-profit development company and the Southeast Minnesota Center for Independent Living (SEMCIL) to develop a twenty-six-unit complex for disabled individuals. The city owned the property and will use tax increment financing and possible CDBG money to help develop the building. Construction is slated to begin in 1990. This kind of creative financing and packaging is what many respondents feel the city should be doing in other housing areas, especially affordable housing for low and moderate income people.

The following is a list of comments and suggestions offered by the respondents:

- The city should seek ways to encourage development and maintenance of housing for low and moderate income people.
- The city should increase it's code enforcement effort to ensure the quality of the existing stock.
- The city should relax it's housing code so it cannot be used to discriminate against people nor deter new construction.
- Banks and other financial institutions should become more involved in affordable housing and work together to find solutions.
- The county should adopt a housing code.
- The county should adopt a housing policy with specific objectives and plans to meet those objectives.
- Concentrate on local ideas and funds, not state and federal resources (e.g., the creation of a revolving loan fund or housing/land trust).
- The county should not and cannot do anything about this.
- Get companies involved (i.e. linkage programs, housing as a benefit, and co-signers of loans and mortgages).
- New housing is not the answer, the job market is inequitable; few high paying jobs and too many low paying service sector jobs means working poor who can't afford housing.
- State property tax relief as an incentive to build and maintain rental units.
- Federal tax relief as more of an incentive for landlords, developers.
- Local tax relief.
- Relaxation of local rules and regulations (i.e. park dedication fees add to the cost of new development).
- Training programs for refugees and first-time renters so they can properly maintain housing units.

### C. CONCLUSIONS

Clearly, the responses varied according to people's positions and personal views. Although there is total agreement among the respondents that there is a lack of decent affordable housing for low and moderate income people, there is no consensus on how to deal or who should deal with the problem. Many respondents were not familiar with what Rochester and the county have been doing about housing, or with what their neighboring communities were doing about housing policy in general. For example, one city representative stated that housing policy had traditionally been a county

issue. A county representative stated that housing had traditionally been a city issue. Both were confused on the status and functions of the Rochester HRA. In short, housing has not been a priority or even an issue in many communities, and thus, the reason for confusion and contradiction regarding future direction for housing policy. However, several respondents say they are now recognizing the issues and problems surrounding housing supply, demand, condition, and special needs of certain populations in their communities and in Olmsted County. Some are working toward adopting housing plans and policies.

Many of the respondents' suggested solutions would also fit with the Partnership's stated objectives. The Partnership has not yet identified what steps should be taken to achieve their objectives and overall goal. They also have not identified who should be initiating the steps. Once the Partnership has done this, they will receive both support and opposition by the divided civic leaders depending on their political persuasion and private/public status.



### III. HOUSING SUPPLY

The existing supply of housing in the county is examined in this report from the following viewpoints: how many units of what type are available in different parts of the county, the extent to which sub-standard units are threatening the quality of the supply, the inventory of substandard housing which can serve the lower income households, and the rate at which the supply is increasing (or decreasing). The following sections profile the current stock, document the changes to supply during the last ten years, interpret assessor's information on condition of housing and include a new database on the supply of subsidized housing units.

#### A. PROFILE OF THE CURRENT SUPPLY

The following information was compiled using the County Assessor's data. A stratified sample of 1,670 residential units was selected and have been weighted to reflect county totals.\* Percentages are thus percentages of the total county units. There are certain types of units and property for which the assessor does not keep detailed information (i.e. square footage, age, and an overall assessor's rating are not kept for mobile homes). This sample of 1,670 residential units also served as the sample for the county household survey on housing conditions and needs.

Tables 3.1 and 3.2 point to the continued dominance of single family units and the city of Rochester in the local housing market. Approximately 5.3 percent of the single family homes are rented. On a county-wide basis 22 percent of all housing units are rentals.

Table 3.1 TYPE OF HOUSING UNIT

<u>Type</u>	<u>Percent of County Units</u>
Single family homes	62.6
Plexes	5.4
Farms	8.0
Mobile homes	5.6
Twin homes	1.1
Townhouses	.9
Condominiums	6.2
Apts with four or more units	9.7
Government housing	.2
Cluster homes	.3
	-----
TOTAL	100.0

\* 1989 housing units total 38,375: 26,763 in Rochester, 3,344 in small cities, 3,807 in suburban townships, and 3,799 in rural townships.

Table 3.2 GEOGRAPHIC LOCATION WITHIN COUNTY

	<u>Percent of County Units</u>
Rochester	69.6
Small cities	8.5
Suburban townships	9.9
Rural townships	12.0
	-----
TOTAL	100.0

Information on "quality" of housing is limited to the assessor's ratings for tax purposes.

The assessor's rating is an overall rating on the condition and size of both the interior and exterior of the unit. The scale ranges from 3.0 to 10.0 with 3.0 being the worst rating. The assessor considers any unit with a rating of 4.0 and less as being substandard. Table 3.3 below identifies only 3.7 percent of all structures as substandard (rating of 4.0 or less).

Table 3.3 ASSESSOR'S RATING OF OLMSTED COUNTY RESIDENTIAL STRUCTURES

<u>Rating</u>	<u>Percent of County Units</u>
3.0	.3
3.5	.3
4.0	3.1
4.5	5.3
5.0	27.9
5.5	20.4
6.0	19.5
6.5	10.8
7.0	8.2
7.5	2.2
8.0	1.7
8.5	.3
	-----
TOTAL	100.0

The following criteria are general measures of substandard conditions. The units listed qualify for substandardness in terms of these measures (see Table 3.4).

Table 3.4 SUBSTANDARD CRITERIA

<u>Criteria</u>	<u>Percent of County Units</u>
Inadequate bathroom	17.3
Gravity or no heat	7.8
Low building value per square foot	2.2
Low building value	1.0
Low total square feet of living space	.5

Olmsted County Housing Stock by Area

A breakdown of housing type and condition by four geographic subareas is provided in Tables 3.5 and 3.6. The same four subareas are used in the housing need survey analysis section of this report. The information in Table 3.5 should be read as 63.7 percent of the units located in Rochester are single family homes not 63.7 percent of Olmsted County's single family units are located in Rochester.

Table 3.5 TYPE OF HOUSING UNIT BY GEOGRAPHIC AREA (in percents)

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>
Single family homes	63.7	82.0	24.3	84.1
Plexes	7.6	1.2	.1	.5
Farms	.0	.1	64.7	2.3
Mobile homes	3.1	11.8	10.7	11.1
Twin homes	1.5	.7	.0	.0
Apts with four or more units	13.5	3.2	.2	.3
Townhouses	1.3	.7	.0	.0
Condominiums	8.7	.3	.0	.6
Government housing	.3	.0	.0	.0
Cluster homes	.2	.0	.0	1.1
	-----	-----	-----	-----
TOTAL	100.0	100.0	100.0	100.0



Mobile homes account for 5.6 percent of the county's housing stock.

The housing supply in townships surrounding Rochester is almost entirely single-family or mobile homes. Mobile homes provide just over 10 percent of the housing supply in all areas outside the city of Rochester and are a significant source of lower cost housing. According to assessor's ratings, Rochester has the lowest percentage of substandard housing; rural townships have the highest.

Table 3.6 ASSESSOR'S RATING BY GEOGRAPHIC SUBAREA ( in percents)

<u>Rating</u>	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>
3.0	.0	.4	1.5	.8
3.5	.0	1.0	.8	.5
4.0	1.4	5.4	9.3	4.1
4.5	2.8	8.8	13.7	6.7
5.0	30.6	13.6	25.9	26.1
5.5	23.0	24.1	12.3	12.4
6.0	19.2	28.6	18.2	15.6
6.5	10.3	13.7	12.4	9.7
7.0	9.5	3.9	3.9	8.7
7.5	1.4	.6	1.1	9.2
8.0	1.8	.0	1.1	3.6
8.5	.0	.0	.0	2.6
TOTAL	100.0	100.0	100.0	100.0

The average assessor's rating of over 5.0 in all parts of the county confirms the belief that the existing housing stock has been well maintained. Only isolated pockets of poor quality units can be found.



In Table 3.7 note that the higher land values in rural townships and suburban areas reflect larger lot sizes as compared to the incorporated areas. The following table summarizes the average value of the 1,670 units by area.

Table 3.7 AREA AVERAGES

<u>Average</u>	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Olmsted County</u>
Assessor's rating	5.71	5.58	5.36	5.86	5.67
Land value	\$17,530	\$10,505	\$35,765	\$20,051	\$19,260
Building value	\$50,129	\$37,590	\$33,795	\$57,595	\$47,841
Year built	1955	1954	1936	1965	1954
Square foot	1,492	1,435	1,529	1,745	1,515

#### B. CHANGES IN HOUSING SUPPLY, 1980-1988

Building permit information is used to document changes and growth for the housing supply since 1980. (See Appendix 2 for descriptions on permit records.) It is assumed that all permits will result in construction. Rural and small cities are analyzed separately from Rochester.

#### Olmsted County (excluding Rochester)

Building permit activity in Olmsted County is the responsibility of the Code Enforcement Division of the Olmsted County Public Works Department. Its jurisdiction includes the unincorporated areas of Olmsted County and the cities under contract to the county which are: Byron, Chatfield, Dover, Eyota, Oronoco, and Stewartville. Information for this report was compiled using the Department's Annual Building Permit Reports for 1980-1988. The city of Pine Island contracted with the county from 1980-1983. Records since that time were obtained through the city's records. The Public Works Department is not responsible for permit activity in the city of Rochester.

The following list summarizes the new residence permit activity in the county, by year, for 1980-1988:

- 1980 Low level of building permits issued. New residence permits down 30 percent from 1979. Changes in the money supply by the federal government brought all types of building to a low level nationally and in the county. Highest activity by subareas:
- Stewartville 31 new units
  - Marion Township 13 new single-family units
  - Kalmar Township 5 new single-family units

- 1981 Overall building activity up 9 percent. New residence permits down 12 percent. Highest activity by subareas:  
 Byron 20 new units  
 Marion Township 20 new single-family units  
 Kalmar Township 6 new single-family units
- 1982 Overall building activity was static. New residence permits increased 17 percent. Highest activity by subareas:  
 Byron 45 new units  
 Marion Township 34 new single-family units  
 Oronoco Township 8 new single-family units
- 1983 Overall building activity up 37 percent. New residence permits increased 76 percent. Highest activity by subareas:  
 Byron 32 new units  
 Marion Township 46 new single-family units  
 Oronoco Township 15 new single-family units
- 1984 Overall building activity down 17 percent, with new residence permits down 19 percent. Highest activity by subareas:  
 Byron 48 new units  
 Marion Township 29 new single-family units  
 Oronoco Township 23 new single-family units
- 1985 Overall building activity up only 3 percent. New residence permits decreased by 12 percent. Highest activity by subareas:  
 Byron 25 new units  
 Marion Township 31 new single-family units  
 Oronoco Township 16 new single-family units
- 1986 Overall building activity up only 1 percent. New residence permits increased 15 percent. Highest activity by subareas:  
 Eyota 28 new units  
 Marion Township 58 new single-family units  
 Oronoco Township 20 new single-family units
- 1987 Overall building activity down 2 percent. New residence permits remained constant from 1986. Highest activity by subareas:  
 Byron 14 new units  
 Marion Township 40 new single-family units  
 Oronoco Township 12 new single-family units
- 1988 Overall building activity up 13 percent. New residence permits increased by 14 percent. Highest activity by subareas:  
 Byron 21 new units  
 Cascade Township 62 new single-family units  
 Oronoco Township 11 new single-family units

In general, over the 1980-1988 period, housing starts in the county have been unstable. Outside incorporated cities, Marion Township has had the highest number of new starts each year with the exception of Cascade Township in 1988. The city of Byron has had the highest number of new housing units each

year with the exception of the city of Stewartville in 1981. Byron has also had the highest number of total new units each year with the exceptions of Stewartville in 1981 and Eyota in 1986.

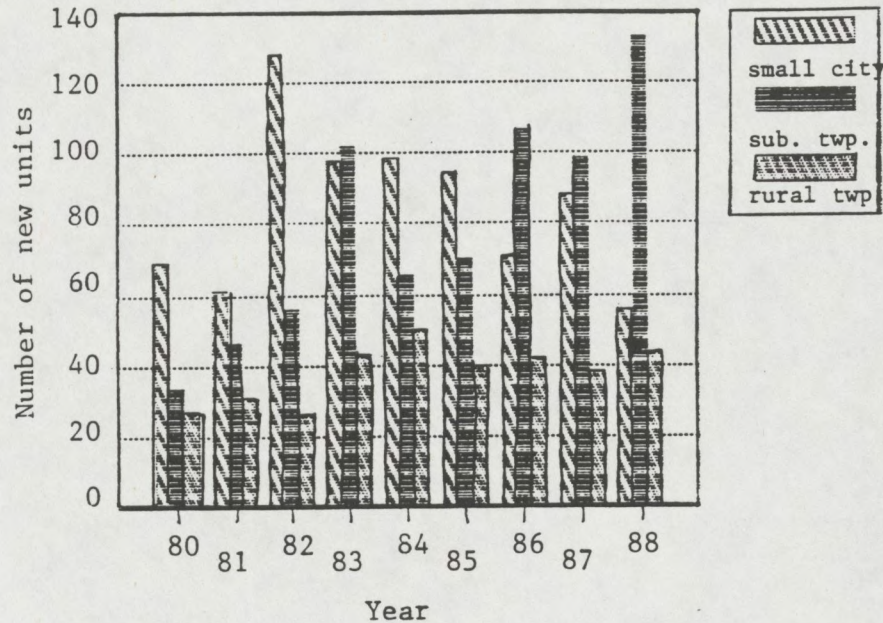
Table 3.8 summarizes the above data by city and townships. Small cities include both single- and multi-family units, the townships include only single-family units.

Table 3.8 NEW HOUSING STARTS FOR OLMSTED TOWNSHIPS AND SMALL CITIES, 1980-1988

	'80	'81	'82	'83	'84	'85	'86	'87	'88	Total
<u>Small Cities</u>										
Byron	13	20	45	32	48	25	11	14	21	229
Chatfield	3	19	8	11	12	5	5	6	0	69
Dover	4	2	3	2	2	1	1	3	2	20
Eyota	9	1	6	8	4	0	28	11	4	71
Oronoco	2	0	1	9	11	11	7	12	3	56
Pine Island	7	1	5	6	3	27	1	27	4	81
St. Charles	0	4	24	9	9	16	5	6	9	82
Stewartville	31	14	36	21	13	10	13	9	13	160
TOTAL	69	61	128	98	99	95	71	88	56	765
<u>Suburban Twp.</u>										
Cascade	7	8	10	23	18	14	23	30	62	195
Haverhill	6	5	4	9	7	11	11	17	14	84
Marion	13	20	34	46	29	31	58	40	41	312
Rochester	7	13	8	24	11	14	15	12	16	120
TOTAL	33	46	56	102	65	70	107	99	133	711
<u>Rural Twp.</u>										
Dover	0	3	1	0	2	0	0	0	0	6
Elmira	1	0	1	0	0	1	0	0	0	3
Eyota	0	0	3	0	0	0	0	0	1	4
Farmington	4	3	1	2	2	2	0	1	0	15
High Forest	1	3	1	2	4	5	5	2	7	30
Kalmar	5	6	2	8	3	1	4	5	9	43
New Haven	3	3	2	3	4	4	3	7	3	32
Orion	0	3	0	1	1	2	2	0	2	11
Oronoco	3	3	8	15	23	16	20	12	11	111
Pleasant Grove	3	2	0	5	5	3	3	6	2	29
Quincy	2	0	1	1	1	0	0	1	1	7
Rock Dell	1	0	1	2	0	1	1	1	2	9
Salem	1	3	3	3	2	5	3	2	4	26
Viola	3	2	2	1	3	0	1	1	2	15
TOTAL	27	31	26	43	50	40	42	38	44	341
GRAND TOTAL	129	138	210	243	214	205	220	225	233	1,817

Figure 3.1 illustrates Table 3.8 for each geographic area in the county.

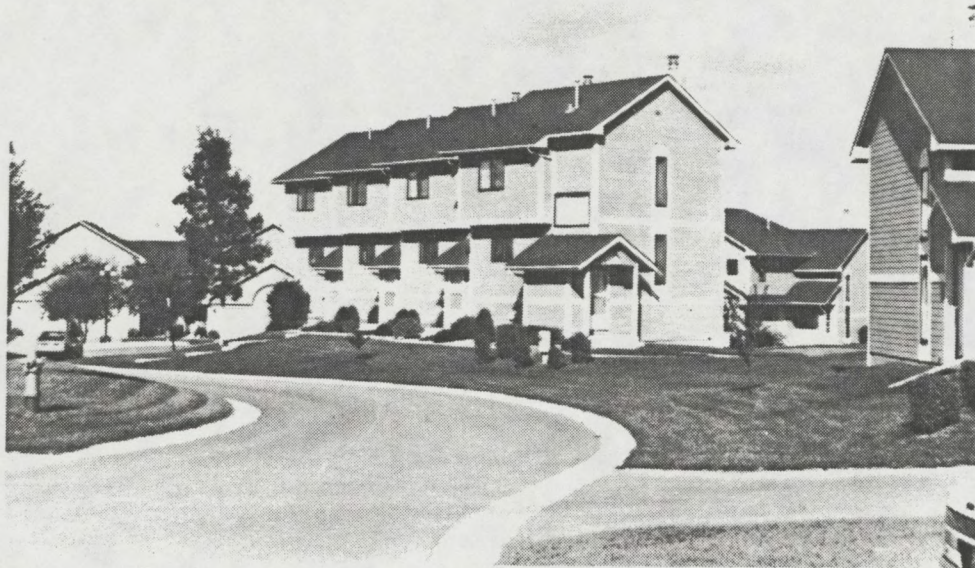
Figure 3.1 NEW HOUSING UNITS BUILT, 1980-1988



In the small cities, 1988 had the lowest increase in new units over the nine-year period with fifty-six new units. The highest activity occurred in 1982 with the addition of 128 new units. In the suburban townships, the lowest new residence activity occurred in 1980 with 33 new units and the highest occurred in 1988 with 133 new units. In the rural townships, the highest new unit increase occurred in 1984 with fifty new units. The lowest new unit activity was twenty-six units in 1983.

Overall, 44 percent of new housing starts were in small cities, compared to 41 percent in suburban townships surrounding Rochester and 15 percent in rural townships. Small cities had a significant market share of new housing starts.

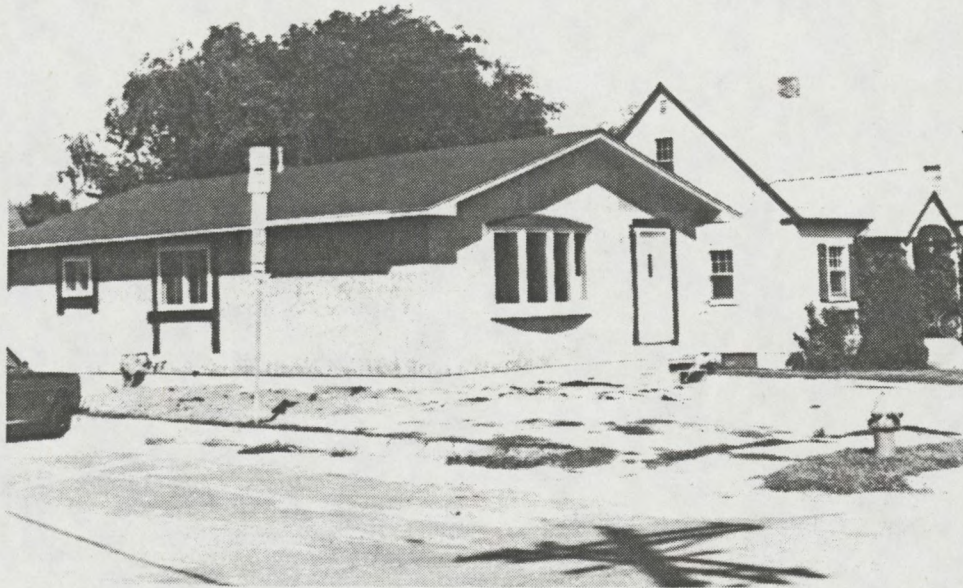
Examples of new housing units built since 1980:



Multi-family townhouse subdivision



Single-family subdivision



Single-family home in Rochester

The City of Rochester

Building permit monitoring for the city of Rochester is the responsibility of the Rochester Building and Safety Department. Information for this report was compiled using the Department's Annual Building Permits Reports for 1980-1988.

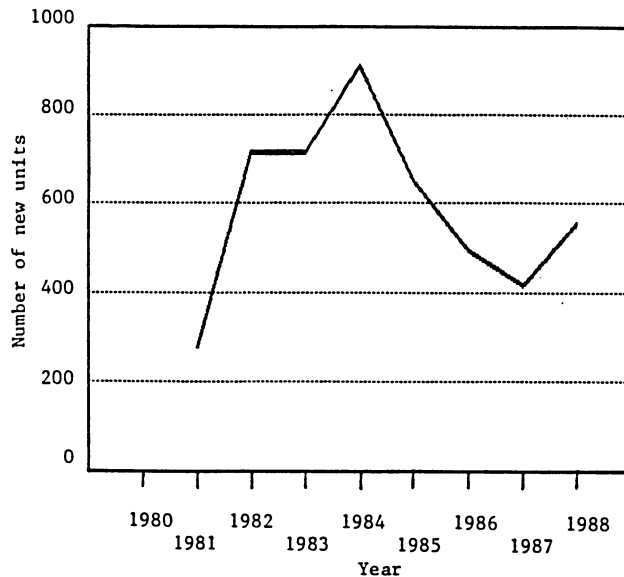
Again, residential permit activity fluctuated wildly over the nine-year period. Table 3.9 summarizes total new residence permits issued and total new units by year. The following data include permits issued for single-family homes, multi-family units, and mobile homes. Single-family homes represented 53.7 percent of total new housing starts in Rochester, 43.2 percent were multi-family units, and 3.1 percent were mobile homes.

Table 3.9 NEW HOUSING UNITS BUILT 1980-1988

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Permits	252	157	317	490	419	405	433	373	488
Total new units	n/a	278	717	715	910	652	496	418	554
Average new units per year: 592.5									

The highest growth occurred between 1982-1984; 1986-1988 were below the average annual increase. Figure 3.2 presents, graphically, the information found in Table 3.9.

Figure 3.2 NEW HOUSING UNITS IN ROCHESTER, 1980-1988



Total Number of Housing Units by Geographic Subareas

This section summarizes cumulative housing units by year for the four geographic subareas of the county and for the county as a whole, 1980-1988. The following numbers compare to the state average growth rate in housing units of 26.4 percent.

Small Cities

Total new housing units	617 units (23% increase)
Average yearly increase	77 units
Largest percent increase in units 1980-88	Byron
Lowest percent increase in units 1980-88	Stewartville

Suburban Townships

Total new housing units	678 units (16% increase)
Average yearly increase	85 units
Largest percent increase in units 1980-88	Cascade Township
Lowest percent increase in units 1980-88	Rochester Township

Rural Townships

Total new housing units	678 units (9% increase)
Average yearly increase	39 units
Largest percent increase in units 1980-88	Oronoco Township
Lowest percent increase in units 1980-88	Elmira Township

Rochester

Total new housing units	4,659 units (21% increase)
Average yearly increase	582 units

During the period of 1980-1988, Olmsted County increased its housing supply by 6,268 housing units, a 19 percent increase. The average increase per year for the county was 784 units. The county had a below average increase in housing units compared to the 26.4 percent state average. Figure 3.3 illustrates total housing units for all areas of the county for 1980-1988.

Figure 3.3 TOTAL HOUSING UNITS BY AREA, 1980-1988

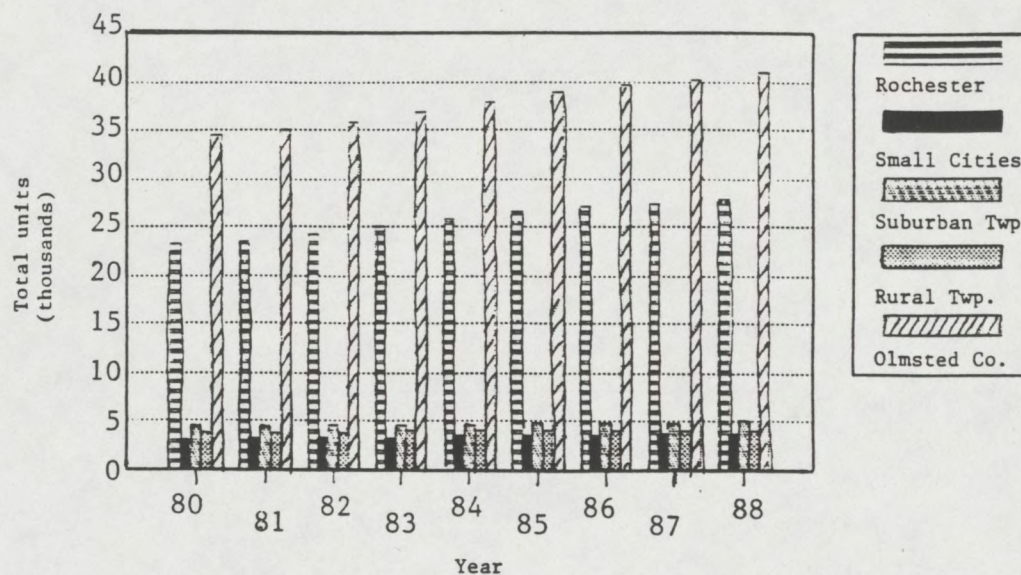


Table 3.10 and Figure 3.4 indicate the share of total county housing units that each subarea represents for both 1980 and 1988. Clearly, no major changes have occurred.

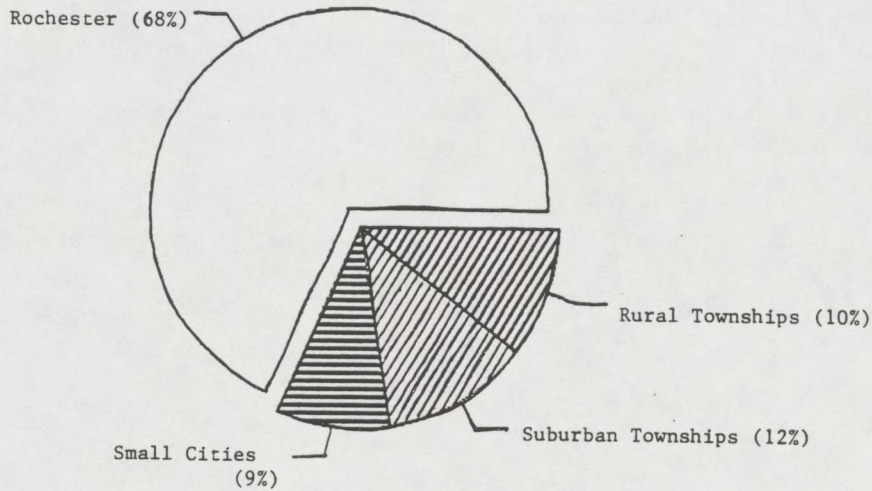
Table 3.10 SUBAREA PERCENTS OF TOTAL COUNTY UNITS

	1980 Census		1988 (current est.)		Percent Change 1980-1988
Rochester	23,105	(67%)*	28,001	(68%)	+21
Small cities	3,040	( 9%)	3,726	( 9%)	+23
Suburban twp	4,334	(13%)	5,045	(12%)	+16
Rural twp	3,799	(11%)	4,140	(10%)	+9
County Totals	34,278		40,912		+19

\* Percent of total county units in parentheses, percent totals may not add up to 100 due to rounding errors.



Figure 3.4 SUBAREA PERCENTS OF TOTAL COUNTY UNITS, 1988



Rental Unit Activity in Rochester

The only rental unit records available for Olmsted County are kept at the Rochester Building and Safety Department, which is responsible only for rental units in the city. The following data include rental single-family homes, multi-family units, apartments, and rooming units. The following information was compiled using the department's Annual Reports of Rental Property for 1980-1989.

Table 3.11 TOTAL RENTAL UNITS IN ROCHESTER, 1980-1988

	'80	'81	'82	'83	'84	'85	'86	'87	'88	'89
Total rental units	8,506	8,740	8,890	8,996	9,276	9,403	9,392	9,615	9,616	9,503
Change in number of units	n/a	+234	+150	+106	+280	+127	-11	+223	+1	-113
Percent of city housing stock	36%	37%	36%	36%	36%	35%	35%	35%	34%	n/a

The total number of rental units increased 997 units, or 12 percent, between 1980-1989, with an average per year increase of 111 rental units. Since 1985, total rental units have remained stable or declined with the exception of an increase in 1987. There has been a rather slow rental unit growth rate throughout the 1980s, with the highest percent increase of 3 percent in 1981 and 1984.

## Conclusions

- There has been no major shift in the share of housing in each of the four geographical subareas. There was a slight increase in the concentration of housing in Rochester from 67 percent to 68 percent.
- There has been strong residential growth in the county, primarily single-family homes, including smaller cities and the suburban fringes.
- 4,896 of the 6,632 unit increase (or 74 percent) in total county housing units between 1980-1988 were located in Rochester.
- The supply for rental housing units has become increasingly limited.

## C. ANALYSIS OF SUBSTANDARD HOUSING

### Approach

The analysis of substandard housing in the county is based on the presence of one or more of six criteria. The values were discussed with the county assessor's staff and agreement reached that presence of the first five and a final grading of 4.0 are good indicators of less than top quality housing. To be classed as "substandard" a dwelling had to meet at least one of the following criteria:

- Inadequate bath (less than 3/4 bath).
- Gravity heat or no heat.
- Building value per square foot less than \$20/square foot for non-farm properties and less than \$12/square foot for farm properties.
- Total unit value less than \$15,000 for non-farm properties and less than \$9,000 for farms.
- Total living space less than 400 square feet.
- Tax assessor's grade of 4.0 or less.



Examples of Rochester homes that meet substandard criteria.

### Results

The above method resulted in the identification of 2,789 substandard buildings, 7 percent of the total residential structures in the county. By the above criteria, the breakdown is as follows:

- 218 (8%) met criteria 1 (inadequate bath)
- 1,506 (54%) met criteria 2 (gravity or no heat)
- 867 (31%) met criteria 3 (low building value)
- 441 (16%) met criteria 4 (low total value)
- 33 (1%) met criteria 5 (<400 square feet)
- 925 (33%) met criteria 6 (grade of 4 or less)

Most of the criteria variables seem to be independent of each other as a correlation matrix (see Appendix 3) shows little correlation between the different variables. This means that the measures chosen to identify substandardness are not duplicative and that the substandard dwellings chosen do not have identical characteristics.

Both small cities and rural areas have a concentration of poorer quality units higher than their share of total housing stock.

- Rochester: 1,465 units (53% of substandard units and 69% of total housing units).
- Suburban townships: 82 units (3% of substandard units and 10% of total housing units).
- Small cities: 372 units (13% of substandard units and 9% of total housing units).

- Rural townships: 870 units (31% of substandard units and 12% of total housing units).

Plexes have proportionately double the rate of substandard units as compared with their share of total stock. Farm dwellings are three times more likely to be substandard than their share of the housing stock would indicate.

- Single-family homes: 1,792 units (64% of substandard units).
- Plexes: 335 units (12% of substandard units).
- Farms: 643 units (23% of substandard units and 8% of total housing units).
- Other: 4 units (1% of substandard units).

One out of every five substandard units was built before 1900; eight out of ten are at least fifty years old.

- Built before 1900 (20% of substandard units).
- Built before 1939 (82% of substandard units).

"Threshold analysis" was carried out to determine the extent to which a housing unit's poorer quality is a function of the number of criteria met by a single unit. Findings from this analysis and a description of the methodology are in Appendix 3. In effect, this more sophisticated analysis did not alter the basic conclusion that the poorer quality units are mainly found in smaller cities and rural communities, and that farmhouses are more likely than other types of units to be of poorer quality.

Validation of the appropriateness of the criteria to identify substandard dwellings was carried out with a field check on a randomly selected sub-sample of 49 of the 2,789 units. The field inspection applied criteria used by public employees in their inspections: the soundness of the foundation, stairs and porches, exterior condition, roof, and yard.

#### Findings

- Overall, there was only moderate correlation between degree of substandardness as measured by the assessor's data and as measured by the field inspection. This correlation may have been affected, however, by the fact that the computer selected housing units based on internal qualities while the field inspection only measured exterior housing characteristics.
- Individual correlations between criterion 1 (inadequate bath) and 6 (assessor's grade of less than 4) and each of the five field inspection characteristics were low. But correlation between the total score on six criteria and total score on five field inspection characteristics was positive and moderate and indicated that the dwellings chosen as substandard by the assessor's records were also viewed in the field check to have characteristics of substandardness (.21 ( $p < .10$ ) ( $n=49$ )).

- Substandard housing is not a critical concern in Olmsted County given that just under 1 percent of the stock is rated without heat and is rated as "worst condition." These 320 units, however, can become blighting influences and it is inappropriate to have households living in units without heat.

D. SUPPLY PROVIDED THROUGH THE ROCHESTER HOUSING AND REDEVELOPMENT AUTHORITY (HRA)

The Rochester Housing and Redevelopment Authority (HRA) was established in 1971 for the purpose of developing and operating a number of state and federal low and moderate income housing programs.\* The HRA operates five different housing rehabilitation programs, the Community Development Block Grant program (CDBG) for the City of Rochester and smaller cities in the county, an urban homesteading program, and three rental assistance programs.

The HRA has three rental assistance programs: Low Income Public Housing, Section 8 certificates/vouchers, and a Single Persons Program. Section 8 is a federal housing subsidy program designed to keep residents' rents at 30 percent of their income levels. Each has specific qualifications and application procedures. This report summarizes the HRA's current supply and demand for its rental assistance programs. In addition, a summary of the HRA's rehabilitation and homeownership programs is offered.

Public Housing

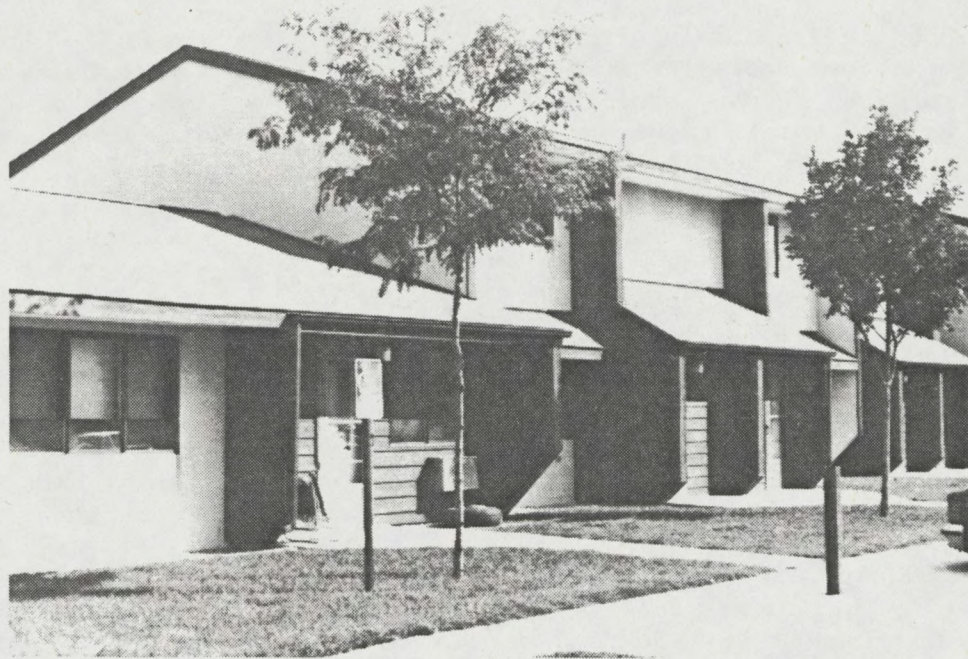
The HRA owns and manages three 30-unit housing complexes. The rent is based on 30 percent of adjusted monthly income less a utility allowance that is determined by the HRA. In 1988, the average rent paid by a household was \$107. The average HRA subsidy per unit was \$102.

Table 3.12 PUBLIC HOUSING SUPPLY

HRA	Number of Bedrooms						Total units	
	0	1	2	3	4	5		
Units funded:	0	0	51	26	4	0	9	90

\* Handicapped-accessible.

\* The Olmsted County HRA was re-established in 1981, but has remained dormant since its creation. The Rochester HRA has started to extend some of its housing programs to smaller cities throughout the county. Thus, for now, the Olmsted County HRA is likely to remain inactive with the Rochester HRA continuing to administer housing programs both in the city of Rochester and in smaller cities of the county. There have been recent efforts to change the name from Rochester HRA to Olmsted County HRA to more accurately describe the distribution of services.



HRA's public housing complex.

Section 8 Certificates and Vouchers

With a certificate, the rental unit must fit within certain rent limits called fair market rents (FMRs)\* and also include an allowance for each utility paid by the participant. The utility allowance varies and is determined by the HRA according to type of unit, bedroom size, and type of appliances in the unit. FMRs are determined by HUD and are adjusted each year.

Table 3.13 FAIR MARKET RENTS FOR SECTION 8 UNITS

FMRs	Number of Bedrooms					
	0	1	2	3	4	5
Oct. 1988	\$313	380	448	560	627	721
Oct. 1989	\$322	391	461	576	645	742

\* FMRs are calculated by using the rent below which 45 percent of the standard quality rental housing units are distributed. For every bedroom over four, add 15 percent to the four-bedroom FMR. FMRs include utilities paid by the tenants. With the certificate the participant will not pay more than 30 percent of their adjusted monthly income towards the rent. The HRA will pay the balance. In 1988, the average HRA expenditure per unit was \$351.

With a voucher, the participant may rent a unit with rent higher than the FMR previously mentioned. Unlike the certificate, the amount to be paid by the HRA is determined first (based on income). The average HRA expenditure per unit in 1988 was \$412. The participant then pays the difference of the rent on the unit and the HRA subsidy. This can be more or less than 30 percent of their income depending on the rent for the unit. There is no limit as to how high the rent can be.

Table 3.14 SECTION 8 HOUSING SUPPLY 1989

<u>Supply Funded</u>	<u>Number of Bedrooms</u>						<u>hcp*</u>	<u>Total</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>		
Certificates	0	41	63	39	6	1	0	150
Vouchers	0	34	59	51	10	3	0	157

\*Handicapped-accessible.

There is no designated list of the buildings currently participating. This list is subject to change depending on the owner/manager's willingness to continue to participate.

Qualifying applicants for Section 8 and public housing are:

- two or more persons sharing residency who are related or have evidence of a stable family relationship;
- an elderly family whose head or spouse or sole member is 62 years of age or older;
- a handicapped person;
- a disabled person;
- below HUD limits for annual gross income.

#### Single Persons Units

The HRA owns a triplex which allows single persons who are ineligible for Section 8 or Public Housing to receive rental assistance. Qualifying applicants are:

- single persons who will live alone;
- not handicapped;
- not disabled;
- under the age of 65;
- below HUD limits for annual gross income.

The rent is based on 30 percent of adjusted monthly income less a utility allowance that is determined by the HRA.

All rental assistance program units are currently occupied.



HRA's single persons triplex.

Rehabilitation and Home Ownership Subsidies

In 1988, the Rochester HRA assisted 122 units in 64 properties through rehabilitation programs. A total of \$1,084,183 was allocated, including \$337,909 from HRA sources. The program's renovation costs per unit averaged \$15,414. Funding came from HUD and MHFA in the following program allotments:

Table 3.15 SOURCES AND ALLOCATION OF SUBSIDIES, 1988

<u>Agency</u>	<u>Program</u>	<u>Allocation</u>	<u>Number of Units</u>
MHFA	Home loan	\$ 110,037	19
	Rental grant	189,138	63
	Single persons	35,000	3
HUD	CDBG	\$ 208,236	15
	Section 312	134,000	4
	Rental grant	69,863	18
	Downtown commercial	0	0
	TOTAL	\$746,274	122

The home ownership program is funded only by the HUD-Urban Home program, and is not supplemented by HRA dollars. Four homes were funded by this program in 1988 at an average subsidy of \$33,093.



Waiting Lists

The HRA has waiting lists for all three programs, but there is no way to determine how soon assistance will be offered to applicants. Applicants are told to expect roughly a one-year to eighteen-month wait for Section 8 housing, a six-month wait for two-bedroom public housing, and a one-year wait for three- and four-bedroom public housing. (See also Table 4.5, pg. 38, for privately-owned subsidized housing.)

Table 3.16 HRA WAITING LISTS, June 1989

	<u>Number of Bedrooms</u>					<u>hcp*</u>	<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>		
Public housing	na	47	32	15	na	(9)	94**
Section 8	70	104	68	14	4	na	260**
Single persons	8						<u>8</u>
							362

\* Handicapped-accessible.

\*\* Of the 94 public housing applicants, 81 are also waiting for Section 8 housing. Of the 260 Section 8 applicants, 79 are also waiting for public housing.

NOTES FOR TABLE 3.16: For the public housing and Section 8 programs the application process is open from the first to the seventh of each month. These names are added to the list monthly if they meet qualifications. The applicants are contacted when they reach the top of the list. If they decline assistance, it is only at this time that their names can be removed from the waiting list. Applicants are re-verified every year if the lists are long. The Single Persons Program is open to applicants for one day only due to low number of available units and low turnover rates.

Information and trend analyses are difficult to compile. Virtually every aspect of the administration of the rental assistance programs has been changed in the past two years. The HRA has not always been required to keep records on waiting lists and turnover rates throughout the years. Also, both procedures and qualifications have not remained consistent. The most recent change was in July of 1988 when preference points were established for applicants (must be paying 50 percent or more of monthly income for housing, living in a substandard unit, or have been involuntarily displaced). The applicant receives points for every preference that applies. Once an applicant qualifies, these preferences are used in selecting applicants. This is in addition to existing qualifications. Again, complete records since that time do not exist.

### Future Supply

No proposals exist to increase the supply of public housing. The housing supervisor has indicated that in the future, scattered-site units will be developed instead of cluster housing complexes if funds to expand come through. It appears as though there will be no increase in Section 8 certificates for two reasons--it is hard to find available units at FMRs and participants have responded more positively to vouchers. The city has just been notified that it will receive an additional 150 vouchers. At the time of this report, it is unknown exactly when the vouchers will be available. According to the supervisor, the greatest increase of funds will be in the area of the rental and other rehabilitation programs.

### E. HOUSING SUPPLY FOR SPECIAL-NEEDS POPULATIONS

The availability of affordable housing is often discussed in relation to special-needs populations--groups who, for one reason or another, are categorially unable to compete equally on the private housing market. This study explores the special housing markets for the homeless, the mentally retarded, the mentally ill, the physically handicapped, the chemically dependent, battered women, youth, the elderly, refugees, and public assistance clients.

A full analysis of the unique needs and markets can be found in the demand section of this report. However, for purposes of summarizing the supply of available housing for these groups, the following table (Table 3.17) is provided. Note that government-subsidized housing units are not included.

Table 3.17 HOUSING SUPPLY FOR SPECIAL NEEDS GROUP

<u>Special-Needs Group</u>	<u>Housing Provider</u>	<u>Units Available</u>
Homeless (p. 78)	Dorothy Day Center	17
	The Salvation Army	none--but 1,270 funded for shelter
Youth (p. 79)	Omnia Family Services	21 beds
	Olmsted County	75 foster homes
	Zumbro Valley Mental Health Center	2-4
Battered women (p. 80)	Women's Shelter	22 beds
	Women's Transitional Housing	22 beds
Mentally ill (p. 81)	Thomas Group	59
	Zumbro Valley Mental Health Center	6
Mentally retarded (p. 82)	Bear Creek Services	30
	Byron Group Homes	4
	REM	60
	Woodvale SILS	9
	Hiawatha Homes	72
Physically disabled (p. 83)	Newbridge	41
Chemically dependent (p. 84)	Cronin Homes	25
	Carillion Homes	18
	Grey Gables	30
	Linley House	10
	Zumbro Valley Mental Health Center	16
The elderly (pp. 85-86)	Madonna Towers	140
	Charter House	289
	Town Hall Estates	80
	Samaritan Bethany Manor	86
	Maples Apartments	17
	Share-A-Home	22-35
	Nursing homes throughout county	813
Refugees (pp. 87-88)	none	0
Public assistance clients (pp. 88)	none	0



#### IV. SUBSIDIZED HOUSING DATA BASE

This section of the report documents the current supply of public housing and housing that is privately owned but which receives some public subsidy. Changes to the supply during the 1980s are listed and it will become increasingly important to protect this supply as the key resource for housing lower income households. The inventory is on a computerized database and thus can be manipulated on any of the listed variables.

##### A. ASSISTED HOUSING PRIOR TO 1980

Prior to 1980, 795 assisted housing units were provided in Olmsted County. This included 61 units of public housing. The vast majority of these units were located in Rochester (696) and almost 60 percent were intended for elderly occupancy. The remaining 325 units were for family occupancy. A detailed breakdown of this supply is listed in Table 4.1.

Table 4.1 ASSISTED HOUSING INVENTORY PRIOR TO 1980

	<u>Total</u>	<u>Elderly</u>	<u>Non-Elderly</u>	
			<u>Private Housing</u>	<u>Public Housing</u>
Rochester	696	462	234	61
Olmsted County	38	8	30	0
	—	—	—	—
TOTAL	795	470	264	61

SOURCE: Department of Housing and Urban Development, *Analysis of the Rochester, Minnesota Housing Market as of June 1, 1981*.

Table 4.2 gives more specific information on each of the projects, all of which were constructed during the 1970s.

Table 4.2 ASSISTED HOUSING INVENTORY IN OLMSTED COUNTY, PRE-1980

A. CITY OF ROCHESTER

<u>Program</u>	<u>Year of Occupancy</u>	<u>Project Name</u>	<u>Units</u>		
			<u>Total</u>	<u>Elderly</u>	<u>Non-Elderly</u>
LRPH*	pre-const.	P151-002	31	0	31
	pre-const.	P151-003	30	0	30
236	1972	Rochester Square	104	45	59
	1975	Rochester Villa	151	54	97
	1974	Park Towers	180	180	0
Section 8 existing	1976	E151-001	60	15	45
	1978	E151-002	50	17	33
MHFA	1978	Northgate	151	151	0
TOTAL			757	462	295

B. BALANCE OF COUNTY

<u>Program</u>	<u>Year of Occupancy</u>	<u>Project Name</u>	<u>Units</u>		
			<u>Total</u>	<u>Elderly</u>	<u>Non-Elderly</u>
<u>Stewartville</u>					
2nd(NOFA)	1978	0002-034 Eastside Village	30	0	30
<u>Eyota</u>					
515 (FmHA)		Eyota Project	8	8	0
TOTAL			38	8	30

\* Low rent public housing.

## B. GROWTH IN SUPPLY SINCE 1980

In the 1981 Housing Plan, one of the target future objectives was to provide a total of 3,906 assisted housing units for low and moderate income households. Specifically, these units would be divided up in the following manner.

- 2,020 new construction Section 8 or public housing units would be created, chiefly for elderly households.
- 948 Section 8 vouchers or certificates would be extended for use in existing housing units. These would primarily go to non-elderly households without children.
- 948 mobile homes would be made available through a mobile home ownership assistance program, chiefly for non-elderly households with children.

In actuality, in the years between 1980 and 1989 only 919 additional assisted units were provided, bringing the total to 1,624 subsidized housing units in Olmsted County. In this time period, 248 additional units for elderly persons and 671 for non-elderly households were created, with 29 public housing units for families also developed.

Table 4.3 ASSISTED HOUSING INVENTORY, 1989

	<u>Total</u>	<u>Elderly</u>	<u>Non-Elderly</u>	
			<u>Private Housing</u>	<u>Public Housing</u>
Rochester	1,311	546	765	90
Olmsted County	313	172	141	0
	—	—	—	—
TOTAL	1,624	718	906	90

Currently, 44 percent of the total subsidized housing units are designated for elderly occupancy, and 906 (56 percent) are intended for either families, the handicapped, or for mixed usage by tenant types.

The 1988 publication *Sooner or Later...The Disappearance of Federally Subsidized Low Income Rental Housing in Minnesota* (Minnesota Housing Project) gives the following information for specific mortgage and rental subsidies (Table 4.4). Note, however, that 577 of these units have *both* rental and mortgage subsidies available. Also, *Sooner or Later* totals do not include public housing. These facts account for the disparity in totals between Tables 4.3 and 4.4.

Table 4.4 UNITS AFFECTED BY MAJOR PROVIDERS OF MORTGAGE ASSISTANCE AND RENTAL ASSISTANCE IN OLMSTED COUNTY

	<u>MHFA</u>	<u>FmHA</u>	<u>HUD</u>	<u>Total</u>
Mortgage	547	163	705	1,415
Rental	547	55	293	895

Source: *Sooner or Later...*, Minnesota Housing Project, 1988.

Major cutbacks in federally funded housing occurred in the 1980s. Fewer new units have been built, which is significant because most of the existing stock is "at risk" in the 1990s (since developers have the option of returning units to the private market upon expiration of their subsidized term). As a result, more pressure is placed on nonprofits, foundations, churches, corporations, and local government to find creative new solutions in housing low- and moderate-income households.

### Conclusions

- The number of subsidized units has risen by over 100 percent since 1980, but only 42 percent of the target objective has, in the 1981 Housing Plan, been met during this time period.
- The number of assisted units for elderly persons rose by 52 percent between 1980 and 1989, but only 12 percent of the target objective for this category has been met.
- The number of units for non-elderly households has risen by 243 percent in this nine-year span, but only 34 percent of the target objective of 1,896 additional units for non-elderly households with and without children has been met.

### C. DATABASE OF SUBSIDIZED HOUSING

A database covering the subsidized housing in the county has been developed, using Framework software, which can be translated into other common languages, including dBase IV. The following tables (Tables 4.5 through 4.9) illustrate how the information can be manipulated. The database can be organized by community, target population groups, number of bedrooms in units, and rent level.

A routinely maintained database is recommended in order to keep track of the supply in comparison with documented need. Several city and county agencies have expressed interest in this information and thus it may be appropriate for a public agency to take responsibility for keeping the information current.



### Findings on Size of Inventory

A total of 1,624 subsidized units, or 4 percent of total stock, were counted in Olmsted County. If properties in towns straddling the border are included, the total is 1,751. Eighty percent of these units (1,311) are in Rochester, and 20 percent (313) are found in the county's small cities and rural areas. Single bedroom units, of which there are 1,127, account for 69 percent of the county's total. There is no significant difference in the percentage of single bedroom units between Rochester and outlying areas (a 2 percent difference).

Only four four-bedroom units are available in the county. Combined with the ninety-four three-bedroom units available, three- and four-bedroom units make up only 5 percent of all subsidized rental housing (housing found through voucher and certificate programs excluded). Outside of Rochester, three- and four-bedroom units make up less than 2 percent of the supply. Ninety-four percent of these large units (three- and four-bedroom) are in Rochester.

Hylands has the most three bedroom units, with thirty-two, followed by Eastridge Estates with eighteen, and Innsbruck with twelve. Public housing as a whole provides twenty-six three-bedroom units, or 28 percent of the county's supply. Out of all three- and four-bedroom units in the county, public housing provides 31 percent (thirty units). The only four-bedroom subsidized units in the county are in public housing.

The implications for large low-income families in Olmsted County are clear: only ninety-eight households will find subsidized units, and those who do have a 31 percent chance of being in a public housing project. These figures may have especially strong bearing on the situation of refugee families in Rochester. Having larger families and a greater likelihood of transitional welfare needs (including housing), it is probable that refugees will continue to experience geographic and social isolation due to the makeup of the subsidized housing market.

Subsidized  
apartment  
building in  
Rochester.



Table 4.5 1989 INVENTORY OF SUBSIDIZED HOUSING

Project Name	Address	City	Primary Tenant Type	Total Units Subsidized	Waiting List Information			Primary Subsidy	Other Subsidy
					Number	Time	Turnover Rate		
<b>ROCHESTER</b>									
Center Street House (pub. hsg)	504 W. Center St.	Rochester	Singles	3	8			Public housing	--
Central Towers	200 1st Ave. NW	Rochester	Elderly	105	50		10-12/year	Sect. 8 new constr.	--
Eastridge Estates	2001-2022 17th St. SE	Rochester	Mixed	126	25	6 months	4/month	Sect. 236 new constr.	Sect. 8 (50 units)
Fontaine Towers	102 2nd Street SE	Rochester	Elderly	150	100	3-4 years	15/year	Sect. 8 new constr.	--
Homestead Green (pub. housing)	1716 B-1/2 St. SE	Rochester	Family	30	104	1 year	7/year	Public housing	--
Homestead Terrace (pub. hsg.)	950 16th Ave. SE	Rochester	Family	30	104	1 year	7/year	Public housing	--
Hylands	2800 Charles Court NW	Rochester	Family	100	200			Sect. 8 new constr.	--
Innsbruck	1510-1570 50th St. NW	Rochester	Family	40		2-6 months		Sect. 8 new constr.	--
Newbridge	1st Ave. and 4th St. NW	Rochester	Handicapped	41	80		4/year	Sect. 8 handicapped	Sect. 202
Northgate Plaza	902 11th Ave. NW	Rochester	Elderly	150	150		20/year	Sect. 8 new constr.	--
Park Place	1903 17th St. SE	Rochester	Mixed	72		1 month		Sect. 221d3	--
Park Towers	22 North Broadway	Rochester	Elderly	180		10 months		Sect. 236	Sect. 8 (129 units)
Rochester Square	310 31st St. NE	Rochester	Mixed	104		1-2 years		Sect. 236	Sect. 8 (41 units)
Summit Square Manor	936 41st St. NW	Rochester	Mixed	150	none kept	none kept	none kept	Sect. 221d3	Sect. 8 (8 units)
Westwood (pub. hsg.)	3707-3758 8th St. NW	Rochester	Family	30	104	1 year	7/year	Public housing	--
				1311					
<b>SMALL CITY/RURAL</b>									
Rolling Heights Village	703-707 1st Ave NE	Byron	Elderly	16	4		2/year	Sect. 515	FmHA Rental Assncc
Villa Grande Apartments	109-113 7th St. NE	Byron	Family	24			1-2/month	Sect. 515	--
Chelsea Circle Apartments	701 and 705 3rd Ave. NE	Byron	Family	24			1-2/month	Sect. 515	--
Lakewood	420 Bench Street	Chatfield	Elderly	24			1-2/year	Sect. 202	Sect. 8 new constr.
Eyota Manor Apartments (Family)	411 West 2nd St.	Eyota	Family	12	19			Sect. 515	--
Eyota Manor Apartments (Seniors)	319 West 2nd St.	Eyota	Elderly	12				unknown	--
Ralex Apartments (Eyota)	111 North Madison Ave.	Eyota	Mixed	8	10			unknown	--
Halter Center	1st Ave. and 4th St. SE	Pine Island	Elderly	23	34		1/year	Sect. 515	--
Plainview Senior Housing	800 2nd Ave NW	Plainview	Elderly	40	8	8 months		Sect. 202	Sect. 8 new const.
Downtown II	106 4th St. NE	Stewartville	Elderly	35	35			Sect. 515	--
Eastside Village Apartments	111 2nd St. SE	Stewartville	Mixed	30	57			Sect. 8 new constr.	--
Ralex Apartments (Stewartville)	801 6th St. NE	Stewartville	Mixed	8				unknown	--
Stewartville Senior Housing	125 2nd Ave. NE	Stewartville	Elderly	32	30		3/year	Sect. 202	Sect. 8 new constr.
Stewartville Properties	206 6th St. SE	Stewartville	Family	25	12			Sect. 515	--
				313					
<b>BORDER CITIES</b>									
Homestead Apartments	815 Grand	Chatfield	Mixed	8	1			FHA	--
Main Street Apartments	714-724 S. Main	Chatfield	Mixed	15	2			FHA	Sect. 8 new constr.
Fox Meadows	600 North Main	Pine Island	Mixed	32	12	2 years		Sect. 515	Sect. 8 new constr.
Knollwood Apartments	507 5th Street SW	Pine Island	Mixed	24				Sect. 515	--
unnamed	5th St. NE	Plainview	Mixed	24	unknown			Sect. 515	--
unnamed	unknown	St. Charles	Mixed	24	unknown			Sect. 515	--
				127					

Table 4.6 A DATABASE FOR SUBSIDIZED HOUSING

Project Name	City	Total # of units per facility				One Bedroom Units				Two Bedroom Units				Three Bedroom Units				Four Bedroom Units			
		Mixed	Family	Elderly	Mndcpd Total	Mixed	Family	Elderly	Mndcpd Total	Mixed	Family	Elderly	Mndcpd Total	Mixed	Family	Elderly	Mndcpd Total	Mixed	Family	Elderly	Mndcpd Total
<b>ROCHESTER</b>																					
Eastridge Estates	Rochester	114	0	0	12 126	50	0	0	4 54	50	0	0	4 54	14	0	0	4 18	0	0	0	0 0
Homestead Terrace (MRA)	Rochester	0	27	0	3 30	0	0	0	0 0	0	15	0	3 18	0	10	0	0 10	0	2	0	0 2
Center Street House (MRA)	Rochester	3	0	0	0 3	3	0	0	0 3	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Rochester Square	Rochester	74	0	0	30 104	38	0	0	12 50	36	0	0	18 54	0	0	0	0 0	0	0	0	0 0
Park Place	Rochester	69	0	0	3 72	69	0	0	3 72	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Innsbruck	Rochester	0	38	0	2 40	0	0	0	0 0	0	26	0	2 28	0	12	0	0 12	0	0	0	0 0
Nylands	Rochester	0	92	0	8 100	0	0	0	6 6	0	60	0	2 62	0	32	0	0 32	0	0	0	0 0
Central Towers	Rochester	0	0	100	5 105	0	0	91	5 96	0	0	9	0 9	0	0	0	0 0	0	0	0	0 0
Fontaine Towers	Rochester	0	0	142	8 150	0	0	142	8 150	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Northgate Plaza	Rochester	0	0	142	8 150	0	0	142	8 150	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Newbridge	Rochester	0	0	0	41 41	0	0	0	30 30	0	0	0	11 11	0	0	0	0 0	0	0	0	0 0
Park Towers	Rochester	0	0	162	18 180	0	0	162	18 180	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Summit Square Manor	Rochester	142	0	0	8 150	103	0	0	8 111	39	0	0	0 39	0	0	0	0 0	0	0	0	0 0
Westwood (MRA)	Rochester	0	27	0	3 30	0	0	0	0 0	0	21	0	3 24	0	6	0	0 6	0	0	0	0 0
Homestead Green (MRA)	Rochester	0	27	0	3 30	0	0	0	0 0	0	15	0	3 18	0	10	0	0 10	0	2	0	0 2
<b>TOTAL</b>		<b>402</b>	<b>211</b>	<b>566</b>	<b>152 1311</b>	<b>263</b>	<b>0</b>	<b>537</b>	<b>102 902</b>	<b>125</b>	<b>137</b>	<b>9</b>	<b>46 317</b>	<b>14</b>	<b>70</b>	<b>0</b>	<b>4 88</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0 4</b>
<b>SMALL CITY/RURAL</b>																					
Rolling Heights Village	Byron	0	0	15	1 16	0	0	11	1 12	0	0	4	0 4	0	0	0	0 0	0	0	0	0 0
Villa Grande Apartments	Byron	0	22	0	2 24	0	6	0	2 8	0	16	0	0 16	0	0	0	0 0	0	0	0	0 0
Chelsea Circle Apartments	Byron	0	22	0	2 24	0	4	0	2 6	0	18	0	0 18	0	0	0	0 0	0	0	0	0 0
Lakewood	Chatfield	0	0	24	0 24	0	0	24	0 24	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Rales Apartments (Eyota)	Eyota	7	0	0	1 8	0	0	0	1 1	7	0	0	0 7	0	0	0	0 0	0	0	0	0 0
Eyota Manor Apartments (Family)	Eyota	0	12	0	0 12	0	5	0	0 5	0	5	0	0 5	0	2	0	0 2	0	0	0	0 0
Eyota Manor Apartments (Seniors)	Eyota	0	0	11	1 12	0	0	10	1 11	0	0	1	0 1	0	0	0	0 0	0	0	0	0 0
Melter Center	Pine Island	0	0	22	1 23	0	0	20	1 21	0	0	2	0 2	0	0	0	0 0	0	0	0	0 0
Plainview Senior Housing	Plainview	0	0	36	4 40	0	0	36	4 40	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Stewartville Senior Housing	Stewartville	0	0	30	2 32	0	0	30	2 32	0	0	0	0 0	0	0	0	0 0	0	0	0	0 0
Eastside Village Apartments	Stewartville	29	0	0	1 30	15	0	0	1 16	10	0	0	0 10	4	0	0	0 4	0	0	0	0 0
Downtown II	Stewartville	0	0	34	1 35	0	0	30	1 31	0	0	4	0 4	0	0	0	0 0	0	0	0	0 0
Rales Apartments (Stewartville)	Stewartville	7	0	0	1 8	0	0	0	1 1	7	0	0	0 7	0	0	0	0 0	0	0	0	0 0
Stewartville Properties	Stewartville	0	26	0	1 25	0	16	0	1 17	0	8	0	0 8	0	0	0	0 0	0	0	0	0 0
<b>TOTAL</b>		<b>43</b>	<b>80</b>	<b>172</b>	<b>18 513</b>	<b>15</b>	<b>31</b>	<b>161</b>	<b>18 225</b>	<b>24</b>	<b>47</b>	<b>11</b>	<b>0 82</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0 6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0</b>
<b>BORDER CITIES</b>																					
Unnamed	St. Charles	24	0	0	0 24	3	0	0	0 3	21	0	0	0 21	0	0	0	0 0	0	0	0	0 0
Unnamed	Plainview	22	0	0	2 24	4	0	0	2 6	18	0	0	0 18	0	0	0	0 0	0	0	0	0 0
Knollwood Apartments	Pine Island	22	0	0	2 24	16	0	0	2 18	6	0	0	0 6	0	0	0	0 0	0	0	0	0 0
Fox Meadows	Pine Island	30	0	0	2 32	14	0	0	2 16	16	0	0	0 16	0	0	0	0 0	0	0	0	0 0
Homestead Apartments	Chatfield	7	0	0	1 8	0	0	0	0 0	7	0	0	1 8	0	0	0	0 0	0	0	0	0 0
Main Street Apartments	Chatfield	14	0	0	1 15	10	0	0	1 11	4	0	0	0 4	0	0	0	0 0	0	0	0	0 0
<b>TOTAL</b>		<b>119</b>	<b>0</b>	<b>0</b>	<b>8 127</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>7 54</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>1 73</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0</b>
<b>TOTAL FOR ALL OLMSTED COUNTY</b>		<b>445</b>	<b>291</b>	<b>718</b>	<b>170 1624</b>	<b>278</b>	<b>31</b>	<b>698</b>	<b>120 1127</b>	<b>149</b>	<b>184</b>	<b>20</b>	<b>46 399</b>	<b>18</b>	<b>72</b>	<b>0</b>	<b>4 94</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0 4</b>
<b>TOTAL FOR OLMSTED COUNTY AND BORDER CITIES</b>		<b>564</b>	<b>291</b>	<b>718</b>	<b>178 1751</b>	<b>325</b>	<b>31</b>	<b>698</b>	<b>127 1181</b>	<b>221</b>	<b>184</b>	<b>20</b>	<b>47 472</b>	<b>18</b>	<b>72</b>	<b>0</b>	<b>4 94</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0 4</b>

Table 4.7 SUPPLY OF SUBSIDIZED HOUSING UNITS IN OLMSTED COUNTY BY SIZE (1989)

Housing Source	Housing Type				TOTAL
	by Number of Bedrooms				
	One BR	Two BR	Three BR	Four BR	
<b>A. Rochester</b>					
Center Street House (HRA)	3	0	0	0	3
Central Towers	96	9	0	0	105
Eastridge Estates	54	54	18	0	126
Fontaine Towers	150	0	0	0	150
Homestead Green (HRA)	0	18	10	2	30
Homestead Terrace (HRA)	0	18	10	2	30
Hylands	6	62	32	0	100
Innsbruck	0	28	12	0	40
Newbridge	30	11	0	0	41
Northgate Plaza	150	0	0	0	150
Park Place	72	0	0	0	72
Park Towers	180	0	0	0	180
Rochester Square	50	54	0	0	104
Summit Square Manor	111	39	0	0	150
Westwood (HRA)	0	24	6	0	30
SUBTOTAL . . . . .	902	317	88	4	1311
<b>B. Small City/Rural</b>					
Chelsea Circle Apartments	6	18	0	0	24
Downtown II	31	4	0	0	35
Eastside Village Apartments	16	10	4	0	30
Eyota Manor Apartments (Family)	5	5	2	0	12
Eyota Manor Apartments (Seniors)	11	1	0	0	12
Halter Center	21	2	0	0	23
Lakewood	24	0	0	0	24
Plainview Senior Housing	40	0	0	0	40
Ralex Apartments (Eyota)	1	7	0	0	8
Ralex Apartments (Stewartville)	1	7	0	0	8
Rolling Heights Village	12	4	0	0	16
Stewartville Senior Housing	32	0	0	0	32
Stewartville Properties	17	8	0	0	25
Villa Grande Apartments	8	16	0	0	24
SUBTOTAL . . . . .	225	92	6	0	313
<b>OLMSTED COUNTY TOTAL . . . . .</b>					
	1127	399	94	4	1624
<b>C. Border Cities</b>					
unnamed, Plainview	6	18	0	0	24
unnamed, St. Charles	3	21	0	0	24
Fox Meadows	16	16	0	0	32
Knollwood Apartments	18	6	0	0	24
Main Street Apartments	11	4	0	0	15
Homestead Apartments	0	8	0	0	8
SUBTOTAL . . . . .	54	73	0	0	127
<b>OLMSTED CO. and BORDER CITIES . . .</b>					
	1181	472	94	4	1751

### Findings on Tenant Types

Table 4.8 provides a breakdown of subsidized housing by the type of tenants allowed, showing geographic distribution and unit sizes. Out of the 1,624 subsidized units in Olmsted County, 27 percent (445) are designated as having a "mixed" tenant type, 18 percent (291) are designated for "family," 44 percent (718) for "elderly," and 10 percent (170) for handicapped.

"Mixed" means that a building has no predetermined ratio of tenant type. For mixed units there are a variety of size options available, including 149 two-bedroom units and eighteen three-bedroom units. Ninety percent of the 445 mixed units available are found in Rochester. Rochester has less of a tendency to specifically designate tenant type, with a relatively high proportion (30 percent) of "mixed" tenant units. A tenant type composition such as this is probably necessary in Rochester in order to accommodate a wider and more unpredictable set of housing needs. In contrast, less than 14 percent of small city/rural units are designated as mixed tenant use.

For "family" units there is also a range of size options (including 11 percent of these being one-bedroom units), but almost nothing is available with more than three bedrooms. Sixty-three percent are two-bedroom units, 25 percent are three-bedroom units, and 1 percent are four-bedroom units. Seventy-seven percent of the three- and four-bedroom subsidized units in the county are designated for family use.

Rochester has 72 percent of all "family" units. Most of the family designated units are in smaller buildings; the largest, Hylands in Rochester, has ninety-two units, plus eight for handicapped tenants. The average size of the remaining family oriented buildings is just under twenty-eight units.

There are a total of 291 subsidized family units in Olmsted County. Only 74 of the "family" designated units have three or more bedrooms; 184 have two bedrooms. Expansion of the supply to serve larger families appears as a pressing need.

For "elderly" units the vast majority (97 percent) are one-bedroom units. Seventy-six percent are found in Rochester; 24 percent are found in small cities and rural areas.

Slightly more than four out of ten subsidized units are for elderly tenants. But the higher percentage of elderly units is somewhat misleading due to the relative concentration of 1-bedroom units in this category. Smaller cities have been more willing to accept subsidized housing for the elderly population as compared to family housing, with just over half of their inventory targeted to the elderly.

The elderly do tend to be concentrated in subsidized housing. Five hundred and eighty-five residents live in four Rochester highrises--Central Towers, Fontaine Towers, Northgate Plaza, and Park Towers, averaging 146 residents per building. Three out of every four subsidized elderly units in Rochester are in these four major developments.

Nevertheless, the elderly population group appears as the best served group in comparison to their number and the proportion who have low income.

No information is available to determine the prior residence of households occupying these units; it may be that Rochester's supply has provided affordable, decent housing for its larger trade area--extending even beyond the county boundaries.

A relatively large supply of subsidized housing for handicapped persons presently exists in the county--one out of every ten subsidized units (for a total of 170). The great majority (90 percent) are located in Rochester, with all housing developments except the Center Street House (an HRA-owned structure with only three units) having at least two units designed for a handicapped person. One development (Newbridge) is designed exclusively to meet the needs of this group.

Of all handicapped units, 71 percent have one bedroom, 27 percent have two bedrooms, and 2 percent have three bedrooms. Only 18 handicapped units were counted in Olmsted County's smaller cities and rural areas.

Border towns supplement Olmsted County's subsidized housing by another 127 units, 119 of which are of "mixed" designation, and 8 of which are for handicapped.

Table 4.8 SUBSIDIZED HOUSING STOCK IN OLMSTED COUNTY BY TENANT TYPE

Geographic Area	Mixed	Family	Elderly	Handi- capped	TOTAL
<u>I. Rochester</u>					
A. 1 Bedroom	263	0	537	102	902
B. 2 Bedroom	125	137	9	46	317
C. 3 Bedroom	14	70	0	4	88
D. 4 Bedroom	0	4	0	0	4
TOTAL . . . . .	402	211	546	152	1311
<u>II. Small City / Rural Olmsted</u>					
A. 1 Bedroom	15	31	161	18	225
B. 2 Bedroom	24	47	11	0	82
C. 3 Bedroom	4	2	0	0	6
D. 4 Bedroom	0	0	0	0	0
TOTAL . . . . .	43	80	172	18	313
<u>III. All Olmsted County</u>					
A. 1 Bedroom	278	31	698	120	1127
B. 2 Bedroom	149	184	20	46	399
C. 3 Bedroom	18	72	0	4	94
D. 4 Bedroom	0	4	0	0	4
TOTAL . . . . .	445	291	718	170	1624
<u>IV. Border Cities</u>					
A. 1 Bedroom	47	0	0	7	54
B. 2 Bedroom	72	0	0	1	73
C. 3 Bedroom	0	0	0	0	0
D. 4 Bedroom	0	0	0	0	0
TOTAL . . . . .	119	0	0	8	127
<u>V. Olmsted County and Border Cities</u>					
A. 1 Bedroom	325	31	698	127	1181
B. 2 Bedroom	221	184	20	47	472
C. 3 Bedroom	18	72	0	4	94
D. 4 Bedroom	0	4	0	0	4
TOTAL . . . . .	564	291	718	178	1751

## Findings on Market Rents of Subsidized Housing

Market rents for a selected number of subsidized private housing developments are listed on Table 4.9. These rents are received by the building owners; tenants are paying less. Owners of subsidized units receive rent in part from the renters and in part from the subsidizing agency. A summary of market rent averages for subsidized units can help give an indication of the monetary support needed to maintain current housing programs.

As of August of 1989, subsidized units in Olmsted County (including border towns) had market rents averaging \$451 for one bedroom, \$459 for two bedrooms, and \$568 for three bedrooms. The only four bedroom units in the entire county are in public housing, so private market rents do not apply.\*

Rochester's units tend to have higher market rents. One-bedroom units are 10 percent higher, two-bedroom units are 18 percent higher, and three-bedroom units are 32 percent higher than the average.

It is interesting to note the marginal difference between average market rents for one- and two-bedroom units. One-bedroom units outside of Rochester actually have *higher* average market rents than do two-bedroom units. There are at least two possible reasons for this cost relationship: first, the low marginal cost in adding one more bedroom to a unit; and second, a significant number (178) of the one-bedroom units are handicapped accessible--an unavoidable costly feature.

The weighted average rent in Rochester of \$461 for a one-bedroom unit is exceptionally high; higher than rents advertised on the non-subsidized market. This may be due in part to the high fair market rent (FMR) approved by HUD for the Rochester metropolitan area. High rent may also reflect a higher quality unit; the \$737 monthly rent for the 150 units at Fontaine Towers for the elderly significantly affects the average. The weighted average rent without Fontaine Towers would be \$406.

The highest rent for two-bedroom units is at the Innsbruck development--which is family housing. In contrast, Rochester Square, serving a mixed tenant base, offers very moderate pricing: \$365 for a two-bedroom unit and \$290 for a one-bedroom unit.

Rent levels in the greater Rochester area (which includes the small cities in Olmsted County) range from a low of \$323 for a one-bedroom unit at Eastside Village Apartments in Stewartville to a high of \$465 for a two-bedroom unit at Chelsea Circle Apartments in Byron. Both projects serve families, but not exclusively.

The least costly larger units are at the Eastside Village Apartments where a three-bedroom unit has a market rent of \$430 per month.

\* With public housing, only basic types of cost information are available. Thirty units were built in 1983 at an average cost of \$35,000 per unit, thirty more in 1984 at \$38,000 per unit, and another thirty in 1985 at a cost of \$50,000 per unit. In 1989, three units were rehabilitated at a cost averaging \$35,000 per unit.



Since there is little information available on FmHA sponsored units, the average cost in rural areas might be skewed, but the direction and magnitude of that bias is unknown. Also, it should be noted that some of the individual rents are averages in and of themselves.

Table 4.9 MARKET RENTS OF SUBSIDIZED HOUSING IN OLMSTED COUNTY

Housing Source	Market Rents (in dollars) and Number of Units					
	One		Two		Three	
	BR	#	BR	#	BR	#
	rent		rent	rent		
<b>A. Rochester</b>						
Central Towers	525	96	612	9	-	-
Eastridge Estates	363	54	426	54	473	18
Fontaine Towers	737	150	-	-	-	-
Hylands	495	6	530	62	570	32
Innsbruck	-	-	714	28	769	12
Newbridge	579	30	650	11	-	-
Northgate Plaza	428	150	-	-	-	-
Park Place	340	72	-	-	-	-
Park Towers	386	180	-	-	-	-
Rochester Square	290	50	365	54	-	-
Summit Square Manor	372	111	428	39	-	-
<b>WEIGHTED AVERAGE . .</b>	<u>461</u>		<u>486</u>		<u>580</u>	
<b>B. Greater Rochester Area</b>						
Chelsea Circle Apartments	445	6	465	18	-	-
Downtowner II	405	31	430	4	-	-
Eastside Village Apartments	323	16	384	10	430	4
Eyota Manor Apts. (Family)	417	5	442	5	457	2
Eyota Manor Apts. (Seniors)	417	11	442	1	-	-
Fox Meadows *	335	16	364	16	-	-
Halter Center	420	21	440	2	-	-
Homestead Apartments *	-	-	265	8	-	-
Knollwood Apartments *	400	18	440	6	-	-
Lakewood	500	24	-	-	-	-
Main Street Apartments *	368	11	390	4	-	-
Plainview Senior Housing	505	40	-	-	-	-
Ralex Apartments (Eyota)	165	1	273	7	-	-
Rolling Heights Village	290	12	315	4	-	-
Stewartville Senior Housing	455	32	-	-	-	-
Stewartville Properties	361	17	401	8	-	-
unnamed, Plainview *	420	6	450	18	-	-
unnamed, St. Charles *	420	3	450	21	-	-
Villa Grande Apartments	420	8	455	16	-	-
<b>WEIGHTED AVERAGE . .</b>	<u>418</u>		<u>411</u>		<u>439</u>	
<b>COUNTY-WIDE AVERAGE . .</b>	<u>451</u>		<u>459</u>		<u>568</u>	

\* Properties in towns bordering, but not actually in, Olmsted County.  
 \*\* Cost of unit before subsidy is applied

### Summary and Conclusions

Rochester and Olmsted County communities are to be commended for adding to the inventory of subsidized housing during the 1980s--a period when many of the federal programs funding this supply were slashed. Many of the existing units, however, were built through programs which no longer exist or where budgets and authorizations for new units are very small. This fact increases the responsibility on state and local government and on the growing nonprofit sector to step in and help meet growing needs. Increases in market rents have been larger than increases in income for those households earning 80 percent or less than the metropolitan average. The gap between ability to pay and the non-subsidized supply is widening.

There is the additional threat of losses in the inventory as contracts between building owners and the federal government for Section 8 units will allow "opt outs" in the relatively near future. Every effort should be made to keep the inventory available to lower income households and this may require significant expansion of public/private sector cooperation to achieve this goal.

The lack of three- and four-bedroom units to house larger families wanting to live in Rochester is a major problem. In some instances it may be more appropriate to provide subsidy for home ownership to these large families if they have sufficient income to carry even a small mortgage. In other instances, however, the rental option will remain the only choice for low income, large families. Both the public housing scattered site programs and new forms of assisted housing, such as limited equity coops, are going to be needed to meet existing needs.



## V. HOUSING NEEDS ASSESSMENT

Housing needs of Rochester households have been measured through the collection of primary data from: a telephone interview with over one-thousand households, focus group interviews with public assistance clients and refugees, and personal interviews with providers of shelter for disadvantaged population groups. Findings from the telephone surveys are discussed at some length since the survey is the principal database for drawing conclusions on the unmet needs and capacity of the market to meet needs in the future.\*

### A. OLMSTED HOUSING SURVEY FINDINGS

In analyzing and interpreting the information from survey responses, we have focused on: households who meet the HUD definition of lower and very low income, households that are spending more than a third of their income on shelter, and special target populations who appear to have multiple housing needs. Survey responses have been tabulated separately for lower income households who rent and those who own their own homes. Housing problems and housing needs of these two groups tend to be different. The following sections summarize the survey findings under these headings. Written comments from the interviews are included in Appendix 5.

#### Olmsted County Profile

A summary of survey responses for the county as a whole, the four geographic subareas and responses for households earning less than \$45,000 is provided in Appendix 6. Demographic data for all households, and data for households with yearly incomes of less than \$45,000 are provided in Table 5.1.

#### Findings:

- Relatively few households express dissatisfactions with current housing, but lower income households are more likely to be dissatisfied, particularly those living in the suburban townships. Fifty percent of those with a very high shelter burden also expressed dissatisfaction with their housing.
- Lower income households (HUD's definition of 80 percent of area median family income) are more likely to be homeowners rather than renters, particularly outside of Rochester. Sixty percent own homes in Rochester, but in other parts of the county over 85 percent own homes. There is very little difference between the proportion of households renting in the county as a whole and for the lower income households.

\* A technical report summarizing the methodology for interviewing 1,008 households, describing the sampling and listing summaries of raw data from the interviews is available through the ROCHP. Appendix 4 provides additional information on the variables used to cross-tabulate responses and frequency distributions to all questions, extrapolated to the full 38,375 households in the county; and the data base for sampling.

Table 5.1 DEMOGRAPHIC PROFILE OF COUNTY HOUSEHOLDS (in percents)

	<u>County Total</u>	<u>Households under \$45,000*</u>	
		<u>County</u>	<u>Rochester</u>
Dissatisfied with current housing	7	12	8
Renting home	28	33	41
Single-person households	23	31	38
Single, unrelated persons	6	6	8
Single-parent households	8	10	12
Un/married couple households**	62	50	41
Households without children	62	65	69
Households with 3 or more children	8	15	4
Living in mobile homes	4.3	6.0	3.0
Living in apartments	17	20	27

\* 67 percent of all households.

\*\* Un/married refers to both unmarried and married couples.

NOTE: Additional information is available in Appendix 7.

- Over six out of ten households do not have children living at home. As many as 14 percent of suburban households earning under \$45,000 per year have three or more children living at home compared to 4 percent in Rochester.
- Mobile homes are the third ranking source of housing in Olmsted County--with 6 percent of the lower income households in this type of housing unit.
- Single-parent households are a smaller than expected proportion of all households in the county--less than the average of 13 percent for the state as a whole. The single-parent households are slightly more likely to be living in Rochester and earning under \$45,000 per year. Single parent status does not automatically imply low income, but income information listed in Table 5.2 shows single-parent households having the lowest income of any group--just over half the income of couples earning less than \$45,000 per year.

Table 5.2 INCOME OF HOUSEHOLDS EARNING LESS THAN \$45,000

	<u>Median Monthly Income</u>	<u>Annual Income</u>
<u>By Area:</u>		
Rochester	\$2,159	\$25,912
Small cities	2,394	28,733
Rural townships	2,415	28,974
Suburban townships	2,222	26,670
<u>By Household Composition:</u>		
Single person	1,763	21,157
Single unrelated persons	2,127	25,522
Un/married couples	2,642	31,698
Single parent	1,394	16,733
Other	1,932	23,191
County average	2,213	26,563

NOTE: Additional information is available in Appendix 8.

#### Housing Needs of Lower Income Households in Rochester

This analysis of households within the city of Rochester, describes the city households that are considered lower income according to HUD criteria. Lower income households include those families and individuals whose total incomes are 80 percent or less of the area median income. For a family of four, the yearly median income is \$40,600, so a household of this size whose total yearly income is \$32,500 or below would be categorized as lower income.

This analysis is based on the weighted responses of all the survey responses from the city of Rochester and inferences can be made from it for the entire Rochester population. In general, 32.5 percent of Rochester households are considered lower income.

#### Findings:

- Elderly households are disproportionately represented as being lower income, as 62.5 percent of elderly singles or couples have incomes which qualify them as lower income.
- Households with a shelter burden of one-third to one-half are greatly over-represented as being lower income (72.8 percent) as are households who pay more than 50 percent (100 percent).
- 100 percent of Rochester recipients of housing assistance (either public housing or Section 8 certificates or vouchers) are also lower income households.

- Single-parent households are grossly over-represented in lower income households. Compared to the 32.5 percent of city households that are lower income, 83 percent of single-parent families find themselves in this category. A disproportionate share of single-person households (45.3 percent) meet the lower income criteria and single unrelated persons are slightly over-represented (39.9 percent) as being lower income.
- Households that experience multiple problems with the physical condition of their housing are more likely than other segments of the city's population to be lower income. 66.9 percent of households experiencing two or more housing problems are also lower income.
- Mobile home dwellers in Rochester are greatly over-represented as being lower income, as are persons living in apartments. 69.2 percent of households living in mobile homes fit into this category, as do 50 percent of apartment dwellers.
- Of Rochester lower income households, the following is a breakdown of their living arrangements: single family home, 39.0 percent; town-house, 5.5 percent; mobile home, 4.8 percent; apartment, 32.8 percent; duplex, 7.3 percent; four-plex, 6.5 percent; condominium, 2.8 percent; other, 1.9 percent.
- Households that expressed being dissatisfied or very dissatisfied with their current housing were much more likely to be lower income households. 62 percent of dissatisfied households and 100 percent of very dissatisfied households are considered lower income by HUD standards.
- Rochester renters who want to own a home within two years are slightly over-represented (61.9 percent) as being lower income; 57.8 percent of all Rochester renters are lower income.
- Of those renters who want to own a home within two years, those who feel it is not very likely or not at all likely are disproportionately lower income. City-wide, about 60 percent of renters are lower income. 76.9 percent of renters who said owning a home within the next two years was not very likely are lower income, as are 100 percent of those who feel it will be not at all likely.
- Households that moved often in the past three years were more likely to be lower income. 57.2 percent of persons who moved two times are lower income, as are 50.7 percent of persons who moved three times and 80 percent of households that moved four times.
- Households that lack security with their housing situation are more likely than others to be lower income. 67.9 percent of households who feel they will have to move in the next year are lower income.



In sum, the following subgroups in Rochester are more likely to be lower income:

- Elderly households.
- Households with shelter burdens over one-third of their income.
- Households receiving housing assistance.
- Single-parent families.
- Single persons.
- Households with multiple housing problems.
- Mobile home and apartment dwellers.
- Households dissatisfied with their housing.
- Renters who want to own but feel it is unlikely.
- Households which lack housing stability or security.

#### Housing Needs of Very Low Income Households

16.7 percent of county households are considered to be very low income households according to HUD's definition (based on 50 percent of the area median family income).

#### Findings:

- 54.9 percent of very low income households have a shelter burden of more than one-third of their income; 21.6 percent pay more than half of their income on shelter costs. Households with a high shelter burden are over-represented in very low income households.
- 27.2 percent of very low income households are elderly households. Elderly households are over-represented in low income households.
- Only 8.9 percent of very low income households receive housing assistance. All households receiving housing assistance are considered very low income. The current housing supply can only meet the needs of one out of every ten very low income households.
- 39.1 percent of very low income households are one-person households, they are over-represented in very low income households; 31.8 percent of very low income households are two-person households but they are normally represented in low income households because that percent matches their distribution among all county households. 22.9 percent of very low income households are three- or four-person households and they are under-represented in very low income households compared to the rest of the county households.
- 33.7 percent of very low income households have at least one child, 66.3 percent have no children. Households with no children are slightly over-represented in very low income households.

- 75.2 percent of very low income households are located in the city of Rochester while Rochester has only 70 percent of all households. Very low income households are slightly concentrated in Rochester.
- Renter households are over-represented in very low income households; 56.5 percent of very low income households rent.
- Households with two or more problems with the physical condition of their homes are over-represented in very low income households; 47.3 percent are considered very low income households.
- All types of housing units besides single-family homes and condominiums are over-represented in very low income households. Very low income households are more likely than other households to live in four-plexes, mobile homes, and apartments.
- One out of five very low income households have one person and one of five have two persons.
- Very low income households are more likely to be dissatisfied or very dissatisfied with their current housing situations.
- 62.2 percent of very low income renter households want to own a home in the next two years. However, 72.1 percent of those feel homeownership is not very likely or not at all likely. Households who feel it is not very likely or not at all likely they will become homeowners are highly over-represented in very low income households.
- 7.8 percent of very low income households are sharing housing with someone in order to afford it. This matches the county-wide percentage.
- 43.7 percent of very low income households have looked for housing in Olmsted County in the last two years. 63.0 percent of those had a hard time finding adequate housing they could afford. This also matches the county-wide set.
- 63.9 percent of very low income households have moved more than one time in the last three years. Households that feel they have to move within the next year are twice as likely to be very low income.

In sum, the following subsets of county households are more likely to be very low income households.

- Households with a high shelter burden.
- Elderly households.
- Households receiving housing assistance.
- One-person households.
- Rochester households.
- Renter households.

- Households with two or more problems with the physical condition of their homes.
- Apartments, mobile homes, and four-plexes.
- Households that are dissatisfied or very dissatisfied with their current housing situation.
- Households that want to own a home within the next two years but feel it is not very likely or not at all likely that they will be able to do so.
- Households that have moved more than once in the last three years.
- Households that lack a sense of security.

#### Profiles of Lower Income Renters and Owners

The definition of lower income is for a household to earn less than 80 percent of the median county income. For a family of four, yearly income would be less than \$32,500. All respondents to the survey answered the income question and thus inferences can be made of all lower income households in Olmsted County. Approximately 11 percent of all households are lower income renters, and an additional 16 percent are lower income owners. Just over one out of four households are categorized as "lower income."

Appendix 9 contains a more detailed listing of responses by these two groups. Table 5.3 compares the owners and renters on a selected number of responses.

There are marked differences in the housing circumstances of renter and owner households. Renters are much more mobile, but both owners and renters have described great difficulty in finding appropriate and affordable housing in Olmsted County. Renter households are twice as likely to be single-person households; owners with four or more persons in the household are significantly more likely to have housing with three or more bedrooms, as compared to renter households. A need exists for more rentals for some larger families, or to expand home ownership opportunities for the larger renter households.

One out of eight lower income renters is renting a single-family home. "Plexes" provide an additional important housing resource.

Over 70 percent of current owners state they had problems in finding a house in their price range, 30 percent said that available housing was in poor condition, and 23 percent felt the available houses were in bad locations. Only one out of ten owners believe it will be necessary for them to move during the coming year, with a third of these indicating financial reasons as the basis for the move. Greatest dissatisfaction among owners was directed to the size of the home (17 percent). Least dissatisfaction is with the condition of the purchased home or neighbors.

Renter households focus on the cost of rent as the key factor in their finding appropriate housing. Eighty percent cite this as a problem. The second problem area is "quality" (43 percent), followed by a poor location (24 percent). Just over a third of these renters expressed dissatisfaction with the cost of their present housing, with almost one out of four saying they were dissatisfied because of their neighbors.

Table 5.3 COMPARISON BETWEEN LOWER INCOME RENTERS AND OWNERS

<u>Characteristic</u>	<u>Percent of Each Group</u>	
	<u>Renters</u>	<u>Owners</u>
Type of unit: single family	12	73
apartment	60	-
mobile home	1	15
plexes	20	4
Dissatisfied with current housing	15	10
With three or more bedrooms	15	58
Spending more than a third of income on housing	52	37
Looked for housing in last two years	56	32
Looked and had a difficult time	71	74
Moved three or more times in the last three years	33	14
More than three persons in household	20	32
More than one income in household	27	45
Only one person in household	46	20

Housing Needs of Elderly Households

For the purpose of this analysis, elderly households are defined as single-person households where the head of household is over 60, and households of two persons where both are over 60. Inference from this analysis can only be made for households in the county that have incomes less than \$45,000 per year. Age specific data on the elderly was not asked for respondents having higher incomes.

Overall, approximately 18 percent of the households earning under \$45,000 per year are elderly households.

Findings:

- Of the households which answered the question about total income, 14.8 percent contained elderly persons. Elderly households, though, were over-represented in lower income households (19.3 percent of these households are comprised of elderly people) and in very low income households (27.2 percent).
- A disproportionate share of elderly households (27.1 percent) pay less than a quarter of their total incomes for housing. Elderly people are also misrepresented in paying a third to a half of their income for housing (22.6 percent), 7.2 percent pay a quarter to a third, and 12.7 percent pay more than 50 percent.
- Elderly persons are disproportionately represented as recipients of housing assistance. Although the aged make up 18.8 percent of the general population, they represent 26.4 percent of the assisted housing population.
- A disproportionate number of single-person households (33.1 percent) are comprised of elderly persons. Similarly, elderly persons are over-represented in households of two persons (27.1 percent).

- Rural households are slightly more likely (24.8 percent) to contain elderly persons than are households in the general population.
- As might be expected, a greater than average share of the households with less than one person/bedroom are inhabited by elderly people (35.6 percent).
- Of those households that own their housing, 20.3 percent are comprised of persons over 60, and of those who rent, 16 percent are elderly. These sets nearly match the overall proportion of elderly households in the county.
- Elderly households are slightly under-represented in households which have two or more problems with their housing condition (11.7 percent).
- Elderly households are disproportionately represented (41.6 percent) as living in four-plexes. 67.9 percent of elderly households reside in single-family homes and 20.7 percent live in apartments.
- Elderly households are fairly evenly divided among those households that are very satisfied (23.9 percent) and dissatisfied (20.9 percent) with their housing. Fewer elderly households than would be expected were satisfied (14.2 percent) with their housing, and none of the very dissatisfied households were comprised of persons over 60.
- A very small percentage of elderly renter households had the desire (2.1 percent) to own their own home in two years.
- Elderly households are under-represented (.5 percent) in households which must share housing in order to afford it, and very few of the elderly households looked for housing in the last year (13.3 percent). Similarly, on average, elderly households moved very few times in the last three years.
- Elderly households had a hard time finding adequate, affordable housing about as often as all household types.
- Elderly households feel more stable in their housing situations than do other age groups. Only 6.9 percent of those who feel they will have to move in the next year are elderly households, and 93.8 percent of elderly households do not feel they will have to move.

In sum, elderly households are:

- More likely to receive housing assistance.
- More likely to pay less than 25 percent or between 33 percent and 50 percent of their incomes for housing.
- More likely to live alone.
- More likely to be lower income or very low income.
- More likely to be satisfied with their housing situation.
- More likely to feel stable in their housing situation.
- Slightly more likely to own their own housing.
- Less likely to have problems with the physical condition of their housing.

- Less likely to have to share housing in order to afford it.
- Less likely to be mobile, but more apt to have trouble finding housing when looking.

### Housing Needs of Single-Parent Households

Inferences from this analysis can be made about the entire county population since this information was asked of all survey respondents. However, some of the questions we analyze below may have only been asked of those households earning less than \$45,000 per year. Findings 1 through 8 (below) refer to those households in the county earning less than \$45,000. Findings 9 through 13 refer to all households in the county.

In the entire county, 7.9 percent are single-parent households.

#### Findings:

1. 80.4 percent of single-parent households are considered to be lower income by HUD standards. 57 percent are considered to be very low income. Single-parent households are much more likely than other households to be lower or very low income.
2. Single-parent households are most likely to have a high shelter burden--21.1 percent of single-parent households pay more than 33 percent of their income for housing; 26.4 percent pay more than 50 percent of their income.
3. Single-parent households are more likely to be receiving housing assistance (Section 8 and public housing). 12 percent of single-parent households receive housing assistance. Conversely, 72 percent of those receiving housing assistance are single-parent households.
4. Single-parent households are more likely to have two or more problems with the physical condition of their homes. 13.4 percent have two or more problems with the physical condition of their homes.
5. 97.5 percent of single-parent households that currently rent want to own a home within the next two years. Single-parent households are disproportionately over-represented as renter households who want to own a home within two years. However, these households find it less likely than other households that they will be able to own a home within two years. 62.3 percent of those single-parent households who currently rent and want to own a home within two years feel it will be unlikely that they will be able to do so.
6. 41.6 percent of single-parent households have looked for housing in Olmsted County in the past two years. Of these, 56.2 percent had a difficult time finding housing they could afford. The general population was similarly represented.
7. 30.6 percent of single-parent households have moved once in the past two years, 41.3 percent have moved twice, and 28.1 percent have moved

three or more times. Single-parent households are more likely than other households to be mobile and have moved two or more times in the past two years.

8. Single-parent households are significantly over-represented when it comes to feeling that they will have to move in the next year. They are more likely to have a diminished sense of housing security. 42 percent of single-parent households feel they will have to move in next year, compared to 14 percent of the general population.

The following percentages refer to all Olmsted County households.

9. 61.5 percent of single-parent households have a household size of two. 29.5 percent of single-parent households have a household size of three. 19.2 percent of single parent households have a household size of four. Less than 1 percent of single parent households have a household size of five or more.
10. Rochester has a disproportionately high representation of single-parent households as compared to other areas of the county; 84 percent of single-parent households live in Rochester. Single-parent households are less likely to be living in suburban and rural townships; only 8.4 percent live in these two areas of the county.
11. Although 55.6 percent of single-parent households own their homes, they are more likely than the general population to be renters.
12. Single-parent households are more likely to have a student over the age of eighteen living at home than the rest of the population. 24 percent have one student living at home, and in some instances the parent is the student.
13. 24.6 percent of single-parent households live in apartments, 48.4 percent live in single-family homes, 10 percent live in duplexes, 8 percent live in townhouses, and 5 percent live in mobile homes. However, single-parent households are less likely than the general population to live in single-family homes and four-plexes, and more likely to live in townhouses, apartments, duplexes, and condominiums.

In sum, single-parent households are:

- More likely to have a shelter burden of more than 33 percent and more than 50 percent.
- More likely to be receiving housing assistance.
- More likely to live in Rochester.
- More likely to be considered lower and very low income.
- More likely to rent.
- More likely to have problems with the physical condition of their homes.
- More likely to want to own a home if they rent, but find it less likely to occur.
- More likely to be mobile and have a lesser sense of security.

Households with Shelter Burdens of  
Greater than One-Third of Total Income

Households that pay more than 33 percent of their total monthly incomes for housing costs (rent or mortgage, utility payments, household insurance and land rental for mobile homes) are analyzed in this section. Since the specific housing cost questions were asked only of households with total yearly incomes less than \$45,000, inferences from this analysis can only be made about county households below this income level.

Overall, about 30 percent of the Olmsted County households with incomes less than \$45,000 have a shelter burden greater than one-third of their total monthly income.

Findings:

- Compared to other households with yearly incomes under \$45,000, elderly households are not disproportionately represented as paying greater than one-third of their monthly incomes for housing.
- Almost half of all single-parent households with incomes less than \$45,000 have this high level of burden. Fewer couples than expected have a shelter burden of greater than one-third their monthly income.

Table 5.4 PROPORTION OF PERSONS PAYING OVER 33 PERCENT  
OF INCOME FOR SHELTER (by household composition)

Single parents	47.5%
Single persons	33.8
Single unrelated persons	33.9
Un/married couples	21.5
County total (under \$45,000)	28.7

- Households comprised of a single person are more likely (33.8 percent) to have high shelter costs. Households of two or four persons are less likely to have this level of shelter burden.
- Households with three and five children are more likely than others in the general population to have a shelter burden greater than one-third. Three children appears to be the threshold for affordability of housing.
- Households in small cities more often have a shelter burden greater than 33 percent. Households in suburban townships and rural areas have this level of burden less often.
- A disproportionately high number (43 percent) of those households classified as lower income by HUD standards (80 percent of area median income) are paying greater than one-third of their monthly incomes for housing. 55 percent of those who are very low income (50 percent of the median) have this level of shelter burden.



- Households which average greater than two persons/bedroom are also over-represented as having a shelter burden of greater than one-third. 44.8 percent of these households pay 33 percent or more of their monthly income for housing.
- Renter households are represented more often (38 percent) than are owner households (24 percent) as having a shelter burden of greater than one-third.
- Of households comprised of two students over the age of 18, 59 percent have a shelter burden of 33 percent or greater.
- Households which have two or more problems with the physical condition of their housing are disproportionately represented (44.4 percent) as having to pay more than one-third of their income for shelter.
- Mobile home residents, apartments dwellers, and those who live in duplexes and condominiums are more likely than the rest of the population to have a shelter burden greater than a third. Townhouse residents and those who live in single family homes are much less likely to have this degree of shelter burden

Table 5.5 PROPORTION OF HOUSEHOLDS PAYING OVER 33 PERCENT OF MONTHLY INCOME FOR SHELTER (by type of housing unit)

Condominium	52.3%
Duplex	48.6
Mobile home	46.3
Apartment	39.1
Four-plex	32.2
Single-family home	22.5
Townhouse	4.6

County average (under \$45,000) 28.6

- Of those households that report being dissatisfied with their housing situation, 40.7 percent have a shelter burden of greater than 33 percent. For those very dissatisfied, the percentage is 45.7.
- Of those who want to own their own homes and find it "not likely" or "not at all likely," an extremely high percentage (56.2 and 65.3 respectively) pay greater than one-third of their monthly income for housing.
- Households that share housing in order to afford it are more likely (44.1 percent) than the general population to have a shelter burden of greater than one-third, even with shared costs.
- In the general population, 31.4 percent of those who looked for housing in the last year had a rent burden of greater than one-third. Those who said they had a hard time finding suitable housing (38 percent) were more likely to have a shelter burden greater than one-third.

- Households that moved more than once in the last three years were disproportionately represented as having a shelter burden of more than one-third.
- Of those households that feel they will have to move in the next year, 47.8 percent had a rent burden of greater than 33 percent.

In sum, the following subsets of the population are the most highly over-represented as having a shelter burden of greater than one-third their monthly income:

- Single parents.
- Lower income households.
- Very low income households.
- Mobile home residents.
- Renters.
- Households with multiple housing problems.
- Households with more than two persons/bedroom.
- Residents of small cities.
- Persons who lack housing stability.

#### Households with a Shelter Burden of Greater Than 50 Percent

Households that pay more than 50 percent of their total monthly incomes for housing costs (rent or mortgage, utility payments, household insurance and land rental for mobile homes) are analyzed in this section. Since the specific housing cost questions were asked only of households with total incomes less than \$45,000 per year, inferences from this analysis can only be made about county households below this income level.

Overall, about 7.6 percent of the households in Olmsted County with incomes less than \$45,000 per year pay over 50 percent of their monthly incomes for shelter.

#### Findings:

- Elderly persons are slightly less likely than the general population to have a shelter burden of greater than 50 percent of their monthly income.
- By household composition, the following are the percentages that have shelter burdens over 50 percent.

Single parent	26.4%
Single unrelated persons living together	20.2
Un/married couple	4.8
Single person	3.3

- Compared to the average, it is clear that single persons living together and single-parent households are much more apt to be overly burdened with shelter costs.

- Larger households are more likely to be paying a higher percentage of income for housing. Of households of three, four, and seven persons, a disproportionate number are paying more than 50 percent of their total monthly incomes for shelter costs alone.

Table 5.6 PROPORTION OF HOUSEHOLDS PAYING OVER 50 PERCENT OF MONTHLY INCOME FOR SHELTER (by size of household)

1	3.3%
2	8.1
3	12.2
4	12.2
5	4.0
6	9.5
7	23.2
8+	0.0

- Households with three or more children are over-represented as having this level of shelter burden. 18.9 percent of households with three or more children paid housing costs equal to or greater than 50 percent of their total monthly income.
- None of the four geographical areas are characterized as containing an over-representation of households with a 50 percent or greater shelter burden.
- Lower income households are doubly burdened because a greater share of these households (12.8 percent) have a shelter burden of over 50 percent. Overall, of all the households paying over half of their incomes for housing, 95.6 percent of them are also lower income. In general, 48.4 percent of those with total incomes less than \$45,000 are low income households.
- Similarly, an over-representation of very low income households also carry shelter burdens of over half of their income (21.6 percent). 81 percent of those with this level of shelter burden are very low income.
- Households that average more than two persons/bedroom are very significantly over-represented in also having a shelter burden of 50 percent or greater. Specifically, by persons/bedroom, the following shows the proportion of people paying over 50 percent for housing:

Less than one	4.7%
One to two	8.8
Two or more	32.5

- Renters are almost twice as likely as owner households to have a shelter burden of 50 percent.
- Households comprised of two students over 18 are disproportionately represented as having shelter burdens of more than 50 percent. 26.6 percent of two-student households have this level of shelter burden.

- Of those households that have a shelter burden of greater than 50 percent, 23 percent also have two or more problems with the condition of their housing. Conversely, of those with two or more housing problems, a disproportionate share, 18.4 percent, also have a shelter burden of 50 percent.
- A disproportionately large share of households that must share housing in order to afford it are comprised of persons who pay over 50 percent of their monthly incomes for housing (21 percent).
- Dwellers in mobile homes, apartments and duplexes are more likely to have a shelter burden equal or greater than 50 percent, while households in single-family homes and townhouses are less likely.

Table 5.7 PROPORTION OF PERSONS PAYING MORE THAN 50 PERCENT OF MONTHLY INCOME FOR SHELTER (by type of housing lived in)

Single family home	6.2%
Townhouse	1.2
Mobile home	13.0
Apartment	12.3
Duplex	12.3
County total (under \$45,000)	7.6

- There is a high correlation between amount paid for housing and dissatisfaction level. Almost 50 percent of those with a high shelter burden are dissatisfied with their housing.

Table 5.8 PROPORTION OF HOUSEHOLDS PAYING MORE THAN 50 PERCENT OF MONTHLY INCOME FOR SHELTER (by satisfaction level)

Very satisfied	3.7%
Satisfied	9.9
Dissatisfied	10.7
Very dissatisfied	39.4

- Of those renters paying greater than half of their incomes for shelter, 92 percent want to own their own homes. This compares to 54.6 percent of county renters with incomes less than \$45,000.
- Of those households that want to own their own homes within two years, 50 percent of those who feel it is "not at all likely" are households paying over half of their incomes for rent. Similarly, there are no households with a shelter burden of over 50 percent who feel it is "very likely" that they will own their own homes.
- Households that had a difficult time finding adequate/affordable housing are more likely to have a high shelter burden. (12.9 percent in comparison with 9.2 percent for the county population.)
- Of those households that lack security about their housing situation (feel they will have to move in the next year), a disproportionate

percentage, 22.3 percent, also had a shelter burden of greater than 50 percent.

In sum, the following subsets of the population are more likely than others with total incomes less than \$45,000 to have a shelter burden of greater than 50 percent:

- Single parents.
- Households comprised of three or more persons.
- Households with three or more children.
- Low income and very low income households.
- Households with more than two persons per bedroom.
- Renters.
- Households residing in poorer quality housing.
- Households not living in single-family homes.
- Households dissatisfied with their housing.
- Households which must share housing to afford it.
- Households which lack security and stability.
- Households which had a difficult time finding housing.
- Rental households which would like to own.
- Rental households who feel unlikely to own.

Households That Had a Difficult Time  
Finding Adequate/Affordable Housing

This is an analysis of those households with yearly incomes less than \$45,000 who looked for housing in Rochester or Olmsted County within the last two years and acknowledged having had a difficult time finding housing that met their needs.

Of the households that looked for housing in the last year, approximately 60 percent had a hard time finding adequate affordable housing. This represents 24.9 percent of county households earning less than \$45,000 yearly.

Findings:

The percentages having a difficult time finding housing were disproportionately higher for households in the following categories (see Table 5.9).

Table 5.9 HOUSEHOLDS HAVING DIFFICULTY FINDING  
ADEQUATE/AFFORDABLE HOUSING

	Percent of <u>Subgroup</u>
Those with shelter burdens of 1/3 to 1/2 of total income	68.4%
Those with shelter burdens of over 50 percent	85.3
Elderly households	71.4
Single persons	64.0
Single unrelated persons living together	73.4
Families with three or more children	95.0
Households in suburban townships	72.6
Households that have lower incomes	72.0
Households with two or more persons/bedroom	94.8
Households with two or more problems with housing cond.	87.4
Mobile home dwellers	72.8
Apartment residents	71.4
Residents of four-plexes	100.0
Condominium residents	100.0
Those dissatisfied with their housing situation	96.7
Those very dissatisfied with housing situation	100.0
Those which must share housing in order to afford it	68.9
Those which feel they will have to move in next year	81.4

- Households classified as very low income were not more likely to have had a hard time finding housing.
- Renter households were just a little more likely than were owner households to have had a difficult time finding housing which was adequate and affordable. (65.7 percent of renters fit into this category as opposed to 55.5 percent of owners.)
- Households with two students over 18 years old were under-represented (32 percent) as having had a difficult time finding housing.
- Households satisfied with current housing were much less likely (45.3 percent) than other county households with yearly incomes less than \$45,000 to have had a hard time finding housing.
- Of the households who want to own their own home in two years, a slightly disproportionate amount, 70 percent, had a hard time finding housing. Overall, the percentage of renter households who want to own is 67.2 percent.
- Households that moved three or more times within the last three years were slightly over-represented (66.6 percent) as having had difficulties locating housing.

Households that Have Two or More Problems With the Physical Condition of their Homes

We defined housing units with poor physical conditions as having two or more of the eight conditions identified in the survey. Inferences from this analysis can be made about those households in the county that earned less than \$45,000 in 1988.

Of those households earning less than \$45,000, 9.5 percent have two or more problems with the physical condition of their housing.

Findings:

- These households are disproportionately over-represented as having a high shelter burden, 44 percent pay more than 33 percent of their monthly income for housing.
- These households are slightly less likely than other households to be elderly households.
- Single unrelated persons and single-parent households are more likely than other households to have poor housing conditions.
- 60 percent of households with poor housing conditions have three or more people living in them. These households are more likely to have poor housing conditions.
- None of the households with poor housing conditions receive housing assistance.
- Households with poor housing conditions are more likely to have three or more children. Of those households with three or more children, 23.4 percent report having two or more poor housing conditions.
- Households with two or more poor housing conditions are under-represented in Rochester, and over-represented in rural townships and, to a lesser degree, in suburban townships.
- 68.8 percent of those households with two or more poor housing conditions are considered to be lower income; 47.3 percent are considered to be very low income. These households are more likely than other households to be lower and very low income households.
- Although 52.7 percent of those households with two or poor housing conditions own their homes, they are more likely to be renters than households with one or no condition problems.
- Mobile homes, four-plexes, and condominiums are disproportionately highly represented as having poor housing conditions. Townhouses and duplexes are less likely to have poor housing conditions. Apartments and single-family homes are normally represented.
- Those households with two or more poor housing conditions are less likely to be satisfied with their current housing situation. 30.4

percent report being dissatisfied or very dissatisfied with their current housing situation.

- 75 percent of those renter households with two or more poor housing conditions want to own a home within the next two years. Of those, 75 percent feel it is not very likely or not at all likely that they will be able to do so.
- Households with two or more poor housing conditions are more likely to be sharing housing with someone in order to afford housing (23 percent).
- 58.7 percent of households with two or more poor housing conditions have looked for housing in Olmsted County in the last two years; they are more likely to have looked for housing. Of those, 87.4 percent had a difficult time finding housing they could afford.
- Households with poor housing conditions are less likely to be mobile. However, a disproportionately large percentage feel they will have to move in the next year.

In sum, the following subsets of the population are the most disproportionately represented as having two or more poor housing conditions:

- Those households with a shelter burden greater than 33 percent.
- Single unrelated persons and single-parent households.
- Households with three or more people.
- Households not receiving housing assistance.
- Households with three or more children.
- Rural and suburban township residents.
- Overcrowded households.
- Mobile home, duplex, and condominium residents.
- Renter households.
- Households dissatisfied with their housing situation.

#### B. FOCUS GROUP INTERVIEWS

Two special target populations identified as experiencing significant difficulty in finding decent, affordable housing have been surveyed through a focus group technique. This technique brings together a group of seven-to-twelve persons, screened for eligibility, to discuss their housing needs and concerns in a semi-structured setting.

The first target population focused on women receiving Aid to Families with Dependent Children (AFDC), and the second group included refugee residents. Members in both groups had expressed interest in or perhaps frustration in finding adequate housing in Olmsted County. The format was an open discussion of housing needs and conditions.

This method allowed us to gather first-hand qualitative data that can supplement existing quantitative data in order to assess the housing needs of these particular populations and make better informed housing policy decisions.



ions. It is important to note that no statistical inferences can be made about the general population from the responses of these groups. The information, however, is judged helpful in giving insight into the market needs.

### Single-Parent Households

Seven single parents, all female, participated in the group interview which was designed to get a better understanding about the housing problems faced by low and moderate income households. Four of the participants lived in the city of Rochester, one in a small town, and two in rural areas of Olmsted. Four were currently renting, including renting a farmhouse, a single-family home in a small town and apartments in Rochester. The three owners included an owner of a mobile home and two who owned single-family homes (one under a contract and the other with a mortgage). All had lived in the county for at least two years and consider themselves long-term residents of Olmsted County. All had children living at home and four had two or more children living with them at the time. Three of the participants are enrolled full-time in a college program, and one had just completed a graduate nursing program. Each had been recruited by the Olmsted CAP agency on our behalf.

Research Procedures: The discussion took place at the CAP agency with Barbara Lukermann moderating and Denise Rogers co-moderating. The session was audio taped and lasted from 1.00 p.m. to 2.45 p.m. on August 2nd, 1989. The discussion centered around six questions designed to elicit information on housing needs, preferences and problems faced by these households in the housing market.

Findings: The list of problems in the open housing market outlined by these low income women is formidable. None are receiving housing subsidies from HUD or Rochester HRA, but all are receiving some form of public assistance and their incomes are set by eligibility criteria for the assistance. Problems described below create an insecurity of tenure for owners and renters alike. This insecurity permeates their lives.

- Affordability. Finding a place you can afford in a decent neighborhood is the number one problem for these families. Two indicated that more than 90 percent of their income goes to housing and that they had to get loans to cover basic food and other living costs. The debt burden affected everyone. One member of the group told of her landlord reducing her rent by \$25 when she started full-time in college and the former rent would have been \$13 higher than her monthly cash income. For one member of the group, sharing the rent with another person is the only way she can afford the house.
- Location. A decent neighborhood means different things to different people. The participants living in the rural areas and small town deliberately avoided city living because of lifestyle preferences, as a way of avoiding unruly neighbors, and to avoid a stigma their children felt in city schools. The affluence of Rochester has created a gulf for these participants, with one member living in the city citing a suggestion by one teacher that it would be better for the children to go to another school. Two participants said they deliberately chose to

live outside of Rochester because of the school system. Being poor in Rochester is almost like being an "outcast" according to one member of the group. Today, all in the group had a driver's license and a car, but two had previously not had a license and thus were restricted to living within walking distance of a laundromat (using a child's wagon to carry the laundry) or in a small town with a bus line into Rochester to get to work.

- Discrimination. Several in the group spoke of being discriminated against in the housing market and having to lie about their hourly wage or number of children because landlords believed that their single-parent status and income would not make them appropriate tenants. Since many of them had previously owned property prior to a divorce they found it humiliating to be treated as a potentially poor tenant.
- Access to Information. Collectively this group of women had a great deal of information about various assistance programs to help cover a housing emergency, to get a loan for utility costs, and to find out about eligibility for social service programs; but individuals had only selective information. Everyone said the "grapevine" is how you find out: "Someone knows someone who knows someone else who told her that...." Individuals had very different experiences with knowing where to go for help and getting that help. The group was unanimous in their assessment that being put on a waiting list for housing was of no help at all since no one ever called them back. One person said she had been on a list for over two years and had never received any calls. Availability of legal aid for homeowners was cited as a particularly difficult problem when one woman felt she had been misled in a home purchase. It appears that legal aid is only available to renters. Information on where to find used appliances (that work) and furniture is very much needed by families who are moving from an apartment into a rental house.

Housing problems for renters of single-family homes focused on the pending threat of losing a rental because the landlord is elderly and may sell out at any time. All who were living in rented houses expressed major concern because they were happy with their current housing. The owner of a mobile home in a mobile home park bitterly expressed unhappiness with drug dealing, noisy neighbors, and unreceptive management, and discouraged anyone from buying a mobile home in hopes of building equity. "There isn't any equity in a used mobile home" according to her, and eleven years of living in this park has been "hell."

Homeowners have equally difficult situations. One woman had bought what she thought was an affordable single-family home with moderate monthly payments only to find later that the house was in a flood plain and the added insurance payments now makes it difficult to make ends meet. She was not knowledgeable enough to have recognized flood damage in the basement and after a two-inch rain now finds "four inches of water in the basement." The woman with a "contract" for purchase over the last five years now finds she has to come up with a sizable loan to exercise the contract by June of 1990 but she does not have money to make some repairs to the roof and paint to meet the contract terms and thus may be out on the street at that time. It appears the

contract does not protect her if her landlord dies and the heirs wish to cancel.

Housing Needs: When asked what they need in the way of housing, their responses included: a Section 8 voucher where one could rent a house; a house with a yard and privacy rather than an apartment; a place with a garage with a door and a lock so that belongings were not stolen or vandalized; a place in the country with less stress in the school system; a larger place so that one's accumulated furniture would fit in; a bureau to go to that does not stigmatize you when looking for a place to live; a safe neighborhood where there are no drug dealers, knife fights or drunks; responsive management where rules for tenants are upheld. Three members of the group, however, said they had excellent landlords and all they wanted was a security of tenure. No one wished to have public housing; two indicated they would never want to live in the Rochester public housing units because of the quality of life (not the quality of units).

Housing Search: When asked why they chose to live in their present home it was apparent that all had a difficult search. One woman said she had looked for a year, considering LaCrosse and Winona as well as Rochester before finding an affordable single-family home to buy--which later turned out to be a poor purchase. Another member was looking at smaller towns outside of Rochester and only found a single-family home to rent because she could use her elderly father's veteran's pension to cover payments. Her father has since died and the housing cost is now proving to be a real problem. One member of the group spoke of real discrimination in finding a place because she was a single parent. Another member had help from her parents in a small downpayment. The woman now renting a farmhouse restricted her search to this type of house, looking only for a "roof and walls that were standing." The high monthly utility costs of this farmhouse (\$190 a month for gas and electricity) creates its own problems, but can be covered since she is sharing the rent with another person. She would simply have to move if rent could not be shared. Housing condition did not appear to be a problem with this group--they were willing and able to "fix things" if the place was affordable and in a decent neighborhood with a sympathetic school system. The women in the group all indicated they were good at "cobbling things together," and often tried to fix small things that went wrong without calling their landlords. The housing search for two participants was limited by the desire to have their children in a rural school district.

Coping with Housing Emergencies: One of the group had an emergency with a threatened cut-off from gas service because she was \$24.85 in arrears. Re-establishing service would cost her \$85, an amount which she did not have. She simply did not know how to cope, but was directed to sources of help by other members of the group. Three other women are worried about the prospective sale of the property where they now live and would consider that an emergency because of the limited number of affordable vacant units. Housing outside the city of Rochester is viewed as "nonexistent for people like us."

Suggestions for Improving the Housing Market: Several suggestions were offered to make it easier to find and to keep appropriate housing and it is important to note that the group was unanimous in saying that it was harder to keep a decent place than it was to find it.

Their suggestions included:

- Equalize the housing assistance programs between Rochester and the rest of the county. Participants felt that certain types of assistance are only available if one lives in the city.
- Inform landlords that single-parent households do not have to be poor prospects for rentals. Advise landlords how they can select good tenants despite their being low income and single parents.
- Expand programs to help people buy single-family homes. (Note, however, that more than one member of the group indicated that buying a home and being on public assistance was NOT a good idea!)
- Provide incentives for landlords of houses to keep them as rentals. Suggest that the county might be of help in screening tenants or in providing other incentives not to sell and jeopardize the existing tenant's occupancy rights.
- Create a bureau where one could go to help find affordable housing without the stigma attached to current sources.

Implications: Conclusions from the group session are necessarily tentative and in no way can they be used to quantify the unmet needs of this particular group of households. The information provided, however, points to a housing market which is tight, not very responsive to needs of low income households, and where a bit more organization of the market is called for to make the search and security of occupancy easier. The findings also point to a wide variety of housing preferences and the need to expand choices in the city, small towns and rural areas. Affordable housing in a decent neighborhood appears most likely to exist outside the city of Rochester, but not in mobile home courts if the experience of our one member is a guide.

Interview findings point to the need for:

- Expanded housing assistance for low income home owners--potentially a "truth in housing" and availability of some type of legal aid for owners with difficult legal problems.
- Mechanisms to reduce the insecurity of tenure for renters of single-family homes or parts of single-family homes upon sale of a property.
- Better integration of housing assistance programs for persons living in the rural areas as well as in the city of Rochester.
- An information bureau (or data base) which can help the search for affordable housing and also for used appliances/furniture.
- New ways to avoid discrimination in the housing market for single-parent households.

## Refugee Households

Eleven individuals participated in this group interview which was designed to get a better understanding of the housing issues and problems facing the refugee population in Olmsted County. Also in attendance was Mark Caspersen, director of the Intercultural Mutual Aid Association (IMAA), who helped with the recruitment of refugee participants. Ten of the eleven participants were staff members at local refugee assistance organizations, while eight of the participants were also refugees themselves. The refugees were fairly split between being homeowners and renters, and all of the refugees present were bilingual. All of the participants had lived in the country for over two years, had incomes less than the Olmsted County median, and represented a mix of nationalities.

Research Procedure: Ed Goetz moderated the discussion (which was held at the IMAA offices) with assistance from Patricia Beech. The discussion lasted one hour and forty-five minutes and was audio-taped. Immediately after the session, the moderator and assistant moderator noted common themes and opinions expressed by the participants. The audiotape was reviewed to further highlight participant opinions. The draft report was prepared by the moderator and reviewed by the assistant moderator to check validity.

Findings: Representing a mix of homeowners, renters, and persons in the process of purchasing a home, this group articulated a broad spectrum of problems they have faced in the search for adequate, affordable housing. The problems described below have the effect of compounding the difficulties refugees have faced in adjusting to a new culture and a new language. Overall, the greatest problem confronting refugees in Olmsted County appears to be a lack of choice in regards to housing. Because of high costs (especially for rental housing), discrimination by landlords and neighbors, and the small supply of larger rental units available, refugees often have very few housing options to choose from. This has led to dissatisfaction with housing costs, size, and physical condition, and a general sense of housing instability and insecurity.

- Affordability. Some participants felt that the problem of rising housing costs has become more severe in the past two or three years. Regardless, all participants felt that finding affordable units is difficult. One participant said that refugees on public assistance cannot afford to pay normal rent levels. Another said that some people are spending 75 percent of their income on rent. One participant claimed that there are "more tenants than apartments, so landlords charge more."
- Discrimination. Another set of responses revolved around the poor relationship between refugee tenants and their landlords, and discrimination by neighbors. Two (or three) participants related knowledge of tenants who lost their deposit despite the fact that they had left the apartment in the same condition as when they first rented it. One participant who had this happen said, "I speak English; what happens to those who don't?" Another participant related a story of going to view an apartment and being told by the landlord that "our Asian building is already full." At least two group members told of acts of vandalism or

verbal abuse that they had suffered as a result of moving to certain locations.

- Physical Condition of Housing. Securing housing that is in good physical condition is a major problem for refugee households. One participant said that his landlord locked his thermostat, leaving his family very little heat in the winter. The same participant also said that his apartment has no lock on it. When he asked his landlord about it he was told not to worry. Poor conditions cited by participants included lack of control over heating, dirty and poor carpets, unsafe windows, and poor ventilation.
- Size of Housing. Participants stressed that finding units that are large enough to accommodate refugee families is a problem since families are often larger and children tend to live at home longer. The larger units are more expensive: the only units they can afford are smaller units. One participant said "housing is going up and people cannot afford to pay \$500-600 for three or four bedrooms." The size issue is therefore related to the issue of cost.

Housing Needs: Most of the concerns above were echoed when participants were asked to describe what they need in housing that they don't have. Participants responded by stating that larger units and better quality units were needed. Another respondent said that for the price they pay, the quality of the housing stock should be better. One participant told of a child being hurt by a faulty window. Another participant told a story of a family living in a unit with mildew caused by the lack of cooking ventilation in the apartment. The landlord claimed that putting in ventilation would cost too much. Finally, another participant told a story about a tri-plex with a single heating meter. The bottom apartment was always too hot, the top apartment was too cold, and each unit was forced to split heating costs equally. The landlord refused to meter the units individually because it would cost too much.

The Search for Housing: Participants were asked, "What made you choose to live where you do?" It was the general feeling of the participants that refugees have very little choice. One participant said "you have to take what you can get rather than live in the street." Other responses were "I chose a place that was nice and clean, even though the rent was higher," and "people want to live next to other refugees." A number of the participants agreed that the "community" was important to them. It is important, the parties said, because of the need to rely on others for transportation and other things. One participant said he was forced to live near downtown to be close to school and because he had no transportation. Another said that the neighborhood is getting to be less important than the cost of the unit.

The participants were then asked what made the housing search difficult for them. Housing unit size, cost and location, and discrimination against them as refugees, each were mentioned. Participants did not seem to think that the rental deposit was one of the most difficult parts of finding a good home, though they did indicate that a down payment was more difficult.

Some participants felt that finding a home in a decent neighborhood was a problem because sometimes neighbors will not want them in the neighborhood.

One participant said neighbors "will do things to make you move." Two participants mentioned vandalism and one participant referred to one landlord telling him "our Asian building is full." Thus the participants agreed that discrimination is a problem. Participants also agreed that affordability is a major concern.

Access to Information: When asked how they went about finding their current homes, the participants mentioned asking friends and looking in the newspaper. One participant said that people rarely see "For Rent" signs up anymore. One participant said that two months before he was going to move out of his apartment a family came to him and asked him to reserve his unit for them. He then went to the landlord and arranged for this other family to take over the unit. Other parties said that this was fairly common.

Housing Stability: Participants were asked to respond to the following statement: "Finding a decent place to live is not as big a problem as keeping one once you've found it." Initially, participants felt finding a place was more difficult, until one participant mentioned that because of rising rents, keeping a unit is more difficult. The participants seemed to split on this issue.

Participants were asked whether they thought they would have to move in the next year. One participant said yes, because in the recent past his landlord raised his rent \$200. Another participant said that he will have to move because of the bad conditions of his house and because it is getting worse. Others echoed similar problems with their housing conditions and problems with neighbors which might cause them to have to move.

Homeownership: Participants were asked to respond to the following statement: "Owning your own home is the best situation to be in." The participants agreed with this statement. One participant said that you don't have to worry about the landlord asking for more rent. Another participant said that homeownership is private property and you can do anything you want. One participant said that renting can be good, too, if it is affordable, clean and has amenities. Another participant said that with government subsidies, some owners are paying less than renters.

Coping with Housing Emergencies: Participants were asked about having a housing emergency in the recent past. One participant brought up the case of a family whose house burned down. It took a number of months for them to find a permanent spot in public housing. Red Cross paid for the cost of a motel for the family. In other cases the church has provided temporary housing to a family. Another participant said that sometimes families will live with relatives until permanent housing is found. The temporary housing system is an ad-hoc system that responds in different ways to different emergencies.

Suggestions for Improving the Housing Market: Despite being split on the question of whether it is harder to find decent affordable housing or to keep a decent place, members of this group offered many suggestions to make it easier to find and keep adequate housing. Their recommendations included:

- Expand the supply of housing so that rents will be lower and refugees will have more of a choice when securing housing. Currently, the

incomes that many refugees have are not sufficient to make available housing affordable.

- Develop educational programs for both landlords and refugees. Landlords need to realize that it is illegal to refuse to rent to an individual just because he/she is a refugee, and some refugee tenants could benefit from learning about signing a lease and what that entails and implies.
- Provide incentives to landlords to accept Section 8 certificates and vouchers.
- Pressure landlords to bring their properties up to code and to discontinue the practice of setting aside better quality rental units just for white tenants.

Implications: Conclusions from this focus group are obviously qualitative and in no way can they be used to quantify the unmet housing needs of this group of households, or to make inferences about all of the county's refugee population. If anything, the refugee participants in this group probably understated the housing problems faced by the majority of refugees as all of these participants were bilingual, had lived in Rochester for at least one year and in the United States for at least two years, and most had secure jobs.

The results from this focus group clearly indicate that there is a permanent minority population in the Rochester community, and policy responses should be aimed at hastening the pace for this population to have equal access to the local housing market. Fortunately, the refugee population already offers a mutual help structure which can be capitalized upon. Policy to nurture this self-help (as is done by IMAA and Catholic Social Services) should be expanded upon by increasing the organizations' ability to maintain current rental listings, by providing access to legal aid when tenants are discriminated against, and by providing support for alternative forms of housing for refugees such as limited equity coops.

At the public level, housing for refugees could be improved by the inclusion of a: 1) "truth in housing" ordinance to insure that a prospective buyer knows what is being bought, and 2) human rights/relations position in the mayor's office to redress discrimination in the housing market.

The information provided in this focus group points to a housing market which is tight, which isn't very responsive to the needs of refugees in terms of size and condition, and in which efforts by landlords, in particular, to reduce discrimination would go a long way toward making the search for and occupancy of housing easier. Overall, there is a need for overt policy at the city level and among community leaders that housing discrimination will be subject to penalty and that action will be taken when discrimination is documented. Additionally, the housing situation for refugees could be improved if there were support for nonprofits which serve refugees to acquire, develop, and manage housing, and if there were support of a housing information position in the HRA to maintain listings of rental and for-sale housing. Support for a housing advocate in the financial community and for a low-



interest loan fund for refugees could also serve to alleviate some of the housing problems expressed by participants in the focus group.

### C. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

The following describes the existing facilities/specialized housing stock available for eight different special population groups: homeless, troubled youth, battered women, mentally ill, mentally retarded, physically disabled, chemically dependent, and elderly. Demographic statistics on the number of persons or households fitting each of these groups are generally poor, making it impractical to measure quantitatively their unmet housing needs. A general profile, however, can be developed with ranges of the extent of unmet needs identified.

To a large extent the nonprofit sector has taken on the provider role, with the public sector providing financial support for what is generally high cost/high services related shelter.

Table 5.10 below summarizes available statistics on number of units/beds available for each population group, estimates on the size of the population, and an estimate of the extent to which needs are presently being met.

Table 5.10 UNMET HOUSING NEEDS FOR SELECTED SPECIAL POPULATION GROUPS

<u>Group</u>	<u>Available Number of Units/Beds</u>	<u>Persons Served Annually</u>	<u>Estimated Number in the Group At Any One Time</u>	<u>Percent of "Needs" Met By Current Facilities</u>
Homeless	17	1,270	30-60 (minimum)	38
Troubled youth	150 (est.)	?	?	?
Battered women	22	500	40	55
Mentally ill	65	?	500-800	6-13
Mentally retarded	162	?	740-920	10-13
Physically disabled	1,255*	?	11,400	12
Elderly	2,370**	2,370	13,200 (est.)	n/a***

\* Includes handicapped accessible units and units specially designed for persons with major handicaps.

\*\* Includes designated housing for elderly in subsidized units, nursing home beds, and market rate elderly housing.

\*\*\* 2,370 units are designated for elderly residents. However, it is not known how many elderly residents need or want special housing units.

The Homeless

While it is generally conceded that no reliable figures exist for the number of homeless in the area, the Salvation Army estimates that at any one time there are roughly thirty homeless persons in the county. The Minnesota Department of Jobs And Training, which conducts a weekly shelter survey, determined that there are an average of fifty-nine persons in shelters on any given night.

Both sources emphasize that these estimates do not include the "hidden homeless"--those who are on the streets and those who are temporarily doubling up in housing. The homeless are found predominantly in Rochester due to the centralized availability of shelter, food, and services.

The Dorothy Day Center in Rochester, with its twenty-one-bed shelter, is the only facility in Olmsted County and southeastern Minnesota set up specifically to house the homeless. Other providers such as the Women's Shelter and Omnia Family Services provide shelter for more specialized transitional situations. The Salvation Army does not operate a shelter per se, but provides financial assistance to persons experiencing a temporary housing crisis. The cost of such assistance is high, since it sometimes entails lodging clients in hotels.

The housing needs of the homeless are varied since the population is comprised of several subgroups with unique needs. These include: 1) the borderline mentally ill, 2) family members of Mayo clinic patients who have run out of money due to an extended stay, 3) transients, and 4) persons in a transitional process (e.g. just having moved into town, or having lost an apartment unexpectedly).

Table 5.11 HOUSING FOR THE HOMELESS

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Dorothy Day Center</u>	Dorothy Day Center	1	21 beds	Rochester	680 people/yr 14/day (avg)	8 days	none kept
<u>The Salvation Army</u>	provide vouchers for hotels or assistance with rent	0	no set limit	Rochester	1270 (1988): 595 families 395 single men 150 single women	1 or 2 nights at hotel or rent for 1 month	clients served on a drop-in basis

Youth

In Olmsted County there are at least 148 beds available in temporary shelters for troubled youth--120 through county programs, 26 at Omnia Family Services, and two to four at the Zumbro Valley Mental Health Center Crisis Receiving Unit.

The county does not have a designated shelter for youth; rather, it oversees placement in seventy-five foster homes throughout the county. Eighty percent of these homes are in Rochester, and Rochester is from where 85 percent of the county's troubled youth come. Many of the clients at Omnia and Zumbro Valley are referrals from the county social services department.

The housing needs of these individuals are said to be unique in two ways. First, there is a need for a small and supportive environment. Second, there must be a range of short-term to long-term options available due to the variety of potential home-life crises a youth might experience. Eighty percent of youths in need of shelter are chemically dependent.

While the county has historically been able to find a foster home for most of the youths in need, county officials indicate that the supply just barely meets the demand. No formal statistics on occupancy level were available. There is a need for at least twenty more foster care homes in order to provide the variety that ensures good matches between a host family and the youth.

Table 5.12 HOUSING FOR YOUTH

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Omnia Family Services</u>							
- group foster homes	owned or rented by Omnia	6	21 beds	Rochester	20-30 / year	9 months	list not kept
- 72 hour shelter	Omnia	1	5 beds	Rochester	unavailable	2-3 days	0-4
<u>Olmsted County</u>	individual family foster homes	75 homes	120	Rochester/Olmsted County	between 120 and 200/year	unkown; 2 year maximum	20 more homes needed
<u>Zumbro Valley Mental Health Cntr</u>	Zumbro Valley Mental Health Center	1	2-4	Rochester	unavailable	72 hours	0-4

Battered Women

There are no reliable estimates of the size of this population in Olmsted county. The Women's Shelter in Rochester serves approximately 500 people per year--250 women and 250 children. Although the shelter has only twenty-two beds, no one is turned away, and as many as thirty-nine people have been sheltered in one night. The shelter serves an eleven-county area, but the majority of its residents are from Olmsted, Dodge, and Fillmore counties.

The location of the shelter is confidential, for safety reasons. The need for safe, secure, and confidential housing is very apparent for this population. As victims of abuse, these women and their children need dependable privacy, advocacy, and support services.

In addition to the temporary shelter, the Women's Shelter maintains transitional housing. This housing program functions like a shelter, and is located in a building that was once a boardinghouse. There are twenty-two beds available, and each renter pays 25 percent of her income plus \$5 per day per person for room and board. This provides temporary (average length of stay is approximately six months) housing for women in transition--most of whom have spent time in the shelter. The women need temporary housing and support services until they are able to reestablish an independent living situation.

Housing problems for battered women could be eased by: the creation of additional transitional housing; easier access to safe low income housing units; fewer barriers to safe affordable units; availability of more Section 8 certifications; and access to emergency funds for deposits, phone service, and furniture.

Table 5.13 HOUSING FOR BATTERED WOMEN

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Women's Shelter</u>	Women's Shelter	1	22 beds	Rochester	500 / year: 250 women 250 children	10 days, but no limit	no one turned away - up to 39 have been sheltered per night
<u>Women's Transitional Housing</u>	Women's Transitional Housing	1	22 beds	Rochester	varies	6 months to 1 year	varies

The Mentally Ill

Estimates of the size of the chronically mentally ill population in Olmsted County range from 500 to 1,100. The demand for housing has been growing quickly as state hospitals continue their policy of deinstitutionalization or to close, while federal funding for residential facilities has been cut.

Three facilities in Rochester provide a total of thirty-eight beds for mentally ill clients. Only sixteen of these beds (at Thomas House) are chartered to accommodate a significant length of stay. To fill the gap of long term housing need, Thomas Group SILS (semi-independent living services) rents units from the private market. This "agency-sponsored housing" provides 27 additional beds for mentally ill clients. The cost of such a program, however, is high, but the lack of other group home alternatives keeps demand high.

All of the existing housing options for the mentally ill are located in the central city area of Rochester because of: a) the lower cost of housing, and b) a need to provide residents with easy access to public transportation and services.

Advocates note that many of the mentally ill need housing that provides a highly structured and supportive environment, such as group homes are capable of providing. Representatives from Thomas Group indicated that there is a real need for more privately provided housing options for the mentally ill, especially a good board and care facility.

Table 5.14 HOUSING FOR THE MENTALLY ILL

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Thomas Group</u>							
-Thomas House	Thomas Group	1	16	Rochester	24/year	6 months - 1 yr	4
-Quarry Hill	Thomas Group	1	16	Rochester	42/year	60 days	none
-SILS	private rental market	6	27	Rochester	25-30/yr	2 months - 2 yrs	usually none
<u>Zumbro Valley Mental Hlth Cntr.</u>	Zumbro Valley Mental Health Center	1	6	Rochester	unavail.	1-20 days	unavail.

## The Mentally Retarded

Between 740 and 920 Olmsted County residents (estimates vary) are recognized as having mental retardation (MR). The 1980 U.S. Census recognized four categories of mental retardation, which correspond to varying levels of self-sufficiency, and therefore to varying levels of housing needs. In that report, 2,760 Olmsted County residents are actually retarded, but only a third of these are "recognized" as needing social services. Of the total, 2,456 have mild MR, 166 have moderate MR, 97 have severe MR, and 41 have profound MR.

Service providers for the mentally retarded maintain a total of 162 housing units for their clients. Of these, only four are found outside of Rochester. Olmsted County does not have a large MR institution; advocates, though, report that such an environment would be undesirable. The largest of the available housing units support forty-three beds for children.

Foster homes, thirty-six of which are overseen by the county and other providers, also help to meet the demand for supported living, although these units do not technically augment the existing housing stock.

Two of the most critical needs in housing for the mentally retarded are: a) close proximity to bus lines and other services, and b) long-term leasing arrangements, as MR is a long-term condition.

At present, advocates claim there is a great lack of appropriate, affordable housing for the mentally retarded. Waiting lists for the existing stock are long, and often not kept at all due to minimal turnover. The situation is exacerbated by the recent trend toward closing state hospitals, compounded by heavy reductions in federal funding for waived services.

Table 5.15 HOUSING FOR THE MENTALLY RETARDED

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Bear Creek Services</u>	Bear Creek					2 yrs - lifetime	
-6th St.		1	6	Rochester	6	"	3
-Bear Creek		1	6	Rochester	6	"	3
-Hettle Pk.		1	6	Rochester	6	"	3
-Southside		1	6	Rochester	6	"	3
-waivered homes		2	6	Rochester	18	"	
<u>Byron Group Homes</u>	Byron Group Home	1	4	Byron	4	2-3 yrs	0
<u>REM</u>	REM						Total: 20
-REM Roch, Inc.		2	30	Rochester	30	4-5 yrs	
-REM Willow Creek		2	30	Rochester	30	4-5 yrs	
<u>Woodvale SILS</u>	private homes	3	9	Rochester	8	2-3 yrs	county fills vacancies
<u>Hiawatha Homes</u>	Hiawatha Homes						
-Adult home		1	22	Rochester	22-25	lifetime	23
-Children's home		1	43	Rochester	43-50	until 16	7
-SLS (Supported Living Services)	private market	2	7	Rochester	7-8	lifetime	8

The Physically Disabled

The Southeastern Minnesota Center for Independent Living (SEMCIL) estimates the number of disabled/handicapped persons in Olmsted County to be 11,392--roughly 12 percent of the general population. This percentage might be elevated (with respect to other counties) due to the presence of Rochester's extensive medical facilities.

Forty-five percent of this group are ages 65 or older, and therefore fall into multiple categories of need where housing is concerned. SEMCIL notes that a continually increasing number of persons with disabilities are seeking independent living arrangements.

Owner-occupied housing for the disabled is not systematically tabulated, but some figures on rental units are available. In Rochester, there are 163 handicapped units (full features), and 1,113 handicapped accessible units (limited features) on the rental market (apartments of four units and less are not included in SEMCIL's database).

While the total number of units in the county is not available, it is known that 170 units county-wide are subsidized. Typically, handicapped units make up 5 to 10 percent of the average apartment complex, although the larger, all-handicapped buildings end up serving a majority of the population.

In 1988, SEMCIL helped 481 handicapped persons to find housing in the existing market: 89 percent in Rochester and 11 percent in smaller outlying towns. Additionally, Newbridge has forty-one units available for the handicapped specifically set up. However, due to the permanent nature of most clients' disabilities, the number of clients served does not significantly increase each year.

Housing needs unique to the handicapped include (but are not limited to) lever type handles, cutouts under sinks, roll-in showers, accessible entrance, and room for maneuverability. Since these features add significantly to the cost of a unit, the market has not been able to fully meet the existing demand. Affordable, accessible units continue to have long waiting lists.

Table 5.16 HOUSING FOR THE PHYSICALLY DISABLED

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/ Waiting List
Newbridge	private mkt.	1	41	Rochester	44	Lifetime	80

The Chemically Dependent

In 1980 there were an estimated 6,742 chemically dependent (CD) persons in Olmsted County. (National estimates indicate that one out of every eight persons has a chemical dependency problem.) More recent estimates are not available, but in 1988, 320 individuals received county-funded treatment for chemical dependency. In the past five years the number of chemically dependent persons has risen, while the supply of treatment shelters has remained static.

Providers of shelter for chemically dependent clients maintain a total of ninety-nine beds in the county. Sixteen beds for adults are in an institutional setting. One facility is specifically for women, while another is specifically for youth. The average length of stay ranges from seventy-two hours to one year, a reflection of the stage-oriented needs of this population.

The need for non-institutional, residential environments is recognized as an important feature in housing for CD clients. The existence of stratified "step-down" programs (in separate facilities) is also seen as a unique need for this population. Advocates report that few such step-down options exist.

At the other end of the spectrum, there do not appear to be any long-term housing options beyond the one-year average at Cronin Homes.

Finally, a growing demand has recently been noted for mixed-diagnosis treatment environments, catering to the unique needs of CD/MR and CD/MI clients.

Table 5.17 HOUSING FOR THE CHEMICALLY DEPENDENT

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities	Number of Clients Housed	Average Length of Stay	Demand/Waiting List
<u>Cronin Homes</u>	Cronin Homes	2	25	Rochester	100/year	1 year	0-2
<u>Carillion Homes</u>	private market	1	18	Rochester	60/year	3 months	0-2
<u>Grey Gables Recovery (women)</u>	private market	1	30	Rochester	60/year	3 months	0-1
<u>Linley House (teenagers)</u>	leased housing	1	10	St. Charles	35/year	45-50 days	0-2
<u>Zumbro Valley Mental Health Center</u>	Zumbro Valley Mental Health Center	1	16	Rochester	unavail.	24-36 hours	unavail.



## The Elderly

The State Demographer's Office estimated that by 1989, Olmsted County would have 13,211 residents 60 years of age and older (using 1980 Census data as a base). Between 1980 and 2010, the 60+ population in Minnesota is projected to increase by 108.9 percent--markedly faster than the averaged projection for all age categories, which is 20 percent.

According to the Southeast Minnesota Area on Aging, Olmsted County's elderly population is unique in two respects: 1) the county is seeing steady growth in the 60-64 age group despite the fact that every other Minnesota county is seeing a population decline in this age group, and 2) Olmsted County's 85+ age group is the fastest growing of all Minnesota counties.

Alternative housing options for the elderly in Olmsted County include retirement communities, board and care facilities, subsidized apartment complexes, a "Share A Home" program, and nursing homes. In total, there are at least 2,371 beds available to supplement the residential owner/renter option for elderly citizens. Sixty-nine percent of these are found in facilities that have over 100 units.

Of the 718 subsidized units available, 546 (76 percent) are in Rochester while 172 (24 percent) are found elsewhere in the county. Of the 813 nursing home beds available, 704 (87 percent) are in Rochester, while 109 (13 percent) are outside of Rochester. All of the other housing options mentioned are located in Rochester.

Waiting list figures are sketchy due to overlap and to lack of turnover in these types of units. The number of elderly served by these housing options in an average year is probably not much higher than the total number of units available. Once obtained, residents tend to make them permanent homes.

Rochester elderly highrise.



The elderly have some specialized housing needs, including one or more of the following: low cost, a single unit, a security building, handicapped access, proximity to a bus line, or nearby health care. The 85+ age group (rapidly growing in Olmsted County) is known to have the: a) lowest income, b) most frailty, c) highest percentage of females, and d) highest proportion of people living alone.

The construction of several large, subsidized, elderly highrises in recent years has done much to meet the unmet needs of this population (the large waiting lists are somewhat misleading because of significant overlap in the names of applicants). However, advocates for the elderly do note the absence of any moderately priced retirement communities. In addition, it is said that the elderly need more options for living in integrated residential surroundings. Most federal funding now is allocated for elderly-segregated housing.

Table 5.18 HOUSING FOR THE ELDERLY

Housing Providers for this Population	Actual Owners of Housing Stock	Number of Facilities	Number of Units	Location of Facilities
<u>Retirement Communities</u>				
- Madonna Towers	private	1	140	Rochester
- Charter House	private	1	289	Rochester
<u>Board and Care</u>				
- Town Hall Estates	private	1	80	Rochester
- Samaritan Bethany Manor Rooms	private	1	86	Rochester
- Maples (Apts. with Care)	private	1	17	Rochester
<u>Subsidized apartment owners</u>	Public and/or private	See Subsidized Unit Section	718	Throughout county
<u>Share-A-Home</u>	private	25-35	25-35	Throughout county
<u>Nursing Homes</u>				
- Madonna	private	1	62	Rochester
- Charter House	private	1	64	Rochester
- Roch. Bethany Samaritan Hghts	private	1	120	Rochester
- Maple Manor	private	1	109	Rochester
- Rochester Health Care	private	1	68	Rochester
- Samaritan Bethany Home	private	1	122	Rochester
- Woodside	private	1	159	Rochester
- Stewartville	private	1	109	Stewartville

## Refugee Population

There are approximately 2,200 refugees currently living in Olmsted County, the vast majority living in Rochester. The refugee community is comprised primarily of Southeast Asians, but there are also growing numbers of persons from Eastern Europe and Ethiopia.

Catholic Social Services and IMAA (Intercultural Mutual Aid Association) are the predominant agencies in support of refugees in Olmsted County, but neither agency provides actual housing, housing services, or subsidies for housing. Refugees must, then, compete for housing on the open market, a fact that is complicated by many of the special needs of this population.

### 1. Barriers faced in search for adequate, affordable housing

There is first a language barrier, with many newly arrived refugees being able to read or speak only a little English, if any at all. This makes the search for housing and the ability to make the arrangements to maintain housing (signing a lease, applying for housing assistance, etc.) especially difficult.

Another barrier refugees face in securing housing is discrimination. Members of a focus group of refugee participants reported incidents of both physical and verbal abuse by other tenants, neighbors, and landlords. Despite fair housing laws, there are people who simply refuse to rent to refugee households or who will agree to rent to them but will only offer the housing units which are in the worst physical condition.

Many refugees, especially those only recently settled in the United States, require access to public transportation, to entry level jobs, and to agencies of economic and social support. Thus the search for housing for these persons is often limited to central Rochester, even if the correct type, size, or cost of housing is not available in this area.

Lastly, many refugee families, especially those from Southeast Asia, have larger families or choose to live together as an extended family for longer periods of time. These households, then, must look for houses or apartments to rent which have three or more bedrooms. Units of this size are extremely hard to find in Olmsted County and the cost is frequently prohibitive to refugee households.

### 2. Suggestions for improving housing market

Like many other special population groups, housing problems for refugees could be eased by programs which would: help this group find housing, inform them about their rights and responsibilities in renting housing, and explain the opportunities and procedures involved in purchasing housing. Likewise, the community at large, and landlords in particular, could benefit from information aimed at dispelling myths about refugee renters, and from programs which would outline the rights and responsibilities of landlords as outlined under fair housing laws.

Housing problems would be further eased for refugees if there were more larger housing units available; if more Section 8 certificates and vouchers were offered; if the affordable, available housing were in good condition; and if there were persons or an agency specifically set up to help refugees secure and purchase decent housing.

#### Public Assistance Clients

Persons who are eligible for the various public assistance programs experience special difficulty in finding affordable and decent housing in the Olmsted County marketplace. Table 5.19 summarizes the trends in case loads and the average payment for persons with AFDC grants, persons requiring emergency assistance, and persons eligible for general assistance. In most instances these payments are inadequate to cover basic needs, given the fair market rental structure of the county.

Findings: As can be seen from Table 5.19, the public assistance case load in Olmsted County has remained fairly constant over the last five years. As of July 6, 1989, a total of 3,375 persons (3.36 percent of the 1989 Olmsted County population of 100,459) were receiving Aid to Families with Dependent Children, Medical Assistance, or General Assistance benefits. An additional 1,400 households received food stamps at this time.

Over the past seven years, however, at least one subset of the population has been declining in its reliance on public assistance. The actual number of refugees receiving public assistance has declined by almost half from 208 cases to 109 cases. This is due to the fact that the period in which persons can be classified as "refugees" has been reduced on a national level from thirty-six months to eighteen months. Therefore any growth in categorical programs is not due to an influx of refugees to Olmsted County, but can be attributed to growing numbers of recipients in other population segments or population growth in general.

Emergency assistance funds are typically allocated to families with financial problems related to housing, in particular evictions and utility shut-offs due to nonpayment of rent. Additionally, Olmsted County Social Services will only give out funds in these situations if the household can prove that it will use the money toward self-sufficiency. For example, the security deposit won't be paid by the county on a new apartment for a family unless it appears that the apartment will be affordable in the long run.

Olmsted County Social Services reported a growing tide of persons on Medical Assistance and their belief is that this rise coincides with the increasing numbers of working poor people in Olmsted County. Many "middle class" persons are employed in part-time or service sector jobs in which they receive low pay and no benefits. Medical assistance provides a health care alternative for children, the elderly, disabled persons and pregnant women, but it still leaves a gap for persons 21-65 who don't fall into these categories.

Table 5.19 CASE LOADS AND MONTHLY PAYMENT TRENDS FOR  
PUBLIC ASSISTANCE PROGRAMS (Olmsted County), 1985-1988

A. AFDC (Aid to Families with Dependent Children)

Year	<u>Monthly Average</u>				Total Payments	<u>Average Payment</u>	
	<u>Cases</u>	<u>Adults</u>	<u>Children</u>	<u>Persons</u>		<u>Per Case</u>	<u>Per Person</u>
1985	752	809	1335	2144	\$ 277,189	\$368	\$129
1986	801	886	1432	2317	3,848,622	400	138
1987	864	951	1605	2556	4,350,981	419	141
1988	902	1008	1788	2796	4,699,184	431	139

B. EMERGENCY ASSISTANCE

Year	<u>Monthly Average</u>				Total Payments	<u>Average Payment</u>	
	<u>Cases</u>	<u>Caretakers</u>	<u>Children</u>	<u>Persons</u>		<u>Per Case</u>	<u>Per Person</u>
1985	7						
1986	11	14	19	33	\$47,475	\$370	\$120
1987	8	11	16	27	41,749	413	126
1988	10	13	19	32	51,051	421	132

C. GENERAL ASSISTANCE

Year	<u>Average</u>			Total Payments	<u>Average</u>	
	<u>Monthly Cases</u>	<u>Monthly Persons</u>	<u>Monthly Payment</u>		<u>Monthly \$/Case</u>	<u>Monthly \$/Person</u>
1985						
1986	325	380	\$76,413	\$916,959	\$235	\$200
1987	313	374	77,696	932,357	247	207
1988	307	369	75,754	909,053	246	205



## VI. MARKET REPORT

The preceding analysis of housing needs of different types of households clearly points to the inability of the private housing market to respond to the needs of a large proportion of lower income households. Market deficiencies are primarily cost related--the existing supply is simply too expensive. Poor quality of housing is not a pressing issue, except for the very low income and the refugee populations whose choices are limited and who need larger units. Sometimes the deficiency is geographical--housing of the type and cost needed may only be available in what is perceived as a "bad neighborhood" or only outside of Rochester. Often the problem is a "tight" housing market with very few vacant units for a growing population. In many instances the housing problem for lower income households is one of lack of information. With no "truth in housing" legislation, lower income buyers have made poor home purchases; renters report great difficulty in knowing where to look for appropriate housing at costs they can afford. In this section we provide additional information on these issues--examining vacancy rates and constraints in the rental and ownership market for lower income households.

### A. HOUSING VACANCY TRENDS

The following housing vacancy data come from household vacancy surveys done at the request of and paid for by the Department of Housing and Urban Development in Washington, D.C. by the Federal Home Loan Bank of Des Moines, Iowa. The surveys provide information on houses, apartments, and mobile homes, including those under construction, and encompass all housing units in the Rochester/Olmsted County survey area served by post offices which have city delivery routes. The housing surveys were completed within time periods ranging from one day to one month per year and do not include stores, offices, commercial or industrial facilities, hotels, motels, boarding houses, dormitories, institutional or military facilities, boarded up housing units, or housing units receiving bulk delivery.

Table 6.1 summarizes the vacancy rates from 1980-1988 for Rochester and for the urbanized parts of Olmsted County as a whole, covering all types of housing units--single-family attached and detached, multi-family units and mobile homes. Approximately 85 percent of the county's housing is covered. The heading "vacant new" includes housing units which appear to be completed but not yet occupied, while the heading "under construction" describes housing in which excavation has begun but the housing unit is not ready for occupancy.

Table 6.1 HOUSING VACANCY TRENDS, 1980-1988

A. OLMSTED COUNTY

Year	Total Units	Vacant						Under Const.	
		Used		New		Total		Number	%
		Number	%	Number	%	Number	%		
1980	29,041	490	1.7	111	.4	501	2.1	339	1.2
1981	29,884	285	1.0	93	.3	378	1.3	95	.3
1982	29,856	279	.9	41	.1	320	1.1	82	.3
1983	30,484	314	1.0	87	.3	401	1.3	675	2.2
1985	32,733	659	2.0	63	.2	722	2.2	257	.8
1988	32,127	481	1.5	144	.4	625	1.9	96	.3

B. ROCHESTER

Year	Total Units	Vacant						Under Const.	
		Used		New		Total		Number	%
		Number	%	Number	%	Number	%		
1980	27,074	432	1.6	99	.4	531	2.0	303	1.1
1981	27,865	282	1.0	85	.3	367	1.3	81	.3
1982	27,781	221	.8	37	.1	258	.9	82	.3
1983	28,419	260	.9	85	.3	345	1.2	675	2.2
1985	30,748	628	2.0	54	.2	682	2.2	249	.8
1988	29,970	421	1.4	143	.5	564	1.9	93	.3



Table 6.2 breaks down the county totals into housing categories--single family homes, multi-family units and mobile homes.

Table 6.2 VACANCY TRENDS BY TYPE OF UNIT

A. SINGLE FAMILY UNITS

Year	Total Units	Vacant				Under Const.			
		Used		New			Total		
		Number	%	Number	%	Number	%		
1980	19,807	191	1.0	97	.5	288	1.5	144	.7
1981	20,194	126	.6	29	.1	155	.8	79	.4
1982	20,381	144	.7	24	.1	168	.8	17	.1
1983	21,139	145	.7	68	.3	213	1.0	154	.7
1985	19,997	216	1.1	28	.1	244	1.2	174	.9
1988	20,305	204	1.0	11	.1	215	1.1	70	.3

B. MULTI-FAMILY UNITS

Year	Total Units	Vacant				Under Const.			
		Used		New			Total		
		Number	%	Number	%	Number	%		
1980	7,834	257	3.3	14	.2	271	3.5	195	2.5
1981	8,221	135	1.6	64	.8	199	2.4	16	.2
1982	8,033	100	1.2	17	.2	117	1.5	65	.8
1983	8,038	153	1.9	19	.2	172	2.1	521	6.5
1985	9,204	363	3.9	22	.2	385	4.2	52	.6
1988	9,544	184	1.9	131	1.4	315	3.3	16	.2

C. MOBILE HOMES

Year	Total Units	Vacant					
		Used		New		Total	
		Number	%	Number	%	Number	%
1980	1,400	42	3.0	NA		NA	
1981	1,469	24	1.6	NA		NA	
1983	1,307	16	1.2	NA		NA	
1985	1,271	28	2.2	NA		NA	
1988	1,035	55	5.3	NA		NA	

## Findings

- As described in a recent market analysis prepared by HUD, a housing shortage appears to have developed in the Rochester metropolitan statistical area, which includes all of Olmsted County. This report estimates an overall vacancy rate of 1.6 percent as of June 30, 1989, a figure which is consistent with the 1.9 percent overall rate supplied by the Federal Home Loan Bank Board.

A vacancy rate this low signifies an extremely tight market, in which there is a strong demand for housing but a limited supply available. It also suggests that prices for housing may be artificially high and that households have little choice in their housing decisions. Due to high prices and a limited supply, Olmsted County residents may be living in housing which is the wrong size, in poor physical condition, in an inconvenient location, or unaffordable.

- The rental market has a particularly low vacancy rate. In a rapidly growing market such as Rochester's, a rental vacancy rate of 7 percent would not be excessive, in comparison to HUD estimates that the current rate for Rochester rentals is 3.0 percent and is 3.4 percent for rentals in the entire county.

The HUD market analysis stated that if only 408 rental units are presently available at a vacancy rate of 3.4 percent, then as many as 840 vacant units would result in a more desirable rate of 7 percent. According to this analysis, more than an additional 432 rental units are needed to stabilize the demand for rental housing.

- The only type of housing for which the vacancy rate is increasing is in the mobile home market. This indicates a possible problem involving a surplus of used mobile homes, indicating that these units may be in poor condition or for other reasons are not seen as providing an optimal living situation.

## B. RENTAL MARKET

The housing rental market includes 5.7 percent of the county's single family units in addition to the apartments, "plexes," and rooms for rent. A total of 10,566 rental units exist in Olmsted County--a relatively large number and accounts for 27.5 percent of all housing units.

Table 6.3 summarizes the publicly advertised rentals during August, 1989 and identifies the current rental structure and number of units on the market at any one time.

The following rental market information comes from the *Rochester Post Bulletin* classified ads for the dates July 28, August 4, August 12, and August 19, 1989 and from in-person and phone interviews with representatives of property management companies. It was collected in order to have a "snapshot" of the costs and the availability of rental housing in Rochester and Olmsted County.

The "for rent" ads from the four different dates were added together to get the total number of units vacant within the month. Obviously, this system provides only a rough estimate of availability because some units may be on the market for an extended length of time. Included in the summary were only those ads which specified a particular unit for rent. Ads for management or realty companies announcing one-, two- or three-bedroom apartments available were not included because they provided no information about the actual number of units for rent and because almost all of the single ads specifying a unit for rent listed a management company or a realty company as the owner. Thus the multiple listing ads were considered to be redundant.

The housing categories included in Table 6.3 are subdivided as they were in the newspaper: furnished, unfurnished, rooms for rent, etc... and within these categories are listed the different sizes of housing units available. The number under "Total #" is the sum of "for rent" ads for the four-week period for each specific category. In addition, this total number is broken down further into five or six price ranges to give a picture of what types of units are available at different prices. Unfortunately, each "for rent" ad did not include a price listing, so the sum of the numbers under the price ranges does not, in most cases, equal the total number of units listed as "for rent" in each grouping. Lastly, an average rental price and the rent range for each size of unit is listed for each of the categories.

In order to be able to compare prices for housing units, a decision was made to use \$50 as an average monthly cost for utilities. Therefore, in ads in which the price included utilities, \$50 was subtracted from the rental price to make it comparable to all the other units in which utilities are an extra cost to the tenant. Similarly, \$25 was subtracted when utilities were included in the rents for houses or apartments to share.

Table 6.3 OLMSTED COUNTY RENT RANGES, August 1989

A. APARTMENTS FOR RENT--TOTALS

Type	Total #	Sub.	<\$250	\$250-350	\$350-450	\$450-550	>\$550
Eff.	26	0	16	2	0	0	0
1 bdr	108	4	17	43	5	0	0
2 bdr	99	4	4	1	40	23	0
3 bdr	5	0	0	0	1	1	2
4+ bdr	0	0	0	0	0	0	0

	Rent Range	Average Rent
Efficiency	\$170 - 290	\$195
1 bedroom	175 - 450	287
2 bedroom	225 - 600	420
3 bedroom	435 - 840	587

B. APARTMENTS--FURNISHED

Type	Total #	<\$250	\$250-\$350	\$350-\$450	\$450-\$550	>\$550
Efficiency	7	2	2	0	0	0
1 bedroom	23	3	12	0	0	0
2 bedroom	3	0	0	0	0	3

	Rent Range	Average Rent
1 bedroom	\$195 - 350	\$284
2 bedroom	589 - 600	592

C. APARTMENTS--UNFURNISHED

Type	Total #	Sub.	<\$250	\$250-350	\$350-450	\$450-550	>\$550
Eff.	7	0	7	0	0	0	0
1 bdrm	83	4	12	31	5	0	0
2 bdrm	86	4	4	0	38	20	0
3 bdrm	5	0	0	0	1	1	2

	Rent Range	Average Rent
Efficiency	\$180 - 215	\$205
1 bedroom	175 - 450	288
2 bedroom	245 - 550	418
3 bedroom	435 - 840	587

D. APARTMENTS--FURNISHED/UNFURNISHED

<u>Type</u>	<u>Total #</u>	<u>&lt;\$250</u>	<u>\$250-\$350</u>	<u>\$350-\$450</u>	<u>\$450-\$550</u>	<u>&gt;\$550</u>
Efficiency	12	7	0	0	0	0
1 bedroom	2	2	0	0	0	0
2 bedroom	10	0	1	2	3	0
3 bedroom	0	0	0	0	0	0

	<u>Rent Range</u>	<u>Average Rent</u>
Efficiency	\$165 - 220	\$182
1 bedroom	285	285
2 bedroom	225 - 500	352

E. HOUSES FOR RENT

<u>Type</u>	<u>Total #</u>	<u>&lt;\$250</u>	<u>\$250-\$350</u>	<u>\$350-\$450</u>	<u>\$450-\$550</u>	<u>&gt;\$550</u>
1 bedroom	4	3	1	0	0	0
2 bedroom	17	0	0	2	7	5
3 bedroom	24	0	0	0	8	16
4 bedroom	6	0	0	0	0	4
5 bedroom	0	0	0	0	0	0
6 bedroom	1	0	0	0	0	1

	<u>Rent Range</u>	<u>Average Rent</u>
1 bedroom	\$200 - 295	\$246
2 bedroom	424 - 700	527
3 bedroom	495 - 850	604
4 bedroom	762 - 795	777
6 bedroom	650	650

F. DUPLEX/TWINPLEX

<u>Type</u>	<u>Total #</u>	<u>&lt;\$250</u>	<u>\$250-\$350</u>	<u>\$350-\$450</u>	<u>\$450-\$550</u>	<u>&gt;\$550</u>
1 bedroom	7	0	7	0	0	0
2 bedroom	13	0	0	11	0	0
3 bedroom	2	0	0	2	0	0

	<u>Rent Range</u>	<u>Average Rent</u>
1 bedroom	\$250 - 350	\$285
2 bedroom	375 - 460	433
3 bedroom	425	425

G. ROOMS FOR RENT

Type	Total #	<\$250	\$250-350	\$350-450	\$450-550	>\$550
Single rooms	29	14	0	0	0	0
Hotel/motel	24	0	0	0	0	0

	Rent Range	Average Rent
Single room	\$90 - 230	\$170

H. APARTMENTS TO SHARE

Type	Total #	<\$250	\$250-\$350	\$350-\$450	\$450-\$550	>\$550
Apartments	16	6	1	0	0	0
2 bedroom	6	6	0	0	0	0
3 bedroom	1	1	0	0	0	0
Duplex	3	2	0	0	0	0
Condo/t-house	3	0	0	0	0	0
Share a house	20	7	3	0	0	0
Rooms in houses	4	4	0	0	0	0

	Rent Range	Average Rent
2 bedroom	\$158 - 225	\$184
3 bedroom	200	200
Duplex	140	140
Share a house	120 - 325	196
Rooms in houses	125 - 160	142

Source: *Rochester Post Bulletin* classified advertisements July 28, August 4, August 12, and August 19, 1989.

Findings

Apartments to Rent: A total of 238 apartments were listed as "for rent" in this four-week period. Almost all of the twenty-six efficiencies, except those that were furnished, were listed with rents under \$250. Overall, the listed rents for efficiencies ranged from \$180-\$290, with an average price of \$195.

One-bedroom apartments were the most commonly offered as being for rent. Four subsidized one-bedroom units were advertised during this one-month period and most of the one-bedroom units were listed as costing under \$350. Specifically, out of sixty-nine advertisements which contained a price, seventeen were under \$250, forty-three were between \$250-\$350, and five had prices between \$350 and \$450. The average rent was \$287 and the rent range for this size of apartment was \$175-\$450.

A relatively large number of two-bedroom apartments were also available during this time period, with most rents between \$350 and \$450 per month. Of the seventy-five ads which listed a price, only a few were subsidized units or units under \$250, while forty were between \$350-\$450, and twenty-three were within the \$450-\$550 range. Overall, prices for two-bedroom apartments, either furnished or unfurnished, ranged from \$225-\$600 with an average of \$420.

Only five three-bedroom apartments were advertised for rent, and no apartments with more than three bedrooms were available. Of the three-bedroom units vacant, one was listed at between \$350-\$450, one fell between \$450-\$550, and two were offered at over \$550. The range of prices for apartments of this size was \$435-\$840 and the average price was \$587.

Houses for Rent: In contrast to the apartment listings which consisted mostly of units with two bedrooms or less, many of the houses for rent were better suited for larger households since over half of the available houses contained three or more bedrooms. At the same time, these larger houses tended to be a little more expensive, with sixteen of the twenty-four being offered for over \$550, and the other eight renting within the \$450-\$550 range. Overall, the average rental price for a three-bedroom house was \$604 and the range was \$495-\$850.

Four one-bedroom houses were advertised for rent at this time, with a price range of \$200-\$295 and an average of \$246. Seventeen two-bedroom houses were for rent, with most of them being offered for over \$450, and six four-bedroom houses were listed, all with prices of above \$550 and ranging from \$750-\$795. Just one house with over four bedrooms was included in the "for rent" ads during this month, with this six-bedroom house renting for \$650.

Duplexes/Twinplexes: This type of housing showed prices which were comparable to the single-family homes being offered for rent. However, when size of the unit was considered, the duplex and twinplex market better resembled the apartment market, as these available units consisted mostly of one or two bedrooms. Seven one-bedroom duplex/twinplex units were advertised for rent during this time period, all with rents of \$250-\$350 and with an average rent of \$285. Thirteen two-bedroom units were listed, all with prices falling within the \$350-\$450 range and averaging \$433, and only two three-bedroom duplexes or twinplexes were listed, also with rents falling between \$350-\$450.

Rooms for Rent and Apartments to Share: The least expensive type of housing contained in the newspaper ads during this month consisted of rooms for rent and apartments to share, again a better choice for single persons or small households. In this one month period, 54 ads offered rooms for rent, although 24 of these were for hotels or motels and included no price information. Of the other twenty-nine single rooms offered, all fell into the under-\$250 category with an average price of \$170.

In looking at the advertisements which included a rent price, apartment sharing also appears to be a relatively low cost housing option for these smaller households. Six ads requested persons to share a two-bedroom apartment for under \$250/month per person, while one ad requested a roommate to

share a three-bedroom apartment for under \$250/month. All of the condos or townhouses to share which listed a price were being offered for under \$250/month per person, as were the four rooms in houses listed in this category.

The largest portion of available housing in this grouping consisted of shared single-family homes, of which there were twenty ads during this time period. Of the ten ads which included a price, the majority (seven), fell into the less than \$250 category, while the other three listed prices between \$250-\$350. Overall, the average price offered for houses to share was \$196.

#### Property Management Information

Data collected from rental management companies in Rochester and Olmsted County corroborate many of the conclusions found by analyzing the classified ads for rental properties for a month. Conversations were held with representatives of twelve management companies, who together control 5,619 rental units. Of these units, 3,515 are in Rochester, thus these management companies control 37 percent of the total registered Rochester rental units.

The management company representatives reported that the rental market is very tight and that they have very few vacancies each month. In fact, a spokesman for the Rochester Rental Directory, which deals with 80-100 vacant rental properties at a time, said that while the rental market has been very tight in the last eighteen to twenty-four months, the last twelve to eighteen months have been the tightest in ten years. Because of this, the property management companies have very little trouble renting the units that do become vacant, and a few of the companies even maintain waiting lists for their market rate rentals.

As was evident in the newspaper analysis of rental property vacancies, persons involved in management reported that there is a very limited number of single-family homes for rent, and that these are generally in very high demand due, no doubt in part, to the extremely small number of three-bedroom apartments or larger that become available. In fact, of the twelve management companies surveyed, only five have three-bedroom units, three have four-bedroom units and two maintain units with five bedrooms.

Additionally, these management companies oversee over 1,100 housing units outside Rochester in greater Olmsted County and in the three-state area of Iowa, Wisconsin and Minnesota, and almost all agreed that rural rental property is scarce. What is available is generally rented out by individual owners and the prices for these properties are generally less than the prices for city or suburban housing units. Specifically, rental prices drop off considerably in areas greater than ten miles from the Rochester city limits.

Overall, rental ranges reported by the management companies closely reflect what was found by summarizing "for rent" ads in the *Rochester Post Bulletin* for one month and are somewhat lower than the average rents in the Minneapolis/St. Paul area as published in the *Apartment Guide*. For rent ranges for all types of housing, see Table 6.4.



Table 6.4 COMPARISON OF RENTAL STRUCTURE

	<u>Property Management Data</u>	<u>Classified Ads</u>	<u>Avg. Rent Twin Cities Metro Area* May 1989</u>
Efficiency	\$150-over \$300	\$170 - 290	\$347
1 bedroom	224-425	175 - 450	437
2 bedroom	282-1200	225 - 700	536
3 bedroom	starting at \$500	425 - 850	648
4 bedroom			867

\* Source: *Apartment Guide*, 2nd Quarter, 1989.

Implications for Affordability

Based on the use of 30 percent of total income as an acceptable level of payment for shelter costs, the household incomes necessary to maintain this 30 percent shelter payment level for various apartment sizes is shown in Table 6.5. Additionally, the levels of income a household would need to pay rents equivalent to the fair market rents are shown in Table 6.6. Fair market rents are calculated by the Department of Housing and Urban Development and are meant to signify the amount that would be needed to rent privately owned, decent, safe and sanitary rental housing of a modest nature with suitable amenities in the Rochester area.

Table 6.5 INCOME REQUIREMENTS FOR RENTAL HOUSING

A. APARTMENTS TO RENT

	<u>Average Rent</u>	<u>Total Household Income Necessary*</u>
Efficiency	\$195	\$7,824
1 bedroom	287	11,493
2 bedroom	420	16,818
3 bedroom	587	23,497

B. HOUSES TO RENT

	<u>Average Rent</u>	<u>Total Household Income Necessary*</u>
1 bedroom	\$246	\$9,865
2 bedroom	527	21,083
3 bedroom	604	24,167
4 bedroom	777	31,090

\*Assuming 30 percent of income allocated to rent.

TABLE 6.6 INCOME REQUIREMENTS FOR FAIR MARKET RENTS (FMR)\*

	<u>Average Rent</u> (30% of Total Income)	<u>Total Household</u> <u>Income Necessary</u>
Efficiency	\$322	\$12,878
1 bedroom	391	15,638
2 bedroom	461	18,438
3 bedroom	576	23,037
4 bedroom	645	25,797

\* FMRs are set by HUD for the Rochester metropolitan statistical area, May 1989.

Again, it is clear that it would be easier for lower income households to afford efficiencies or one-bedroom apartments. Average market rental prices on these units are less than fair market rents. As demand has pushed the market prices for three- and four-bedroom housing units higher, the total household incomes necessary to support the rents at 30 percent have also risen. This is shown by the fact that a total yearly income of over \$31,000 is necessary to rent a four-bedroom house, while HUD has estimated the yearly income necessary to rent a modest house at the fair market rent level to be over \$5,000 less at \$25,797.

- Most market rate rentals are one- and two-bedrooms; very few larger housing units are available.
- Single family rental homes of all sizes are in high demand, but the supply of them, and especially the supply of houses with three bedrooms or more, is very limited.
- The overall rental market in Rochester and Olmsted County is very tight and is characterized by few vacancies, waiting lists, and high demand for available properties.
- A very low income family of four persons would only be able to rent a two-bedroom apartment or house and not spend more than 30 percent of their monthly income on shelter.

Affordability of Rental Housing for Public Assistance Clients

The tight rental market and the high cost of rental housing create severe difficulties for households receiving several forms of public assistance. The grants are inadequate to cover shelter costs without excessive burdens. Table 6.7 lists monthly payments for AFDC and General Assistance (GA) clients and compares the average rent and fair market rents against 30 percent of these payments.

Table 6.7 COMPARISON OF RENTS AND PUBLIC ASSISTANCE PAYMENTS, 1989

A. AID TO FAMILIES WITH DEPENDENT CHILDREN

<u>Family Size</u>	<u>Total AFDC Payment</u>	<u>Implied Shelter Payment</u>	<u>Number of Bedrooms</u>	<u>Olmsted Co. FMR</u>	<u>Average Rent</u>
2	\$437	\$131	0	\$322	\$195
			1	391	287
			2	461	420
3	532	160	2	461	420
			3	576	587
4	621	186	3	576	587
5	697	209	3	576	587
			4	645	777
6	773	232	4+	645	777
7	850	253	4+	645	777

B. GENERAL ASSISTANCE CLIENTS

<u>Household Size</u>	<u>Total GA Payment</u>	<u>Implied Shelter Payment</u>	<u>Type of Housing</u>	<u>Olmsted Co. FMR</u>	<u>Average Rent</u>
1	\$203	\$60.90	room to rent		\$170
			efficiency	\$322	195
			one bedroom	391	287

Both of these public assistance programs provide a lump sum grant that each qualified individual or household receives; there is no part of this grant which is set specifically for housing costs. The state of Minnesota has determined that 30 percent of household income should be the standard share allocated to housing, therefore a flat 30 percent of the total monthly payment is considered to be the shelter payment. The total grant will not be increased or decreased because of the actual housing costs a family on AFDC or an individual on GA incurs.

The comparison between rents and income can also be made by calculating the proportion of income that must go for shelter, given local market conditions. Table 6.8 shows the implied shelter burden for various sizes of households for these clients.

TABLE 6.8 IMPLIED SHELTER BURDENS FOR PUBLIC ASSISTANCE CLIENTS

A. AID TO FAMILIES WITH DEPENDENT CHILDREN

<u>Family Size</u>	<u>Number of Bedrooms</u>	<u>Percentage of Total Payment Needed to Pay Average Rent</u>
2	0	45
	1	66
	2	96
3	2	79
	3	110
4	3	95
5	3	84
	4+	112
6	4+	100
7	4+	91

B. GENERAL ASSISTANCE

<u>Household Size</u>	<u>Type of Housing</u>	<u>Percentage of Total Payment Needed to Pay Average Rent</u>
1	room to rent	84
	efficiency	96
	one bedroom	142

It is clear that in almost all instances a large share of a public assistance grant is needed just to cover a family or an individual's housing costs. In some situations, the total grant is not even enough to cover the average rent for the necessary apartment size for this household. Specifically, only a family of two which chooses to live in an efficiency or a one-bedroom unit could feasibly pay two-thirds or less of their monthly AFDC grant for housing. A family of two that chooses to live in a larger unit, or any other size of family must spend over 75 percent of its monthly allowance just for shelter, based on these average rents. Likewise, it is impossible, given the current average rents, for a GA recipient to pay less than 84 percent of his or her monthly allotment just for housing costs. The third column in this table shows, too, that an implied shelter payment of 30 percent of total monthly income does not come very close to paying for housing costs in Olmsted County.

## Conclusions

The preceding tables illustrate with quantitative data the sentiments expressed in the focus group of AFDC parents. Households that receive public assistance are paying a very significant portion of their grant on shelter costs alone. Especially hard hit are families with two or more children who must compete for the small number of larger (three or more bedrooms) apartments that become available each month and then must often pay 85 percent to over 100 percent of their monthly grant just to house their families in Olmsted County.

One way that housing could be made much more affordable to families and individuals who must rely on public assistance would be if these households were also granted the use of a Section 8 certificate. By being able to rely on actual HUD assistance for their housing needs instead of on the shelter payment implicit in the AFDC grant, shelter costs could be held, as intended, to 30 percent of household income. Small families or households with a Section 8 certificate are able to seek out rental units at the higher end of the market for one- and two-bedroom rentals because the fair market rents are higher than the average rents. While this is a positive result for those households that do receive a Section 8 certificate, it also has the effect of pushing low income non-Section 8 households into the poorer quality (lower cost) housing. Those households, then, that must rely only on welfare assistance and do not receive shelter assistance from HUD are burdened in two ways: they must pay a very large percentage of their public assistance grant just for housing, and they are relegated to the worst quality housing because this is all that they can afford.

## C. OWNERSHIP MARKET

Survey information revealed a strong desire on the part of many lower income households to become homeowners. The option of ownership, however, is tempered by income, credit worthiness, and the pricing of homes in the Olmsted County market. Two of Rochester's largest single-family home builders estimated that it was still possible to build a modest single-family home for a family of four from between \$59,000 to \$70,500. These prices include the price of a fully serviced lot. The median price of homes built during 1989 in the county, however, is approximately \$115,000, with relatively few units being built under \$80,000. For most prospective buyers, resale of an existing unit is the more likely choice.

Information from the Rochester Multiple Listing Service (MLS) on the resale of existing homes provides the data base for estimating the extent to which the open market is able to serve households with moderate and lower incomes (i.e., a household earning \$32,480 per year or less). Households earning less than fifty percent of the median family income (\$20,300) are very unlikely to realize a ownership goal without deep subsidy. Many of the very low income families responded on the needs survey that they wanted to own a home within the next two years, but all indicated that it was very unlikely that they would be able to do so.

The Rochester MLS does not include all housing sales but is judged representative of the ownership market. Houses sold without a brokerage service are not included.

Table 6.9 lists 1,745 older homes sold during 1988. This represents just under 5 percent of the county's housing stock. With a price of \$61,900 as the upper limit for buyers applying for a MFHA mortgage, approximately 38 percent of the sales would be open for the MHFA program. As of October 1989, there were 150 homes available for under \$61,900 listed with the MLS.

Table 6.9 RESALE OF EXISTING HOUSES, 1988  
(Rochester MLS Service area)

<u>Price Category</u>	<u>Number of Units Sold</u>	<u>Percent of Area Sales</u>
Under \$25,000	53	3.0
\$25,000 - 39,999	196	11.2
\$40,000 - 54,999	351	20.1
\$55,000 - 69,999	509	29.1
\$70,000 - 84,999	258	14.7
\$85,000 - 99,999	137	7.8
\$100,000 - 124,999	98	5.6
\$125,000 - 149,999	82	4.6
\$150,000 - 199,999	42	2.1
\$200,000 - 249,999	17	.9
\$250,000 and over	2	.1
Total units sold = 1,745		

Despite large increases in the average listing prices of homes between 1987 and 1989 (12 percent increase), homes are selling quite rapidly. Average time on the market is less than three months. Table 6.10 also confirms a strong sales market with sale prices at around 98 percent of the listing prices.

Table 6.10 INDICATORS OF MARKET STRENGTH

	<u>Average Listing Price</u>	<u>Average Selling Price</u>	<u>Percentage of Listing Price Received</u>	<u>Average Time on Market</u>
1987	\$72,160	\$69,956	96.9	93 days
1988	76,999	74,917	97.3	80 days
1989 (through Sept.)	81,280	79,649	98.0	83 days

Prices of homes constructed during 1989 range from a low of \$54,000 for a condominium unit, to a high of \$485,000. Median home price is \$115,600. Eighty-five out of 295 sales are sold at less than \$80,000 (source: appraiser's information summarized by MHFA).

Table 6.11 provides a breakdown of the number of homes sold by price and by number of bedrooms for houses within Rochester and elsewhere in Olmsted County. Participation of the ROCHP in expanding home ownership opportunities for low and moderate income households must recognize the opportunities already existing in the open market, and not acquire or help subsidize units where the current market can compete effectively.

Table 6.11 UNITS SOLD BY AREA AND NUMBER OF BEDROOMS, 1988

A. ROCHESTER

<u>Number of bedrooms</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5+</u>	<u>Total</u>
Number of units sold	432	586	284	37	1,339
Average list price	\$60,423	\$70,952	\$109,062	\$111,687	
Average sale price	\$59,016	\$69,009	\$106,030	\$107,592	
Percent of list price	97	97	97	96	
Average sale time (days)	84	76	68	106	

B. OLMSTED COUNTY (excluding Rochester)

<u>Number of bedrooms</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5+</u>	<u>Total</u>
Number of units sold	124	197	74	11	406
Average list price	\$47,359	\$55,972	\$67,588	\$61,754	
Average sale price	\$45,340	\$53,351	\$64,886	\$59,827	
Percent of list price	95	95	96	96	
Average sale time (days)	133	125	118	176	

1,745

Findings

- A relatively strong for-sale housing market exists in Rochester and in the rural areas of Olmsted County. In all areas of the county, sales prices are very close to listed prices.
- The more affordable larger housing units (four or more bedrooms) are located outside of Rochester. These units may thus be remote from job opportunities and services needed by lower income households.
- A supply of for-sale housing that would be affordable to households earning at least 80 percent of the area median family income is provided on the open market (i.e., homes selling for \$65,000 or less). Three-bedroom lower priced units are more readily available outside of Rochester and a small number of very large (five or more bedrooms) have been sold recently in rural areas at around \$60,000. No information on the condition of these affordable larger homes is available. A role of the partnership in helping large families purchase homes must take

condition and ongoing operating costs for debt service and utilities into consideration.

- Sales prices, amount of time to close sales, and size of house on the open market provide a benchmark for the partnership. Decisions to take on financial responsibility to broker homes sales to lower income households should be based on the partnership's ability to provide affordable and quality housing more competively than the open market.

#### D. EFFECTIVE DEMAND FROM LOWER INCOME HOUSEHOLDS

Need and effective demand for more appropriate or better housing are two different terms. Need has been identified in previous sections of the report on the basis of the following circumstances for a household:

- Low income and with more than 33 percent of income allocated to shelter.
- Living in substandard housing.
- In need of accessibility design in the home.
- Eligible for public housing or a Section 8 certificate, but not provided with assistance.
- Living in a neighborhood/community which is not convenient.

The "Housing Needs Assessment" section of this report documented the proportion of lower income households falling into each of these categories. The number of households for whom the current market does not provide adequate housing is large and includes a wide range of different types of households, from young to old, from single-person households to large families, from households living in rural areas to those living in Rochester. As the ROCHP works to fill these unmet needs, however, it must recognize that actual or effective demand is tempered by two additional and important factors: 1) income resources of households which are sufficient to qualify for proposed new housing; and 2) attitudes of households which may include strong dissatisfaction with current living arrangements, willingness to move, locational constraints on where they would look for different housing, and acceptability of the type of housing preferred.

Forty-seven percent of all households have more than one person contributing to household income, but many still remain low income. Fifteen percent of the two-or-more income households are very low income; 40 percent of the households with more than one income are earning less than 80 percent the area median. Put another way, one out of every four very low income households have more than one person contributing income. Opportunity to increase income to afford better housing is thus limited for a large number of households.\*

Average monthly housing costs for households earning less than \$45,000 per year are currently \$497 per month. This includes rent, mortgage, insurance, taxes and utilities. This amount differs only marginally between the suburban townships (\$528) and Rochester (\$493). No type of household averages

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\* See Appendix 7 for family income for Rochester, fiscal year 1989.



less than \$400 per month. Average monthly housing costs according to the number of persons in the household, as shown in Table 6.12, point to anomalies of some of the larger families of seven and eight persons having the lowest costs. This may be the result of having no or low mortgage payments, or the poorer quality housing being occupied by these larger families.

TABLE 6.12 MONTHLY HOUSING COSTS BY HOUSEHOLD SIZE

<u>Household Size</u>	<u>Average Monthly Housing Cost</u>
1	\$416
2	478
3	580
4	594
5	464
6	556
7	374
8	401
9	485
10	569

Feasibility of Renters Becoming Owners

The housing survey indicated that 4,500 current renters would like to become owners, with almost half believing it would be likely in the next two years. Those feeling it would be unlikely are over-represented in the following subsets of the population:

- Households with shelter burdens over 33 percent.
- Single-parent households.
- Very low income residents.
- Households sharing housing in order to afford it.
- Households with a lesser sense of housing security.
- Rochester residents--over 90 percent of the households feeling it is unlikely now live in Rochester.
- Households with current housing assistance.

Forty-four responses to the survey (representing 2,250 households in total) were from households wanting to own and who feel it is likely that they will do so within two years. Almost half (47 percent) of the couples wanting to own believe it is likely that they will be able to do so in the next two years. Three out of four who want to own and feel it is likely say that lack of funds for a downpayment is the most critical factor that could prevent home ownership. Four out of ten say the monthly payments would be the critical factor, with one out of ten indicating that uncertain job futures would be a factor. It is estimated that two-thirds of those households that meet the threshold criteria of wanting to own and feel it is likely in the next two years, currently have an income of more than 50 percent of the area median family income. Just over a half of these households have an income of more than 80 percent of the area median family income. The income distribution of

households wanting to own and feel it will be likely is listed in Table 6.13. It is encouraging to note that a large proportion have incomes between \$25,000 and \$34,000, and thus potentially able to qualify for ownership under the Minnesota Housing Finance Agency first-time home buyer program.

TABLE 6.13 INCOME DISTRIBUTION OF HOUSEHOLDS WANTING TO BECOME OWNERS AND FEEL IT IS LIKELY WITHIN TWO YEARS (for households earning less than \$45,000 only)

<u>Income Category</u>	<u>Percent of Total</u>
Under \$15,000	18
\$15-24,000	15
\$25-34,000	48
\$35-44,000	19

Just over one-third of this group are couples, 31 percent are single-person households, and 20 percent are single-parent households. One out of eight are single persons living with other unrelated individuals.

#### Renter Demand

Households not wanting to own or believing they are not likely to be able to purchase a home in the next two years are identified as part of the longer range rental market. Table 6.14 summarizes the characteristics of this market which is dissatisfied with their current housing and thus seen as a potential target for future ROCHP assistance.

It is quite evident that the self-designated renter group has less income than the group seeing themselves as future homeowners. More than nine out of ten earn less than \$25,000 a year, and four out of ten earn less than \$15,000. Despite these low earnings, however, housing is averaging just over \$400 a month, with an evident high shelter cost burden on many of these households. The demand for more affordable rental housing in the Rochester/Olmsted County area is very evident. The capacity of the market to respond to these needs is less evident. Significant subsidy will be required to satisfy these housing needs without the excessive housing cost burden that many households now carry.

Additional subsidized rental housing is desperately needed since 91 percent of households earning less than 50 percent of the area median family income currently receive no housing assistance.

TABLE 6.14 CHARACTERISTICS OF THE LONGER RANGE RENTAL MARKET  
 (for households earning less than \$45,000 only)

	<u>Percent Total</u>
<u>Income Category</u>	
Under \$15,000	39
\$15-24,000	54
\$24-35,000	7
\$35-44,000	0
<u>Household Characteristics</u>	
Single parent	32
Un/married couple	26
Single person	21
Single/unrelated	21
Median current housing costs = \$405/month	
Percent allocating more than \$500/month = 20%	
Percent allocating less than \$300/month = 9%	



## VII. AN ANALYSIS OF SUCCESSFUL HOUSING PROGRAMS AND NONPROFITS

### A. MODELS FOR THE ROLE OF HOUSING NONPROFITS

Housing nonprofits typically engage in one of several major roles. Roles include (in descending order of complexity) the Intermediary, the Developer, the Sponsor/Packager, the Management Provider, and the Advocate. These roles are not necessarily exclusive; overlap can and does exist. ROCHP has declared an interest in the first two roles, which this section examines in more detail.

The most sophisticated role is the intermediary model. The nonprofit acts as a financial agent collecting the investment capital of private corporations (tax credit investments, for example), private foundations, and the public sector. As an intermediary, the nonprofit would then disburse the money to developers (through loans, usually low interest) who would actually produce the housing (through new construction or rehabilitation). This is the way the national organization Local Initiatives Support Corporation (LISC) operates; it is also the model used by the very successful Boston and Chicago housing partnerships. In essence, the nonprofit becomes a local lender in the business of making loans for affordable housing.

The second role is the developer model, in which the nonprofit actively seeks out property or land to purchase and develop into affordable housing. This is perhaps the most common model. The nonprofit developer's main task is finding new and creative ways of developing low-income housing in an era of federal government non-participation. The organization can choose the "sweat-equity" approach of Project for Pride in Living or Habitat For Humanity, or it can get into multi-family buildings as an owner/manager, or choose some other strategy. There are three major concerns a nonprofit developer has: how to meet ongoing operational expenses, how to find and then secure low-interest financing for projects, and how to acquire the technical expertise related to housing development.

The third role can be called the sponsor/packager model. Here the nonprofit is involved in development, but in a more passive way. In a multi-family project the nonprofit can be the "sponsor" that enables a for-profit partner to get public funds (such as Section 202 money). Here the nonprofit essentially lends its name and nonprofit status to the development as a way of getting financing for the project. On the single family side, the nonprofit can act as a packager for low-income rehabilitation loans (using either their own funds, as does Neighborhood Housing Services, or government funds--usually city CDBG money, or perhaps even from a state program). In this model the nonprofit is involved in marketing programs and screening potential borrowers.

The fourth role a housing nonprofit could choose is one in which they provide non-development housing services. This is the management provider model. Such services might include managing low-income units, providing tenant counseling and tenants' rights services, or acting as an information clearinghouse for low-income tenants and/or homeowners/homebuyers.

The final role is the advocacy model. The nonprofit acts primarily as a political agent advocating for greater low-income housing assistance. In a sense, the sponsorship of a needs assessment is one way of being an advocate.

The following analysis is based on a survey of selected nonprofit housing corporations, identifying: a) a range of forms and activities that housing nonprofits take on, and b) some commonalities of successful nonprofits. The cases reflect a mix between smaller successful nonprofit agencies in Minnesota and larger successful organizations operating across the U.S. They include:

- Powderhorn Community Council (Minneapolis)
- Central Community Housing Trust (Minneapolis)
- Phillips Neighborhood Housing Trust (Minneapolis)
- Westminster Corporation (formerly CDC) (St. Paul)
- The Whittier Alliance (Minneapolis)
- ELIM Transitional Housing (Minneapolis)
- Twin Cities Housing Collaborative (Minneapolis)
- The Brighton Corporation (Minneapolis)
- Local Initiatives Support Corporation (LISC) (St. Paul)
- Housing Coalition of the St. Cloud Area, Inc. (Minnesota)
- Leech Lake Reservation Business Committee (Minnesota)
- Anoka County Community Action Program (Minnesota)
- Grant County HRA (Elbow Lake, Minnesota)
- Mid-Minnesota Women's Center Inc. (Brainerd, Minnesota)
- Wisconsin Partnership For Housing Development
- Boston Housing Partnership
- Chicago Housing Partnership
- New York City Housing Partnership
- Bridge Housing Corporation (San Francisco)
- Baltimore Housing Partnership
- The Enterprise Foundation (Maryland)
- Neighborhood Reinvestment Corporation (Washington D.C.)

Summary data sheets of these organizations can be found in Appendix 10. While the details of each organization's activity vary, certain issues remain constant from organization to organization. The following section defines these concerns and includes the way in which certain partnerships deal with the issue.

## B. ISSUES

### Organizational vs. Project Based Concerns

A tension can exist in nonprofit corporations, especially in the early years, between organizational concerns and project specific activities. Projects are ultimately the goal, but tend to falter if the organizational framework is not solidified. Organizational concerns include defining the nonprofit's role and structure, staffing, office space, and establishment of professional linkages in the community.

Meanwhile, most funders are interested in results, expecting but not funding administrative or professional capacity building. The only funds

earmarked for organizational support require the nonprofit to exhibit some sort of development track record. This Catch-22 is difficult to break out of. For example, the Central Community Housing Trust of Minneapolis had to build 110 units before it could hire its first staff member. More often, however, organizations that are successful today were given a generous initial boost of funds in their formative stage.

Nevertheless, young organizations are faced with challenges in both organization building and project completion, and must realize that success in one area contributes to success in the other.

### Roles and Functions

Many nonprofits engaged in the provision of affordable housing carry multi-faceted responsibilities; but only rarely is a organization mature and sophisticated enough to be wholly self-contained. Nonprofits in intermediary roles engage in the higher levels of project packaging; the sophisticated nature of their activity often precludes attention to the bricks-and-mortar aspect of housing development. Therefore, an aspiring intermediary organization must first ascertain if the community has another organization that will do actual housing development. Westminster Corporation acts as an intermediary for a development division within its own organization, but only grew to this after years of experience.

Groups acting in the intermediary role undertake a wide array of activities. The first thing these groups do is attract and assemble housing investment capital. Intermediaries get their housing capital from private corporations interested in making tax credit investments, or from private foundations interested in pursuing affordable housing, or from the public sector. The Chicago and Boston housing partnerships combine these sources in various ways. The Boston Partnership is heavily dependent upon public sector contributions from the city. LIISC, on the other hand, relies almost exclusively on corporate investments, packaging, and providing investment pools for investors. The Chicago and Boston housing partnerships do this to a lesser degree.

Intermediary groups must be able to "sell" their housing programs to both public and private investors in order to attract capital. The contributing investors must see in the intermediary groups sufficient expertise to create and implement a housing program that meets the investors' needs. For private sector investors that means creating tax credits; for public and perhaps private nonprofit foundations that means providing sufficient levels and appropriate types of affordable housing.

Creating and defining the housing programs to be pursued is the next step for an intermediary group. To whom will the money be lent--for nonprofits only, or to for-profits as well? Will it, in fact, be lent, or will the money be granted to developers under certain circumstances? What kind of housing will be assisted--ownership or rental, single- or multi-family, permanent or transitional? To what extent will leveraging of other funds be required/ encouraged? What criteria will be used for judging competing proposals? How will the proposals be solicited and reviewed? At this stage, the group needs

to provide answers to a series of questions which, in so doing, essentially creates a housing program to be funded by the group's capital fund.

The nonprofit intermediary also needs to prepare for the implementation of such a program. After establishing program guidelines, the intermediary will solicit applications for use of its funds, review and evaluate those applications, make funding decisions, and then monitor the projects funded. Funding decisions involve the comparative evaluation of competing applications from developers of affordable housing. Monitoring includes servicing (or monitoring the servicing of) the loans made, and monitoring the housing developed to ensure compliance with program guidelines. This might mean monitoring affordability over time, or monitoring other use restrictions built into the program.

Finally, the Chicago and Boston housing partnerships, as well as LISC, offer technical assistance to nonprofits they fund. The technical assistance usually relates to loan packaging and financial review of prospective projects.

Organizations acting in the role of developer have a less extensive list of roles and functions. Developer organizations are involved in purchasing property for rehabilitation or new construction. These groups will routinely engage in financial feasibility analysis of potential projects. Part of the feasibility analysis relates to sources and costs of project capital. The pursuit of project funding is much more complicated given the current low levels of federal government funding. The project reviews listed in Appendix 10 describe an array of potential sources, and most projects mix a number of these. Foundations, private lending institutions, and public sector programs are the most common sources.

The Minnesota Housing Finance Agency has a varied set of programs. Most municipal governments devote a sizable portion of CDBG funds to housing rehabilitation. Even private lending institutions will, for groups that have shown a successful track record, make below-market-rate loans to affordable housing developers. Specialized affordable housing intermediaries, such as those described above, can be a fruitful source of financing as they act as conduits for private and public funding of affordable housing.

Developer groups may or may not have on-staff construction expertise. Larger nonprofit developers have on-staff architectural and/or engineering personnel that assist in the preparation of construction specifications and plans. Alternatively, a nonprofit developer may simply have someone on staff qualified to supervise and monitor construction. Other nonprofits contract out for these services on a project-by-project basis.

Developer groups may also take on the role of housing manager once the project is "on-line." This function, too, can be contracted out. Regardless, the developer nonprofit must make decisions regarding tenant relations, the provision of social services, tenant self-management programs and the like.

Some functions are common to both roles, as the preceding discussion indicates. Fundraising is nearly always a concern for nonprofits, although intermediaries and developers may or may not have the same sources or oppor-



tunities. Both roles also find it in their best interests to be involved in community "consciousness-raising" for housing. Bringing housing needs into the public light raises the level of public commitment, both financially and politically.

Development of affordable housing is the ultimate goal of these nonprofits, even though many are involved in other levels of the process (e.g., the intermediary). The development process requires specialized skills, and many nonprofits are comfortable with assigning the task to a for-profit agency (e.g., Brighton Development in Minneapolis). Others, including the Leech Lake Reservation Business Committee, feel confident enough to actually get into the construction process. The benefit of direct involvement is heightened control over materials, time, and cost.

Nonprofits are also in disagreement about the attractiveness of the property management role. Goals vary: some would prefer to convert property to ownership; others would prefer to see the tenants themselves be involved in management. Several nonprofits question the economic feasibility of managing property. The Phillips Neighborhood Housing Trust felt that a minimum of 200 units are needed before a management position is economically viable. Nearly a third of the cases reported that managing a single-family-home program was prohibitively difficult, time consuming and expensive.

#### Structure and Staffing

There appears to be some correlation between complexity of role and complexity of organizational structure. Intermediaries, having more complex functions, are often larger organizations--connected nationally and sometimes spreading into the development process. National LISC has twenty-three branches, and controls two subsidiaries--a secondary investment market and a tax syndicator.

Similarly, but on a local scale, Westminster Corporation maintains two subsidiaries--one for management and the other for resident services. Organizationally, Westminster Corporation is probably the most extensive nonprofit in the metro area, with thirty professional staff members and eighty property managers.

Intermediary groups must have financial and investment market expertise on staff or on retainer. These groups also need program development staff and program implementation and monitoring staff. If the intermediary provides technical assistance, then this expertise must be staffed somehow as well.

Developer organizations typically have a less sophisticated staff structure. Most local nonprofit organizations have "bare-bones" staffing, consisting of a director, a part-time assistant director, a volunteer or elected board of directors, and maybe a part-time office clerk. Almost every non-metro partnership and smaller Twin Cities nonprofit had this basic

arrangement, with some variation in staff size. The director or assistant director is sometimes supplemented by a finance officer or project manager, responsible for project developments. This is dependent, usually, on the organization's project load. If property management is in-house, then staff numbers are increased considerably.

Depending on the age and size of the developer group, many development functions can be contracted out. Thus, the Central Community Housing Trust in Minneapolis has been very active in developing over 200 units over the past three years with only the executive director working on development. Architectural and engineering expertise, construction supervisor, and financial syndicator activities are all contracted out by the organization.

#### Fledgling Partnerships:

One of the clearest issues noted is the frustrating fragility of a housing nonprofit in its early stages. The inability to prove itself and gain appropriate staff skills in the meantime presents a major dilemma for the fledgling organization.

Three routes to success appear possible according to the experiences of housing partnerships in the case studies. First, a nonprofit can persistently knock on funding doors for a matter of two to three years.

Second, the support of a key person in leadership can be gained. The Boston, New York, BRIDGE, and Baltimore housing partnerships could all point to a key leader who acted as the catalyst. This is usually a person well respected and/or very powerful in the community, having either the power to persuade funders (e.g., a mayor) or to control funds directly (e.g., a bank executive).

Third, many housing nonprofits owe their passage out of fledgling status to a singular financial windfall from somewhere: the Powderhorn Community Council's came from the Greater Minneapolis Metropolitan Housing Corporation (GMMHC); Leech Lake's from donated land; Mid-Minnesota Women's Center's from a major corrections grant; the Phillips Neighborhood Housing Trust's windfall came by virtue of originally being a budgeted subsidiary of another corporation; the Whittier Alliance's windfall came from a five-year Dayton Hudson grant; and the New York Housing Partnership's came from a million dollar Rockefeller foundation grant.

#### Expanding the Organization's Role:

The nonprofit has the option to extend itself into many roles, or it can specialize by throwing all of its weight behind just one. In reality, it appears that most organizations fall somewhere in between. The case studies indicate that fledgling organizations are most successful when they specialize, but larger organizations can be successful at either end of the continuum. In practice, it appears that most larger nonprofits tend to gravitate toward broader sets of roles.

As a nonprofit proves its effectiveness and becomes trusted in the community, its capacity to perform increases: more funding becomes available and

staff skills expand. Inevitably, as this "capacity" increases, decisions are made regarding the organization's role in a wider sense. Like a private sector firm, the partnership can pursue either vertical or horizontal integration.

Vertically integrated partnerships continue to target the same population, but become involved in more levels of service delivery. For example, Westminster Corporation began as a development corporation, concentrating on the nuts and bolts of putting together a building. Eventually, however, it learned the skills of management, and created a subsidiary organization to handle management affairs of projects it built. As it learned social service delivery skills, it created another subsidiary that dealt with resident services in the units it controlled.

Gaining efficiency through these increases in scale, the nonprofit's ability to attain goals becomes far more effective per dollar. Such a change creates greater control over project parameters, reduces costs, and liquidizes the organization's pool of money available for financing.

On the other hand, some nonprofits choose to integrate horizontally, which involves expanding the targeted population, but remaining as a specialist in service delivery, or development, or management. The Powderhorn Community Council, for example, began by developing single-family homes for moderate-income people, but spread out later to target low-income people and assisted living projects for frail elderly. Yet housing development remained the primary function. The organization has enough momentum to become involved in financial packaging, advocacy, or other roles, yet chooses not to. Powderhorn hires out management; it sticks with development because "that's where our expertise is."

Chris Owens of the Phillips Neighborhood Housing Trust explained that there is a risk in horizontal integration. He believes that one bygone nonprofit, the Neighborhood Improvement Company (Minneapolis), failed ultimately because it lost focus. It tried to be "all things to all people," and went bankrupt as a result of spreading its resources too thinly. This is a potential problem for vertical integration as well. The nonprofit organization must carefully analyze the impact of any role expansion on the organization's structure and resource base.

### Funding

Funding is most often described as being the primary concern for housing nonprofits. The massive federal funding withdrawal from housing programs has forced community-based organizations to scratch for smaller inputs from multiple sources. Nonprofits now spend great amounts of time in grantwriting and often have to use ten or fifteen funding sources when packaging a project. Reported percentages of staff persons' time spent on fundraising ranged from a low of 10 percent at the Whittier Alliance to 100 percent (one full-time fundraiser) at Westminster.

The intermediary nonprofit often applies to many of the same funding sources as the developer nonprofit. Sometimes the intermediary will have an

advantage in obtaining funds because of its highly efficient financial networking ability. Intermediaries tap into national pools of invested funds that more localized nonprofits can't access.

There are no absolutes in funding for housing nonprofits. One city government will share a slice of its tax pool; the next will not. One city will have civic-minded corporations; another will not. The best that a nonprofit can do is to be aware of all options and always be pursuing new sources.

#### Organizational vs. Project Funding:

As noted earlier, most housing nonprofits find it difficult to obtain organizational funding. Nonprofits may have to adjust their grantwriting strategy to attract both administrative and project-related funding. Certain sources are more apt than others to offer "capacity building" funds. Government programs include some funding aimed at staff support and technical training. The state of Minnesota recently passed a capacity-building program for nonprofits that offers administrative support. The city of Minneapolis offers administrative funds to nonprofits on a per-unit basis. That is, an organization receives one to two thousand dollars in administrative support for each unit it develops using city development funds.

Other cities simply provide administrative support to nonprofits on an annual contractual basis. The source of these funds is typically the CDBG program. Foundations sometimes also make it a policy to earmark funds for organizational needs. Finally, other nonprofits (usually intermediaries) are a major source of organizational support, offering a variety of aid including grants, free technical training, or in-kind staff support.

One clear pattern that emerges from the case studies is that the breadth of organizations' funding base increased consistently with the age and success level of the organization. This implies that the successful partnerships were those that could avoid a dependency on one or two sources.

Project-oriented funding continues to be more available than organizational funding. Banks, corporations, government programs, intermediaries, and some foundations all offer funding that is specifically designated for project costs.

#### Debt Financing:

Local banks and savings and loan organizations are the most common source of long-term debt financing. Shorter term construction loans are easier to procure, but only if long-term financing has already been arranged. In addition, nonprofits can often procure short-term financing elsewhere (from the city, state, technical assistance agencies, or private funding sources with adequate sophistication) so it may be of pragmatic importance to limit the lender's role to long-term debt financing.

Nonprofit organizations face three problems in approaching conventional lenders for long-term debt financing. First, many lenders are not in the business of financing low-income housing--they are unaccustomed to the process of

partnerships with nonprofits and/or government agencies. This is compounded by the fact that development of real estate for low income persons generates only marginal returns, and nonprofits often suffer from a lack of professional experience in housing development.

Strategies need to be developed to allay the concerns of the lender regarding these points. To prove the economic viability of a project, nonprofits need to target not just those populations that have a need for housing, but those who have an "effective demand" (i.e., an income source that can realistically pay the rent). Short of this the project must have enough public subsidy to bring the project debt down to a level where the limited project income can cover the lender's liability in the project. Proving economic viability is also heavily dependent upon the nonprofit's expertise in putting together and presenting project pro formas. A pro forma should include a risk analysis for the project's projected return on investment.

Nonprofits also need to prove themselves as capable, financially rational developers. Pro formas help here as well by translating the nonprofit's goals into the accepted language of development finance. But more importantly, most successful housing nonprofits emphasize the need to establish a track record of development in the community. This appears to be critical for future loan consideration, even if the project was relatively minor.

Other approaches have been found to be useful in obtaining debt financing. A few nonprofits noted that having personal connections/contacts in lending institutions was the decisive factor in getting loans, especially in smaller communities. The Mid-Minnesota Women's Center in Brainerd, for example, benefited greatly due to its relationship with bank officials.

Another approach involves putting pressure on lenders to offer loans as a way of complying with the 1977 Community Reinvestment Act (CRA). Community groups and the cities of Minneapolis and St. Paul were able to exert enough pressure over one lending institution in the Twin Cities to force a \$89.5 million dollar commitment to "community lending." This was done using the CRA requirement that lending institutions meet the credit needs of their own communities. The Twin Cities' community groups were able to show that local lending by this institution had dropped dramatically in previous years. Regulatory approval of branch acquisitions and expansions can be denied if CRA requirements are not met. In addition, the city of Minneapolis threatened to withdraw its business from the bank. These combined pressures were enough to convince the lender to increase its local activity.

#### Grants:

The most common sources of grants are churches, foundations and corporations. Religious institutions sometimes donate labor and articles as well as money. Monetary contributions are often modest, but in certain cases such as ELIM and Westminster, church sponsorship was the primary catalyst. Westminster is still heavily sponsored by a continuing financial commitment from the Archdiocese of St. Paul and Minneapolis.

Foundations offer much aid in the form of grants to housing providers. The contributions can sometimes be massive, and are sometimes set up over a

period of years, giving the nonprofit a stable "dedicated source." But most support is either project-specific or limited to a year's duration. Some report that foundation support seems to be linked to the interpersonal skills of the applicant--diplomacy, persistence, personal appeal, and the ability to give compelling presentations of need.

Corporations are also major sponsors of housing projects. Firms based in the community are more likely to give than firms that are branches of larger corporations.

Grants in smaller sizes are given by quite a variety of other sources, including community groups, the city's CDBG funds, state housing agencies (e.g., the MHFA), state departments (depending upon the nature of the project or the target population), and technical assistance organizations.

#### Guarantees:

Given the tentativeness of nonprofit budgets, the high risk nature of real estate development (especially for the low income), and the lack of experience that many nonprofits have, lending institutions are rarely willing to lend to nonprofits. When loans are offered, the amount offered rarely equals the amount requested. Since today's nonprofits find loans to be an essential part of project financing, they have responded by learning creative ways to share the risk of low income housing development. Investors with large bank accounts or equity investments are asked to post a letter of credit or a loan guarantee, which requires no cash contribution (if all goes well) and serves to pacify the concerns of the bank. Of course, the project must be able to generate a cash flow (from rents and development fees) for the bank to consider the loan at all. Another way of sharing risk and gaining loan approval is by finding other loans that are set up for deferred payback. The Minnesota Housing Finance Agency has deferred payback policies designed explicitly to allow nonprofits to pay back private loans first.

#### State, County and Local Funding:

State housing agencies, like the MHFA or the Wisconsin Partnership for Housing Development, act as specialized service banks. The Minnesota Housing Finance Agency offers a full range of services, including most of those discussed above. A good number of its programs are experimental in nature. This creates an opportunity for creative housing nonprofits, because the MHFA program will confer a windfall upon one or two projects that qualify as good "demonstration projects." The Leech Lake Reservation Business Association was able to secure major funding for a limited equity cooperative by applying as a demonstration project.

Funding for housing nonprofits from county sources is rare. It appears to be provided only when the housing project has a strong social service element involved. ELIM Transitional Housing is an example of a social service oriented housing provider that obtained county funds.

Cities are not mentioned often as major contributors to low-income housing providers. Involvement becomes more evident when urban redevelopment eliminates low income housing stock, but experience has indicated that cities

are considerably less responsible where community groups fail to press the issue. The Central Community Housing Trust in Minneapolis is almost entirely funded by city-provided relocation funds.

Cities are able to fund new development by selling bonds, some of which are backed by the full faith and credit of the city, and some of which are linked to mortgage revenues. This is perhaps a source of funding that non-profits fail to take full advantage of. Typically, though, cities contribute to low income housing primarily through CDBG funding, distributing these federal dollars to nonprofits of varying types. To the extent that nonprofits successfully push housing on to the local agenda, CDBG funding will shift in response.

#### Technical Assistance

A housing nonprofit does not have to be large to be successful. Architectural, engineering, financial, managing, supervising and contracting services may all be hired out if need be. To some extent, this may even be advantageous to the organization. Since these costs are budgeted as part of an individual project, the smaller nonprofit does not have to carry the costs of these positions on the administrative budget. Some argue that contracting out reduces the nonprofit's effective control over a project by relegating a good deal of responsibility to the hired technicians. On the other hand, this lack of central control can be minimized with careful project oversight by staff, allowing the nonprofit to benefit from "letting the professionals do what they do best."

BRIDGE Corporation is a good example of how extensive use of consulting can bring rapid success (1,300+ units produced in six years). BRIDGE is now in the position of being able to offer technical aid to others. Westminster is also a large exporter of technical aid, providing services to twenty-seven other agencies.

LISC provides technical assistance to St. Paul area nonprofits, especially with regard to financial packaging, but also provides capacity building financial assistance in many forms, including guarantees/letters of credit, limited use grants, pre-development loans, and traditional short-term loans.

The Enterprise Foundation offers technical assistance by working directly with a city and examining the unique elements that affect funding and development control.

The Neighborhood Reinvestment Corporation puts on workshops, does feasibility studies, sets up loan programs, rallies residents to push for low income housing, and gives grants for pilot programs. Technical assistance is mostly oriented toward "resource development," and sees the neighborhood as the client--not the housing provider.

The MHFA, in conjunction with HUD, offers seminars periodically on issues important to housing nonprofits.

## C. LESSONS

Despite the confusing spate of specific techniques, funding mechanisms, and environments unique to individual programs, there are clearly some common threads for successful housing organizations. The findings of this survey imply:

- No two partnerships or housing programs are alike. Successful organizations are those that have managed to tailor the program to fit the unique political, economic, and social environments in which they operate. The Powderhorn Community Council reports that it openly and meticulously copies the format of other housing model programs, but has yet to have a program turn out the way the model did.

Relatedly, the presence of social or political elements hostile to nonprofits does not preclude the existence of a successful nonprofit. Low income housing has been produced with and without public sector support; in economically depressed and economically strong areas; and with or without popular support.

- The inherent skills of the organization's members matter significantly. Members' skills make a very real difference in whether or not the organization attains its goals. Financial and technical skills are critical to have, and consulting is common when these are lacking. Fundraising abilities vary, as do political savvy and lobbying abilities. In an era of limited funding, the ability to be creative when packaging a project is invaluable. Contracting out for services is almost inevitable, but is a far more manageable burden if the nonprofit already has a head start.
- The importance of having a wide funding base. No longer able to rely on a sufficient supply of federal money, local housing organizations are pressed to consolidate contributions from a variety of smaller organizations. Since these sources are relatively unstable, having a variety ensures that the nonprofit's income stream will not be devastated by the actions of one or two funders. CCHT and Mid-Minnesota Women's Center are exceptions to this rule, but only because their respective political situations made large singular allocations available.

Many funding sources are activity specific--some money is earmarked for project-based but not administrative use. This points to the importance of having a variety of funding sources.

- Tailoring the organization's scope and activity to its level of local support. Fledgling partnerships usually must aim for one major funding source, which sometimes requires finding a strong commitment from at least one influential individual in the community. At this stage, technical aid and financial packaging usually come from outside, through consultants or contracting out. Staff is voluntary, or temporarily supplied by existing agencies as an "in-kind" contribution. Above all, however, fledgling organizations need to create a "success story" project, regardless of how small, before funding sources increase.



- Limiting efforts to what can be done. Many partnerships have a program in mind, but the successful ones reduce goals in the short run when necessary. This pragmatic approach concentrates on what can be done given the prevailing political, legislative, social and economic framework. A track record of accomplishment affords an organization more bargaining leverage when proposing the projects it really wants to do. Many smaller groups do this out of necessity, though the Cleveland Housing Network is an example of a major partnership that continues to intentionally limit its scope.
- Sharing responsibilities with skilled partners. Given the need to make each dollar as effective as possible, it is necessary to delegate complicated and specialized tasks to experts. This is especially true for housing partnerships in early stages. Many partnerships learn by working alongside these hired hands, and can internalize more responsibility with each project. The most common cooperative linkage is a formalized partnership with: 1) a nonprofit, 2) a for-profit developer, and 3) a limited partner investing capital for tax credits.
- Persistence pays off. Eight of the housing providers interviewed were successful applicants of the MHFA Housing Trust Fund. Almost all commented on how unpredictable acceptance can be. Some said it was dominated by politics; others believed that grantwriting skills made more difference than project need. Others still said that rating housing projects on need or legitimacy is next to impossible, and that funders just do the best they can. But all said that persistence works, whatever the rationale, and recommended that partnerships keep applying for funds, even if the chances seem slim.
- Having clearly defined goals and plans. The success of fundraising, whether it be from the public sector, the private sector, or "in-kind" contributions from anywhere, directly hinges on how organized the housing partnership seems to be. Mission statements are helpful. As Powderhorn's director Glenn Sampson puts it, "Nobody gives money to people they know nothing about." Offering examples of inter-organizational cooperation shows sophistication and stability. Potential contributors are also impressed with a multi-source financing package, for it shows a local consensus on need and partnership perseverance.

#### D. INNOVATIVE HOUSING PROGRAMS: AN OVERVIEW

Appendix 11 includes a broad listing of local and national organizations that offer technical assistance for housing nonprofits.

As traditional housing programs and funding sources have dried up, communities have been forced to develop resourceful new ways to provide affordable housing. In the 1980s, several innovations deserve consideration:

- Linkage and Trust Fund Programs. Revolving funds capitalized by major grants or by linking development fees to the trust. Major models include the Michigan Housing Coalition, the San Francisco Housing Linkage Program (contact: Ed Goetz, 612-625-4831), the Boston Housing

Partnership (contact: Robert B. Whittlesey, 617-423-1221), Hartford, Miami, Seattle, and Santa Monica.

- Shared Equity. Requires no initial capital pool. Investors are matched one-on-one with a low income project; receive tax credits; homeowner benefits with low payments, then buys out investor's share after tax credit expire. Major model: MANNA, Inc. of Washington, D.C.
- Limited Equity Cooperatives. Creates ceiling on the gain that a shareholder can realize from appreciation of housing units. Ensures long-term affordability.
- Historic Preservation. Being used in most cities over the last seven years as a way of saving the supply of existing housing. The Inner Cities Ventures Fund, a subsidiary of the National Trust for Historic Preservation, in Washington D.C. provides grants and loans. Contact: Mark Weinheimer, 202-673-4054.
- Linked Deposits. Bank savings from major depositors act as collateral for loans for housing providers. Local corporations and regional religious associations are often involved. Major model: The Rehab Project of Lima, Ohio. Contact: David Berger, 419-223-9439.
- Weatherization Funds for Rehabilitation. Local energy producers invest in a specific aspect of low income housing, usually by committing a pool of oil overcharge funds. To see how states are doing this, contact the National Consumer Law Center in Washington, D.C., at 202-543-6060.
- Community Development Corporations. Lending institutions are sometimes compelled to "spin off" a CDC (generating modest returns) as a way to serve the community or comply with the Community Reinvestment Act.
- Syndication. Gaining access to large pools of investment capital receiving low income tax credits. Typical sources include hospitals, universities, pension funds, and regional religious orders. Major model: Local Initiatives Support Corporation (using the National Equity Fund--NEF). See resource directory in Appendix 9.
- Leasehold Cooperative. Community housing provider syndicates the property to investors, but retains control through a ground lease and first option to purchase. Model: West Bank CDC of Minneapolis.
- Lease-Purchase Arrangements. Housing partnership purchases, rehabilitates, and leases property to low-income family, providing them with an option to buy. Pioneering model: Famicos in Cleveland. Contact: Robert Wolf, 216-431-3461.
- Human Service Linkages. Extending the property management role to include provision of human services. Major models: Boston Housing Partnership (contact: Robert B. Whittlesey, 617-423-1221), Westminster Corporation, ELIM Transitional Housing, and REACH in Portland.

- Tenant Management. Arrangement that reduces management costs, empowers residents with skills, and leads to eventual ownership in some cases. Contact: Tenderloin Neighborhood Development Corporation in San Francisco, 415-558-2881.
- Acquisition of Liquidated Properties. One aspect of the 1989 savings and loan bailout includes selling defaulted properties through the Resolution Trust Corporation. Nonprofits and government agencies have the first option to purchase, but only for three months. Sales begin in January of 1990.
- Sweat Equity. Utilizing in-kind payment of labor from residents as a way of reducing costs. Major model: Twin Cities Habitat for Humanity. Contact: Orin Scandrett, 612-721-1712.



## VIII. CONCLUSIONS AND RECOMMENDATIONS

This final section of the housing market report highlights the key findings to help the ROCHP focus its efforts and achieve its goals. Some of the critical issues relate to unmet housing needs of specific target populations; other issues point to the need for a different type of partnership between the public agencies, the private financial institutions, the real estate brokers and nonprofit organizations. The most obvious conclusion from our analysis is that neither the private nor the public sector alone has the resources or the know-how to fill significant gaps in the market.

### A. KEY FINDINGS AND CRITICAL ISSUES

- Market findings confirm the community leaders' perceptions of a large unmet need to expand the supply of affordable housing for low income households--17 percent of all households in the county have incomes that qualify as very low according to HUD definitions. Thirty percent of households earning less than \$45,000 pay over a third of their income for shelter; 8 percent pay over half their income for shelter.
- An extremely tight rental market with vacancy rates of less than 4 percent, plus a high priced rental market, makes the search for affordable and decent quality housing extremely difficult all over the county. Twenty-eight percent of all households rent, and the lack of three- and four-bedroom rentals is particularly acute. There is a critical lack of family-sized rental units renting for less than \$400 per month. The rental market is very tight in Olmsted County and characterized by affordability and availability only in smaller units. There is a lack of affordable housing for families with three or more children.
- Housing quality is generally good, but poorer quality units are disproportionately concentrated in the rural areas (including rental farm homes) and in the "plexes" within Rochester. Only 7 percent of the housing stock is graded as poor quality, but 31 percent of these units are in the rural townships where there are no housing codes to require reinvestment in the units. The poorer quality units are occupied more often by lower income households, both renters and owners, and by the refugee population.
- Threats of further losses of larger affordable units in rural areas in need of repair. Given the concentration of substandard units in rural areas, renovation may result in price increases. There is thus a need for a program to improve the quality of rural housing while keeping the units affordable.
- The lack of a truth-in-housing program to help buyers make informed choices. Low income buyers need more information about hazards of housing in the flood plain or housing with structural defects.
- Less than 10 percent of all households indicate they are dissatisfied with their current housing, but for households spending more than half

their income on shelter, 50 percent express dissatisfaction. Dissatisfaction is concentrated with those having the highest shelter burdens. Additional affordable units in both Rochester and in the smaller cities would be welcomed with open arms by these households.

- The Rochester Housing and Redevelopment Agency is to be commended for doubling the inventory of public and subsidized housing in the 1980s but the inventory of around 1,700 units is still far below the goal of 3,900 units set in 1981. The 260 households on the HRA waiting lists for one of the 307 units are likely to have a wait of twelve to eighteen months before any unit can be offered.
- The shortage of subsidized housing for households who qualify on an income basis is an extremely serious problem. Ninety-one percent of households who are very low income (below 50 percent of the area median family income) do not have any housing assistance. Little opportunity is seen for federal funds to fill this gap. Other strategies must be pursued concurrently with the acquisition of additional Section 8 housing vouchers.
- The community could be faced with the threat of some losses in the existing supply of subsidized housing as building owners become eligible to opt out of their contracts with the federal government. Cooperative efforts between the public and private sectors should begin soon to find ways to keep these units affordable to lower income households.
- Multiple incomes in a household do not necessarily bring the members out of low income status. Forty percent of households earning less than 80 percent of median family income, and 15 percent of households earning less than 50 percent, have two or more persons earning income. This limits opportunity for these households to move to better or more appropriate housing. The "double income working poor" is a longer term issue for the Olmsted County market.
- Many lower income households express interest in becoming homeowners and the majority who feel it is likely that they will do so in the next two years have incomes over \$25,000--which may make them eligible to participate in the MHFA first time buyer program. The lack of down-payment funds, however, is a crucial impediment for many who wish to shift into homeownership.
- A dormant HRA for the county. There is essentially no agency with the institutional objective of providing affordable housing to county residents. Nor is there an operating nonprofit in the area to take on that role. This vacuum has led to a situation in which housing has failed to become a public policy priority in Olmsted County.

## B. TARGET POPULATION GROUPS

Target population groups tentatively identified by community leaders as being those most in need of more affordable housing have also been identified through the needs assessment study: large families, single parents and refugees. Housing for lower income elderly is more readily available in Rochester and the smaller cities--unmet needs exist, but generally the elderly are not over-represented in groups expressing dissatisfaction or living in poorer quality housing. Interview information has emphasized the extreme difficulty single parents on AFDC experience in the Olmsted housing market when they do not have Section 8 assistance or live in public housing. Each priority target population is described below.

- Large families (with three or more children): Opportunities for ownership are limited because of income constraints, but support for additional scattered site public housing in Rochester is needed. Many of the rural larger houses that are for rent are not always in sound condition. Some are owned by older persons and resale and upgrading could reduce the supply. Programs that provide incentives for renovation and maintain these units for lower income families could fill a special market niche. This housing resource should be protected and upgraded.
- Single parents: Both rental and ownership options are needed, dependent upon the size of family and income resources. Many in this category are eligible for subsidized housing, but the supply of certificates and vouchers is very much smaller than needed. The "eligible but without assistance household" is an especially needy group. The mobile home option is not a desired solution for many of these families for two reasons: loss of resale value and high utility costs since the older mobile homes are poorly insulated.
- Public assistance clients: A special sub-group of single persons and also single parents have particularly high shelter burdens. Part of this market requires support services found in transitional housing, but others are in need of low cost single-room occupancy units or lower priced rentals. The lack of a reliable car does not seem to restrict housing choices, but convenience to services and jobs tends to focus demand in Rochester itself. Information on the available pool of lower priced rentals is needed to make the housing search less traumatic.
- Refugee households: Large families, low-income, and some forms of discrimination have limited housing choices for this population. There is overlap with the "large family" target group described above.
- Elderly households with low-income and relatively large homes: For the 30 percent of lower income elderly who have three--and four-bedrooms and not more than two persons in the household, opportunity exists to expand the shared-home program.
- Handicapped persons: Four percent of the households have persons who find it difficult to get around the home and 1 percent state that they would prefer a handicapped accessible unit. Existing units in the sub-

sidized housing stock are evidently not fulfilling the total demand for such units. Loan programs exist through the MHFA for retrofitting homes to meet these needs.

### C. ROLES

The key findings and critical issues identified above provide the setting for ROCHP action. ROCHP can begin to address the housing needs identified in this study by playing a few important roles. First, ROCHP can advocate for the retention of subsidized affordable units in the county. This role relates to preserving that portion of the affordable housing stock in danger of being lost to prepayment of government loans and the expiration of subsidies. ROCHP should be aggressive in the design of a program strategy for preserving these units. In addition, the issue of preserving affordability extends to devising ways of rehabilitating substandard housing in rural areas without increasing the costs of such housing.

ROCHP can be visible on issues of housing discrimination that affect the quality of housing for refugees, public assistance recipients, and lower-income people in general. This can include facilitating open discussion of housing problems between and among landlords and property managers and the populations described above. ROCHP can extend its activities in this area by advocating for a "truth in housing" program to provide inexperienced and low-income buyers with better consumer information.

ROCHP's greatest contributions, however, can be made in the development arena. First, ROCHP needs to be active in creating rental housing for low-income households. This objective can be achieved in many ways. ROCHP can provide political support for additional scattered-site public housing for large families, and should work toward the development of larger rental units countywide. This analysis has revealed a need to increase the stock of rental units. Construction rates for rental units have fallen in recent years relative to single-family homes. ROCHP can and should play a role in easing the rental housing squeeze for Olmsted County residents.

Second, ROCHP can play a role in increasing the homeownership opportunities of lower-income households. Facilitating the use of MHFA first-time homebuyer funds, and creating or facilitating a homeownership downpayment assistance program would accomplish this objective. The analysis has shown that the inability to collect a sufficient downpayment is the largest barrier to homeownership among those wanting to own.

### D. STRATEGIES

As the section on innovative programs suggests, the early stages of nonprofit agency activity are precarious. A successful nonprofit developer needs to cultivate the support of various elements of the local community. ROCHP benefits from having most of those elements represented on its board. The Partnership needs to take advantage of those connections by seeking the cooperation of local foundations, local corporations, and local financial institutions in ROCHP programs. These institutions can be sources of project



capital as well as organizational support. They should be contacted to support ROCHP projects.

The private sector can assist ROCHP in ways other than financial. Labor unions and/or developers can provide in-kind contributions of labor or development expertise that can lower the cost of housing.

In addition, ROCHP should be aggressive in the pursuit of public funds. MHFA provides an array of programs that could be used to advantage in Olmsted County. Most cities provide a portion of CDBG funds to nonprofit developers for housing rehabilitation. ROCHP should seek such funding from the city of Rochester. The Rochester HRA can be an ally in this endeavor and should be consulted regarding the project activities it finds most appropriate for ROCHP.

Initial ventures should be quick and easy. Rehabilitation is both quicker and easier than new construction, and smaller projects are easier to finance. As ROCHP builds a track record, funding institutions will be more responsive to overtures. Thus, it is recommended that ROCHP begin with smaller rental rehabilitation projects. In addition, however, creating and administering a loan pool for homebuyers allows ROCHP to become active in that sector of the market as well with a minimum of time and effort.

It is recommended that ROCHP concentrate its activities on housing development and advocacy. There is a great need for both in Olmsted County. The intermediary model requires a level of expertise and financial support that is difficult for new organizations to achieve. The intermediary role also requires developers of low income housing to be active in the community. What Olmsted County needs is a low-income housing developer, and that is what ROCHP could be.



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APPENDIX 1

COMMUNITY LEADERS INTERVIEWED

1. Elroy Bessler, Bessler Realty, Rural Developer
2. Dwayne Blumenstock, Salvation Army
3. Bill Boyne, Editor, Rochester Post-Bulletin
4. Marcia Brown, League of Women Voters
5. Chuck Canfield, Rochester City Council
6. Dick Flores, Olmsted County Planning Commission
7. Jeff Gorfine, Community Action Program
8. Larry Gray, Mayor of Stewartville
9. Chuck Hazama, Mayor of Rochester
10. John Hunziker, Rochester City Council
11. Gunnar Isberg, Director, Rochester/Olmsted Dept. of Planning and Housing
12. Bob Jones, Refugee Resettlement Director, Catholic Social Services
13. Frank Kottschade, Realtor
14. Steve Kvenvold, Rochester City Administrator
15. Roy Kruger, Mayor of Byron
16. Jean Michaels, Chair, Olmsted County Board
17. Mike Podulke, Olmsted County Board
18. Carolyn Richards, Rochester HRA Board
19. Dale Richter, Mayo Representative
20. Nancy Selby, President, Rochester City Council
21. Marilyn Stewart, President, MN Association of Realtors

Also interviewed were members of the Rochester/Olmsted Community Housing Partnership, the Rochester/Olmsted County Department of Planning and Housing, and the Rochester Building and Safety Department.

## APPENDIX 2

### NOTES ON HOUSING STOCK TABLES, 1980-1988

1. For the city of Rochester, no unit data or mobile home data are available for 1980. Total number of units is calculated by adding new residential permits (all types) to the 1980 census and subtracting residential demolition permits. Demolition permits do not specify the number of units to be demolished. Calculations assume one per permit, although the real number could be higher. For 1980-1984, demolition data are not broken down by type of unit. Residential demolitions were extrapolated for this time period using a percentage of residential demolitions from 1985-1988.
2. For both rural and suburban townships there are no demolition data or multi-family unit data available. The total number of units by year was calculated by adding single-family units to the 1980 census. It was assumed that each permit represented one new residential unit. This may cause the total number of housing units in these two areas to be lower than the real values (i.e. if one permit was issued for a two-unit housing structure).
3. For small cities there are no demolition data available. The total number of units was calculated by adding single-family and multi-family units to the 1980 census. For the city of Pine Island, no permit data are available for 1984. This number was calculated by averaging permit activity from 1980-1983.
4. The city of Pine Island was not included in the highest activity category because much of the city is located in another county. It is not known in which county the permits for Pine Island were issued. The numbers used in this report include permits and units for the entire city of Pine Island.
5. Total housing units calculated with permit data can be inflated because there is no guarantee that every permit issued is carried through to completion. Figures for 1980 were calculated by adding new residential permit units for 1980 to the 1980 Census total year-round housing units.
6. If there was a great deal of annexation done by the city of Rochester in the 1980s, suburban townships are likely to have captured more than a 41 percent share of new housing starts for the county outside of the city of Rochester (Table 3.8).

## APPENDIX 3

### THRESHOLD ANALYSIS

The "intensity" or extent to which a housing unit is substandard is a function of the number of criteria met by a single unit. The following steps describe the methodology.

- Step 1. Units which met two or more criteria were selected.
- Step 2. Gravity heat was removed from consideration because over half of the units met only that single criterion and because gravity heat was highly and negatively correlated with the other criteria.
- Step 3. Units which had an assessor's rating of 3.5 or less and 3.0 or less were selected. (The assessor's rating scale ranges from 3.0 to 10.0 and is an overall rating for each property, with 3.0 describing the worst condition of housing and 10.0 signifying the best.)

From these guidelines, 6 different threshold variables were constructed. These represent an intensity scale from "best to worst."

- Threshold 1 means the unit met two or more of the criteria as originally defined.
- Threshold 2 means the unit met two or more of the criteria with criteria 6 redefined to be an assessor's rating of 3.5 or less.
- Threshold 3 means the unit met two or more of the criteria, with criteria 6 redefined to be an assessor's rating of 3.0.
- Threshold 4 means the unit met two or more of the criteria with criteria 2 redefined to be only units with no heat.
- Threshold 5 means the unit met two or more of the criteria with criteria 2 redefined to be only units with no heat and criteria 6 redefined to be an assessor's rating of 3.5 or less.
- Threshold 6 means the unit met two or more of the criteria with criteria 2 redefined to be only units with no heat and criteria 6 redefined to be an assessor's rating of 3.0 or less.

The threshold scales are summarized by geographical area in Table A and by type of dwelling units in Table B.

Table A

	<u>Substandard Units</u>	<u>Total Units</u>	<u>Threshold (in percents)</u>					
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Rochester	1,465 (52.5%)	(69.8%)	43	39	40	37	32	33
Suburbs	82 (2.9%)	(9.9%)	4	4	3	5	5	5
Small cities	372 (13.3%)	(8.7%)	20	20	20	17	16	13
Rural	870 (31.2%)	(11.6%)	34	37	36	41	47	49
TOTAL	2,789	38,375	101	100	99	100	100	100

Table B

	<u>Substandard Units</u>	<u>Total Units</u>	<u>Threshold (in percents)</u>					
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Single-family	1,792 (64%)	(62.6%)	60	53	51	51	43	39
Plexes	335 (12%)	(5.4%)	12	15	16	13	15	16
Farms	643 (23%)	(8.0%)	26	31	31	35	41	44
Other	4 (1%)	(24%)	2	1	2	1	1	1
TOTAL			100	100	100	100	100	100
TOTAL UNITS: 2,789		38,375	755	515	486	522	347	320

The threshold variables do not alter the basic findings. Instead, they emphasize what was noted previously. Substandard housing units are primarily located in small cities and rural areas and the types of dwellings most often substandard are farmhouses.

Table C

## Correlation Matrix

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Criteria 1		.02	-.04	.10	.14	.16
Criteria 2			-.41	-.13	-.02	-.20
Criteria 3				.15	-.05	-.16
Criteria 4					.17	.09
Criteria 5						.07
Criteria 6						



APPENDIX 4A

WEIGHTED RESPONSES FROM THE SUMMER 1989  
HOUSING SURVEY, OLMSTED COUNTY, MINNESOTA

7/20/89

OLMSTED HOUSING PARTNERSHIP

HOUSING SURVEY

Introduction

- A. Hello, my name is \_\_\_\_\_. I'm calling for the Housing Partnership's study on housing conditions. I hope you received our postcard. I'd like to talk to the adult who knows the most about your housing. Are you that person?

(IF YES) Do you have a few minutes to answer some questions?

(IF THE RIGHT PERSON IS ON THE LINE, GO TO PARAGRAPH B.)

(IF RIGHT PERSON IS NOT ON THE LINE, ASK TO SPEAK TO THAT PERSON AND WHEN THEY ARE ON THE LINE, REPEAT PARAGRAPH A. THEN GO ON TO PARAGRAPH B.)

(IF RIGHT PERSON IS NOT AVAILABLE) When would be the best time to speak with that person?

SPECIFIC TIME: \_\_\_\_\_ DATE: \_\_\_\_\_

What is his/her first name? \_\_\_\_\_

- B. Your answers will be confidential. If there are any questions you don't care to answer, we'll skip over them.

Okay, we'll begin.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

What is the purpose of the survey?

The purpose of the survey is to identify housing needs in Olmsted County. The goal of the project is to make affordable housing more available to people who live in the county.

Who is the person responsible for the survey?

The survey is being conducted for the Olmsted Housing Partnership. If you have any specific questions, you could call Jeff Gorfine at the Olmsted Community Action Program. His phone number is 285-8785.

Why did you call my household?

Everyone's address was drawn randomly by a computer from the Olmsted County property tax records. It was strictly by chance that your household was selected.

HOUSING SURVEY

I would first like to ask some questions about your current living quarters.

		Number	Percent
1)	What kind of housing unit do you live in ... a single family house, a townhouse, a mobile home, an apartment, or something else?	Single family house . . .01	25,671 66.9
		Townhouse . . . . .02	1,271 3.3
		Mobile Home . . . . .03	1,655 4.3
		(IF MOBILE HOME GO TO 1a)	
		Apartment . . . . .04	6,391 16.7
		Duplex . . . . .05	1,617 4.2
		4-plex . . . . .06	971 2.5
		Condominium . . . . .07	616 1.6
		Rooming house . . . . .08	--
		No regular residence . .09	--
		Other (SPECIFY) . . . .10	182 0.5
		Don't know . . . . .88	
		Refused . . . . .99	
	<hr style="width: 30%; margin-left: 0;"/>		
	(SPECIFY OTHER HERE)		
	Valid cases = 38,375		
1a.	(IF MOBILE HOME) Do you own or rent the land your mobile home is located on?	Own . . . . . 1	250 15.1
		Rent . . . . . 2	1,406 84.9
		Don't know . . . 3	
		Refused . . . . 9	
		Not asked . . . 0	
	Valid cases = 1,655		
2.	How many bedrooms are in your residence?	BEDROOMS:	
	1 bd 4,016 10.6% missing 102 0.7%	Don't know . . . 3	
	2 bd 11,006 28.8	Refused . . . . 9	
	3 bd 14,055 36.7		
	4 bd 9,150 23.9		
3.	Overall, how satisfied are you with your current housing situation ... very satisfied, satisfied, dissatisfied, or very dissatisfied?	Very satisfied . . . . 1	20,208 52.7
		Satisfied . . . . . 2	15,683 40.9
		Dissatisfied . . . . 3	2,177 5.7
		Very dissatisfied . . 4	300 0.8
		Don't know . . . . 8}	7 --
		Refused . . . . . 9}	
	Valid cases = 38,368		
4.	Was your total 1988 household income before taxes, from all sources, above or below \$45,000?	Above . . . . . 1	11,426 29.8.
		(IF ABOVE, GO TO Q36, PAGE 10)	
		Below . . . . . 2	25,835 67.3
		Don't know . . . . 8}	1,113 2.9
		Refused . . . . . 9}	
	Valid cases = 37,262		
5.	(IF BELOW) Do you own or rent your housing unit?	Own . . . . . 1	17,876 66.4
		Rent . . . . . 2	9,058 33.6
		(IF RENT, GO TO Q12, PAGE 4)	
		Don't know . . . 3	25,835 100.0
		Refused . . . . 9	
		Not asked . . . 0	
	Valid cases = 26,934		

Notes: A valid case is a person who qualifies according to question criteria. The number of cases is the frequency of a particular response. The percent refers to the percent of county totals.

HOUSING SURVEY

-----  
 QUESTIONS FOR OWNERS \$45,000 INCOME AND BELOW  
 -----

6.	(IF OWN) Approximately how much is your <u>monthly</u> housing payment?	\$ <u>MEDIAN</u> \$295 (IF ZERO, GO TO Q7a) Don't know .8888 Refused. . .9999 Not asked. .0000		
	Valid cases = 17,288		Number	Percent
7.	(IF OWN) Does this housing payment include taxes and insurance?	Yes, both. . . . . 1 (IF YES, GO TO Q8) Only insurance . . . . 2 Only taxes . . . . . 3 No . . . . . 4 Don't know . . . . 8 Refused. . . . . 9 Not asked. . . . 0	6,925 230 103 4,698	57.9 1.9 0.9 39.3
	Valid cases = 11,956			
	7a. (IF NOT INCLUDED IN HOUSING PAYMENT) What is your <u>yearly</u> property tax payment?	\$ <u>MEDIAN</u> \$538 Don't know .8888 Refused. . .9999 Not asked. .0000		
	Valid cases = 9,189			
	7b. (IF NOT INCLUDED IN HOUSING PAYMENT) What is your <u>yearly</u> insurance payment?	\$ <u>MEDIAN</u> \$275 Don't know .8888 Refused. . .9999 Not asked. .0000		
	Valid cases = 8,170			
8.	(IF OWN) About how much is your average <u>monthly</u> electric bill?	\$ <u>MEDIAN</u> \$50 Don't know .8888 Refused. . .9999 Not asked. .0000		
	Valid cases = 17,058			
9.	(IF OWN) About how much is your average <u>monthly</u> gas bill?	\$ <u>MEDIAN</u> \$45 Don't know .8888 Refused. . .9999 Not asked. .0000		
	Valid cases = 16,347			
10.	(IF OWN) What share of your household's before-tax income is spent on housing costs ... less than a quarter, between a quarter and a third, between a third and half, or more than half?	Less than a quarter 1 Quarter to a third .2 A third to half . .3 More than half. . .4 Don't know . . .8 Refused. . . .9 Not asked. . .0	6,510 6,265 3,071 960	38.7 37.3 18.3 5.7
	Valid cases = 16,806			

HOUSING SURVEY

		Number	Percent
11. (IF OWN) Have you made any improvements to your home in the last three years?	Yes . . . . .	11,058	61.9
	No . . . . .	6,803	38.1
	(IF NO, GO TO Q20, PAGE 6)		
	Don't know . . .	8	
	Refused . . . .	9	
	Not asked . . . .	0	
Valid cases = 17,861			

11a. (IF YES) Please describe the three most expensive improvements.		CODE:
MOST FREQUENT:	<u>Painting</u>	Don't know . 888
	<u>Deck</u>	Refused . . . 999
	<u>Remodeled kitchen</u>	Not asked . . 000
	<u>Addition</u>	

(FOR OWNERS \$45,000 INCOME AND BELOW, NOW GO TO QUESTION 20, PAGE 6)

-----  
**QUESTIONS FOR RENTERS \$45,000 INCOME AND BELOW**  
 -----

12. (IF RENT) Approximately how much do you personally pay each month for rent?	\$ <u>MEDIAN \$342</u>		
	Don't know 8888		
	Refused . . 9999		
	Not asked. 0000		
Valid cases = 8,352			
13. (IF RENT) What is the <u>total</u> monthly rent for your housing unit?	\$ <u>MEDIAN \$382</u>		
	Don't know 8888		
	Refused . . 9999		
	Not asked. 0000		
Valid cases = 8,313			
14. (IF RENT) Does this include utilities?	Yes . . . . .	1	701 7.9
	(IF YES, GO TO Q15)		
	No . . . . .	2	8,121 92.1
	Don't know . . .	8	
	Refused . . . .	9	
	Not asked . . . .	0	
Valid cases = 8,822			
14a. (IF NO) About how much is your average <u>monthly</u> electric bill?	\$ <u>MEDIAN \$25</u>		
	Don't know . 888		
	Refused . . . 999		
	Not asked . . 000		
Valid cases = 7,813			
14b. (IF NO) About how much is your average <u>monthly</u> gas bill?	\$ <u>NO USEFUL DATA</u>		
	Don't know . 888		
	Refused . . . 999		
	Not asked . . 000		
15. (IF RENT) What share of your household's before-tax income is spent on housing costs ... less than a quarter, between a quarter and a third, between a third and half, or more than half?	Less than a quarter	1	2,252 27.0
	Quarter to a third	2	2,925 35.0
	A third to half . . .	3	2,212 26.5
	More than half . . .	4	960 11.5
	Don't know . . . .	8	
	Refused . . . . .	9	
	Not asked . . . . .	0	
Valid cases = 8,349			

HOUSING SURVEY

						Number	Percent
16. (IF RENT) Do you have use of a complete kitchen?	Yes. . . . .	1				8,940	98.7
	No . . . . .	2				118	1.3
	Don't know . . . .	8					
	Refused. . . . .	9					
	Not asked. . . . .	0					
Valid cases = 9,058							
17. (IF RENT) Do you have use of a complete bathroom?	Yes. . . . .	1				8,927	98.6
	No . . . . .	2				131	1.4
	Don't know . . . .	8					
	Refused. . . . .	9					
	Not asked. . . . .	0					
Valid cases = 9,058							
18. (IF RENT) Does your landlord <u>generally</u> repair things that need fixing in your housing unit?	Yes. . . . .	1				6,940	78.7
	Sometimes. . . . .	2				1,101	12.5
	No . . . . .	3				775	8.8
	Don't know . . . .	8					
	Refused. . . . .	9					
Valid cases = 8,816							
19. (IF RENT) Would you like to become a homeowner within the next two years?	Yes. . . . .	1				4,605	52.9
	No . . . . .	2				4,101	47.1
	(IF NO, GO TO Q20, PAGE 6)						
	Don't know . . . .	8					
	Refused. . . . .	9					
Valid cases = 8,704							
19a. (IF YES) How likely is it that you will become a homeowner in the next two years ... very likely, somewhat likely, not very likely, or not at all likely?	Very likely. . . . .	1				1,091	22.6
	Somewhat likely. . .	2				1,160	24.0
	Not very likely. . .	3				1,816	37.5
	Not at all likely. . .	4				772	15.9
	Don't know . . . .	8					
Valid cases = 4,839							
19b. (IF YES) What factors could <u>prevent</u> you from purchasing a home? (DO NOT READ LIST, CIRCLE ALL MENTIONS)		<u>YES</u>	<u>NO</u>	<u>DK</u>	<u>RA</u>	<u>NA</u>	(YES)
	19b-1. Lack of funds for downpayment. . . . .	1	2	8	9	0	3,662 76.4
	19b-2. Can't afford monthly payments. . . . .	1	2	8	9	0	2,046 42.7
	19b-3. Can't qualify for a mortgage . . . . .	1	2	8	9	0	562 12.0
	19b-4. Poor credit history. . . . .	1	2	8	9	0	125 2.7
	19b-5. No credit history. . . . .	1	2	8	9	0	--
	19b-6. Uncertain job future (layoffs etc.). . . . .	1	2	8	9	0	1,005 21.0
	19b-7. Plan to move . . . . .	1	2	8	9	0	394 8.2
	19b-8. Can't find a suitable home . . . . .	1	2	8	9	0	773 16.1
	19b-9. Discrimination . . . . .	1	2	8	9	0	131 2.7
	19b-10 Other (SPECIFY). . . . .	1	2	8	9	0	882 18.4

Valid cases = 4,795

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 QUESTIONS FOR EVERYONE UNDER \$45,000 INCOME  
 -----

			Number	Percent
20. Are you sharing housing with someone else because you <u>have</u> to in order to afford it?	Yes . . . . .	1	2,791	10.4
	No . . . . .	2	24,056	89.6
	Don't know . . . .	8		
	Refused. . . . .	9		
	Not asked. . . . .	0		
Valid cases = 26,847				

21. Do you now receive any of the following types of housing assistance ... (READ LIST)?	YES	NO	DK	RA	NA	(YES)*	
	21a. Public housing . . . . .	1	2	8	9	0	374
21b. Section 8 certificate or voucher . . .	1	2	8	9	0	485	1.8
21c. Low interest rehabilitation loan . . .	1	2	8	9	0	181	0.7
21d. Energy Assistance grant. . . . .	1	2	8	9	0	459	1.2
21e. Weatherization loan. . . . .	1	2	8	9	0	77	0.2
Valid cases = 26,927							

22. The following question refers to your housing structure. In your present housing unit, do you have: (READ LIST)?	YES	NO	DK	RA	NA	(YES)	
	22a. Fuses and circuit breakers that go out frequently? . . . . .	1	2	8	9	0	805
22b. Plumbing fixtures that do not work properly? . . . . .	1	2	8	9	0	2,082	5.4
22c. A leaky roof? . . . . .	1	2	8	9	0	1,657	4.3
22d. A leaky basement? . . . . .	1	2	8	9	0	3,132	8.2
22e. Broken steps or porch? . . . . .	1	2	8	9	0	1,007	3.7
22f. A stove or refrigerator that does not work? . . . . .	1	2	8	9	0	1,008	3.7
22g. Inadequate heating or ventilation? . . . . .	1	2	8	9	0	1,726	6.4
22h. Rats, roaches, or other pests? . . .	1	2	8	9	0	1,674	6.2
Valid cases = 26,949							

\*Extrapolations from small number of responses are statistically unreliable.

HOUSING SURVEY

		Number	Percent
23. Have you <u>looked</u> for housing in Rochester or Olmsted county in the last two years?	Yes . . . . . 1	10,739	39.9
	No . . . . . 2	16,209	60.1
	(IF NO, GO TO Q24)		
	Don't know . . . 8		
	Refused. . . . . 9		
	Not asked. . . . 0		
Valid cases = 26,949			
23a. (IF YES) Did you have a difficult time finding adequate housing that you could afford?	Yes . . . . . 1	6,434	60.6
	No . . . . . 2	4,188	39.4
	(IF NO, GO TO Q24)		
	Don't know . . . 8		
	Refused. . . . . 9		
	Not asked. . . . 0		
Valid cases = 10,622			
23b. (IF YES) Please describe these problems. (DO NOT READ LIST, CIRCLE ALL MENTIONS)			
Valid cases = 6,176			
	<u>YES</u> <u>NO</u> <u>DK</u> <u>RA</u> <u>NA</u>		(YES)
23b-1 Poor quality of available housing. . . . . 1	2 8 9 0	2,424	39.3
23b-2 Nothing in my price range. . . . . 1	2 8 9 0	4,736	76.7
23b-3 Available housing was too large. . . . . 1	2 8 9 0	28	0.5
23b-4 Available housing was too small. . . . . 1	2 8 9 0	772	12.0
23b-5 Bad location . . . . . 1	2 8 9 0	1,407	22.8
23b-6 Not the right type of housing. . . . . 1	2 8 9 0	1,104	17.9
23b-7 Other (SPECIFY). . . . . 1	2 8 9 0	1,525	24.7
<hr/>			
24. How many years have you lived at this residence?	YEARS: <u>MEDIAN</u> 4		
	(IF 4 YEARS OR MORE, GO TO Q25)		
	Don't know . . .88		
	Refused. . . . .99		
	Not asked. . . .00		
(LESS THAN ONE YEAR = 77)			
Valid cases = 26,949			
24a. (IF THREE YEARS OR LESS) How many times have you moved in the last <u>three</u> years?	TIMES: _____	Once . = 48.2	
	Don't know . . . 8	Twice = 29.7	
	Refused. . . . . 9	3 times = 12.4	
	Not asked. . . . 0	+ 3 = 6.8	
Valid cases = 12,010			
25. Do you feel you will <u>have</u> to move in the next year?	Yes . . . . . 1	4,507	16.8
	No . . . . . 2	22,298	83.2
	(IF NO, GO TO Q26)		
	Don't know . . . 8		
	Refused. . . . . 9		
	Not asked. . . . 0		
Valid cases = 26,805			
25a. (IF YES) What factors would cause you to move?	CODE: _____		
	Don't know . . . 8		
	Refused. . . . . 9		
	Not asked. . . . 0		
<u>#1 Financial reasons (926 23.6%)</u>			
<u>#2 Neighbors(262 6.6%)</u>			
26. Do you have a reliable car?	Yes . . . . . 1	24,713	91.7
	No . . . . . 2	2,236	8.3
	Don't know . . . 8		
	Refused. . . . . 9		
	Not asked. . . . 0		
Valid cases = 26,949			

HOUSING SURVEY

The next questions are about your satisfaction with your housing situation.

27. In general, how satisfied are you with (READ LIST) ... are you very satisfied, satisfied, dissatisfied, or very dissatisfied?  
(IF DISSATISFIED OR VERY DISSATISFIED) Why are you dissatisfied?

	VERY SAT		DISSAT		DK	RA	NA	(VERY DISSATISFIED)	
	SAT	SAT	DISSAT	DISSAT				Why are you dissatisfied	
27a. Your housing costs	1	2	3	4	8	9	0	1,200	(4.5%)
27b. Your housing size	1	2	3	4	8	9	0	241	(0.9%)
27c. Its physical condition	1	2	3	4	8	9	0	60	(0.2%)
27d. Its location	1	2	3	4	8	9	0	82	(0.3%)
27e. Your neighbors	1	2	3	4	8	9	0	5	

Before ending this interview I have a few background questions.

28. What is the total number of persons living in this household, including yourself?

Valid cases = 26,949

1 person = 30.9%      4 persons = 15.3  
2 persons = 31.8      +4 persons = 7.7  
3 persons = 14.1

PERSONS: (IF ONE, GO TO Q29, PAGE 9)  
Don't know . . . .88  
Refused. . . .99  
Not asked. . . .00

- 28a. (IF TWO OR MORE) Which of these categories best describes your household composition . . . single person, single unrelated persons living together, married or unmarried couple, or a single parent?

Valid cases = 18,596

	Number	Percent
Single person . . . . .	1 N.A.	*
Single unrelated. . . . .	2 1,764	4.6
Un/married couple . . . . .	3 13,568	35.4
Single parent . . . . .	4 missing	
Other (SPECIFY) . . . . .	483	1.3
Don't know . . . . .	8	
Refused. . . . .	9	
Not asked. . . . .	0	

(SPECIFY OTHER HERE)

- 28b. (IF TWO OR MORE) How many are under 18 years of age?

(NONE = 77)

Valid cases = 18,612

CHILDREN: MEDIAN 0  
Don't know . . . .88  
Refused. . . .99  
Not asked. . . .00

- 28c. (IF TWO OR MORE) How many are over 60 years of age?

(NONE = 77)

Valid cases = 18,612

PERSONS: (IF NONE, GO TO Q29, PAGE 9)  
0 = 15,081 39.3  
Don't know . . . .88  
Refused. . . .99  
Not asked. . . .00  
1 = 1,043 2.7  
2 = 2,488 6.5

- 28c-1. (IF ANY) What are their ages?

AGE:	AGE:	First Person	Second Person
Don't know . . . .88	Don't know . . . .88	Number 60-74 = 76%	84%
Refused. . . .99	Refused. . . .99	AGE: > 75	24
Not asked. . . .00	Not asked. . . .00	Don't know . . . .88	16
		Refused. . . .99	
		Not asked. . . .00	

\* Percent refers to TOTAL 38,385 households.



HOUSING SURVEY

		Number	Percent
29. How many persons <u>over</u> 18 are currently enrolled in school or post-graduate training? (NONE = 77)	PERSONS:		*
	Don't know . . . . .	.88 0 =	57.6
	Refused. . . . .	.99 1 =	10.3
	Not asked. . . . .	.00 2 =	3.3
30. Are there any persons in your household who have trouble getting around in the house?	Yes. . . . .	1 1,618	4.2 *
	No . . . . .	2 25,318	66.0
	(IF NO, GO TO Q31)		
	Don't know . . . . .	8 11,439	29.8
	Refused. . . . .	9	
	Not asked. . . . .	0	
30a. (IF YES) Would you want to have a handicapped accessible housing unit?  Valid cases = 1,500	Yes. . . . .	1 414	27.6
	No . . . . .	2 1,086	72.4
	Don't know . . . . .	8	
	Refused. . . . .	9	
	Not asked. . . . .	0	
31. What year were <u>you</u> born?	<u>1</u> MEDIAN 1935		
	Don't know .8888		
	Refused. . .9999		
	Not asked. .0000		
32. What race do you consider yourself? (DO NOT READ LIST)	American Indian. . . . .	1 6	--
	Asian. . . . .	2 436	1.6
	Black. . . . .	3 118	0.4
	Hispanic . . . . .	4 7	--
	White. . . . .	5 25,804	96.2
	Other (SPECIFY). . . . .	6	
	Don't know . . . . .	8	
	Refused. . . . .	9	
	Not asked. . . . .	0	
	(SPECIFY OTHER HERE)		
33. We would like an estimate of your household income so that we can describe the need for affordable housing for people at different income levels.  What was your total before-tax household income in 1988 from all sources? Please estimate to the nearest thousand dollars if you can.  Valid cases = 21,033	\$ MEDIAN, \$27,750		
	Don't know 888888		
	Refused. . .999999		
	Not asked. 000000		
34. How many people contributed to this total household income?  Valid cases = 26,342	PERSONS:		
	Don't know . . .88	1 =	52.9
	Refused. . . .99	2 =	43.9
	Not asked. . .00	+2=	3.2

Thank you very much for your time. That's all of the questions that I have.

35. Do you have any other comments you would like to make about your housing situation?	Yes. . . . .	1	
	No . . . . .	2	
	Don't know . . . . .	8	
	Refused. . . . .	9	
	Not asked. . . . .	0	
35a. Was respondent male or female?	Male . . . . .	1	38.2
	Female . . . . .	2	61.8

WRITE COMMENTS ON LAST PAGE .

\*Percent refers to TOTAL 38,385 households.

HOUSING SURVEY

QUESTIONS FOR EVERYONE ABOVE \$45,000 INCOME

		Number	Percent
36.	Do you own or rent?		
	Valid cases = 11,426		
	Own . . . . .	1	9,785 85.6
	Rent . . . . .	2	1,642 14.4
	(IF RENT, GO TO Q38)		
	Don't know . . .	8	
	Refused. . . . .	9	
	Not asked. . . .	0	
37.	(IF OWN) Have you made any improvements to your residence in the last three years?		
	Valid cases = 10,249		
	Yes. . . . .	1	6,484 63.3
	No . . . . .	2	3,765 36.7
	(IF NO, GO TO Q38)		
	Don't know . . .	8	
	Refused. . . . .	9	
	Not asked. . . .	0	
37a.	(IF YES) Please describe the three most expensive improvements.	CODE:	
	#1 Deck (14.0%)	Don't know . . .	888
	#2 Addition (11.4%)	Refused. . . . .	999
	#3 Siding (9.5%)	Not asked. . . .	000

Before ending this interview I have a few background questions.

38.	What is the total number of persons living in this household, including yourself?	PERSONS:		
	DATA MISSING	(IF ONE, GO TO Q39)		
	Valid cases = 11,426	Don't know . . .	88	
		Refused. . . . .	99	
		Not asked. . . .	00	
38a.	(IF TWO OR MORE) Which of these categories best describes your household composition . . . single person, single unrelated persons living together, married or unmarried couple, or a single parent?	Single person . . . . .	1	
	(SPECIFY OTHER HERE)	Single unrelated. . . . .	2	565 5.1
	Valid cases = 11,018	Un/married couple . . . .	3	10,063 91.3
		Single parent . . . . .	4	258 2.3
		Other (SPECIFY) . . . . .	5	133 1.2
		Don't know . . . . .	8	
		Refused. . . . .	9	
		Not asked. . . . .	0	
39.	How many are under 18 years of age?	CHILDREN:		
	(NONE = 77)	0 =		51.9
	Valid cases = 11,426	Don't know . . . . .	88	1 = 17.5
		Refused. . . . .	99	2 = 21.6
		Not asked. . . . .	00	3 = 7.9
40.	How many persons over 18 are currently enrolled in school or post-graduate training?	PERSONS:		
	(NONE = 77)	0 =		76.8
	Valid cases = 11,426	Don't know . . . . .	88	1 = 17.9
		Refused. . . . .	99	2 = 4.0
		Not asked. . . . .	00	3 = 1.3

HOUSING SURVEY

41. What year were you born?

1 MEDIAN 1948  
 Don't know .8888  
 Refused. . .9999  
 Not asked. .0000

42. What race do you consider yourself?  
 (DO NOT READ LIST)

American Indian. . . 1  
 Asian. . . . . 2  
 Black. . . . . 3  
 Hispanic . . . . . 4  
 White. . . . . 5  
 Other (SPECIFY). . . 6  
 Don't know . . . 8  
 Refused. . . . 9  
 Not asked. . . . 0

N.A.

\_\_\_\_\_  
 (SPECIFY OTHER HERE)

Thank you very much for your time. That's all of the questions that I have.

43. Do you have any other comments you would like to make about your housing situation?

Yes. . . . . 1  
 No . . . . . 2  
 Don't know . . . 8  
 Refused. . . . 9  
 Not asked. . . . 0

44. Was respondent male or female?

Male . . . . . 1  
 Female . . . . . 2

INTERVIEWER COMMENTS:



APPENDIX 4B

SURVEY VARIABLE LIST

<u>Question Number</u>	<u>Description</u>
1	type of housing unit
1a	if mobile home, do you own or rent the land
2	number of bedrooms
3	overall satisfaction with current housing situation
4	1988 income above or below \$45,000
5	do you own or rent
<u>owners \$45,000 and below</u>	
6	monthly housing payment
7	does house payment include tax and insurance
7a	yearly property tax
7b	yearly insurance
8	monthly electric bill
9	monthly gas bill
10	portion of income spent on housing
11	have you made any major improvements in last 3 years
11a1	first most expensive improvement
11a2	second most expensive improvement
11a3	third most expensive improvement
<u>renters \$45,000 and below</u>	
12	monthly rent
13	monthly rent for total housing unit
14	does rent include utilities
14a	monthly electric bill
14b	monthly gas bill
15	portion of income spent on housing
16	do you have use of complete kitchen
17	do you have use of complete bathroom
18	does landlord generally make needed repairs
19	do you want to own a home in the next 2 years
19a	how likely is it you will own a home in next 2 years
barriers:	
19b1	lack of downpayment
19b2	cannot afford monthly payments
19b3	cannot qualify for mortgage
19b4	poor credit history
19b5	no credit history
19b6	uncertain job future
19b7	plan to move
19b8	cannot find suitable home
19b9	discrimination
19b10	other

everyone below \$45,000

- 20 do you share housing in order to afford it
- 21a do you receive public housing
- 21b do you receive Section 8 certificates or vouchers
- 21c do you receive low interest rehab loan
- 21d do you receive energy assistance grant
- 21e do you receive weatherization loan

conditions:

- 22a fuses/circuit breakers go out frequently
- 22b plumbing that does not work properly
- 22c leaky roof
- 22d leaky basement
- 22e broken steps or porch
- 22f inoperative stove or refrigerator
- 22g inadequate heating or ventilation
- 22h rats, roaches, or other pests
- 23 have you looked for housing in Olmsted county in the past 2 years
- 23a did you have a difficult time finding decent housing you could afford

reasons:

- 23a1 poor quality of available housing
- 23b2 nothing in my price range
- 23b3 available housing too large
- 23b4 available housing too small
- 23b5 bad location
- 23b6 not the right type of housing
- 23b7 other
- 24 number of years you have lived at this residence
- 24a number of times moved in last 3 years
- 25 do you feel you will have to move in the next year
- 25a factors that would cause move
- 26 do you have a reliable car
- 27a how satisfied are you with housing costs
- 27a1 why dissatisfied
- 27b how satisfied are you with housing size
- 27b1 why dissatisfied
- 27c how satisfied are you with housing condition
- 27c1 why dissatisfied
- 27d how satisfied are you with location
- 27d1 why dissatisfied
- 27e how satisfied are you with neighbors
- 27e1 why dissatisfied
- 28 number of persons living in household
- 28a household composition
- 28b number of persons under 18
- 28c number of person over 60
- 28c1 age of first person over 60
- 28c2 age of second person over 60

28c3 age of third person over 60  
 29 number of students over 18  
 30 are there persons living in household who have trouble getting  
 around  
 30a want a handicapped accessible unit  
 31 year of birth  
 32 race  
 33 estimate 1988 household before tax income  
 34 number of persons contributing to income  
 35 comments on housing situation  
 35a gender of respondent

everyone above \$45,000

36 do you own or rent  
 37 made any improvements in last 3 years  
 37a1 first most expensive  
 37a2 second most expensive  
 37a3 third most expensive  
 38 number of persons in household  
 38a household composition  
 39 number of persons under 18  
 40 number of students over 18  
 41 year of birth  
 42 race  
 43 comments on housing situation  
 44 gender of respondent

collapsed/computed variables

(explanation of these variables on following page)

hsgcosts monthly housing costs  
 burden reported rent burden  
 burden2 computed rent burden  
 eldhh elderly household  
 phaast housing assistance (Section 8 or public housing)  
 hhcomp household composition  
 hhsize household size  
 children number of children  
 age of respondent  
 area rochester/suburban twp/rural twp/small city  
 sex of respondent  
 lower lower income residents  
 verylow very low income residents  
 ppb persons per bedroom  
 tenure rent or own  
 students students over age of 18  
 improve made improvements in last 3 years  
 race of respondent  
 problems two or more bad housing conditions

## VALIDITY CHECK

We computed burden2 by adding together monthly costs and dividing annual income as a way to check the validity of the respondents' estimates of their shelter burden (Q10, Q15). We found that where discrepancies occurred, people generally reported paying more than their costs would indicate. This may be because we did not ask all the possible cost questions that a household would have each month. Nevertheless, the validity check showed that reported burden and burden computed by costs are very similar. We correlated burden with burden2 and found there to be a strongly significant positive correlation. Crosstabulations reinforced this relationship. It is our conclusion that we can rely on the reported burden to accurately assess a respondent's shelter burden.

We also ran correlations to check the validity of the overall satisfaction question (Q3) with the more detailed satisfaction questions (Q27a-e). They were all positively correlated:

### Correlation of Q3 with:

Q27a	housing costs	.3389
Q27b	housing size	.4083
Q27c	housing condition	.4311
Q27d	location	.2976
Q27e	neighbors	.2204

Housing condition, size, and costs, in that order, were the most highly correlated with overall satisfaction. The satisfaction level with location and neighbors had the lowest correlation. It seems that respondents associated overall satisfaction with characteristics of the unit itself and not in relation to area and neighbors.



## COMPUTATION OF NEW VARIABLES

There are two major categories of new variables created from answers in the survey. The first category contains those variables that are merely combinations of the same question asked at two different times in the questionnaire. For example, "What percentage of your income do you pay for housing?" was asked of renters (Q#15) and also asked of owners (Q#10). For easier analysis of this issue these two questions were combined into one variable called BURDEN that has this information for all respondents. In other instances questions were asked of respondents with incomes above \$45,000 and respondents with incomes below \$45,000. These were similarly combined for the ease of analysis. The following new variables are in this category: BURDEN, HHCOMP, HHSIZE, CHILDREN, SEX, TENURE, STUDENTS, IMPROVE, and RACE.

The second category of new variables consists of information taken from a combination of different variables. That is, these new variables represent new information impossible to access by only looking at one of the original survey questions. For example, the variables LOWER and VERYLOW are computations based on household size (variable name: HHSIZE) and reported income (variable Q#33), which are then compared to 80 percent and 50 percent, respectively, of the Rochester area median incomes as defined by HUD's guidelines.

The following variables are "new information" variables; the method of computation is listed for each.

HSGCOSTS = (for renters) Q12 + Q14a + Q14b  
(for owners) Q6 + Q7a + Q7b + Q8 + Q9

BURDEN2 = HSGCOSTS / Q33

AGE = 1989 - Q41

ELDHH = combination of HHSIZE, AGE, Q28c. ELDHH equals "yes" if all members of the household are over 60.

PHASST = combination of Q21a and Q21b. PHASST equals "yes" if the answer to either of the other two questions was yes.

AREA = combination of plat, parcel, and ctv (city, township, village) variables.

PPB = HHSIZE / Q2

PROBLEMS = combinations of Q22a, Q22b, Q22c, Q22d, Q22e, Q22f, Q22g, and Q22h. PROBLEMS equals "yes" if respondents answered yes to two or more of the questions listed.

LOWER = combination of HHSIZE and Q33. The income of each household of one person was compared to 80 percent of the Rochester median. If the income was less than that value, the household was categorized as lower income. This was repeated for each household size up to eight or more persons.

VERYLOW = same as LOWER except the reference level was 50 percent of the area median.

APPENDIX 4C

OLMSTED COUNTY HOUSING SUPPLY, 1989 (true values)  
(number of housing units by type, area)

	Owners < med. Value	Owners > med. Value	Renters	Mobile Homes	Farms	Twin Homes	Total
Rochester	8,134	8,134	9,503	661	n/a	331	26,763 (70%)
Small cities	1,272	1,273	406	372	n/a	21	3,344 (10%)
Suburban twp.	1,544	1,544	296	423	n/a	n/a	3,807 (9%)
Rural twp.	534	534	361	487	2,545	n/a	4,461 (12%)
Total	11,484	11,485	10,566	1,943	2,545	352	38,375

The numbers in parentheses represent that area's share of the county's total housing units. See the note at the end of this appendix for calculations of median home values.

Farms were put into the rural twp. category; some farms could actually be in small city limits or in suburban twp. We will know exactly where they are located in the sample of 1,700.

Source: Rochester Building and Safety Department, Olmsted County Data Processing Center.

HOUSING STOCK, OLMSTED COUNTY

	1980 Census	1989 True Values	Percent Change
Rochester	23,105	26,763	+16%
Small cities	3,040	3,344	+10%
Suburban twp.	4,334	3,807	-10%*
Rural twp.	3,799	4,461	+17%
Total	34,278	38,375	+12%

\* It is hard to believe that there was a decrease in the number of units; perhaps there are farms and twin homes located in this subarea that would boost the 1989 true values. There is also the possibility of annexations into Rochester accounting for this.

When comparing these numbers to residential permit activity since 1980, permit unit totals should be higher because every permit does not result in construction.

Note: As part of the sampling procedure, median home value was used for the eight owner categories--above and below the median home value by the four geographic subareas. The median home (house plus garage) was calculated using the Olmsted County Assessor's data base. The following are the median home values:

Rochester	\$47,835
Small cities	\$41,140
Suburban twp.	\$56,630
Rural twp.	\$45,900



APPENDIX 5

COMMENTS FROM THE PERSONAL INTERVIEWS

GENERAL

Asked about what we hope to find out from survey.

Surprised survey didn't address water.

Question: Will any feedback be made available?

Only question: "We're buying from Mother on a contract for deed--does that make any difference?"

Appreciated getting a card in advance of call.

Didn't receive a postcard.

Did long form, then found out that respondent's income was \$46,000.

She thinks this survey is a good idea!

Had an interview with one of the girls from the city of Byron, so he knew I was going to call.

Felt that they and other rural homeowners would "throw off the validity of the survey." (I reassured her that this had been taken into consideration in the designing of the survey.)

Husband told her to quit answering questions about money--said it was none of our business.

Very friendly and helpful.

We live in the country and wouldn't think this is the kind of housing you would want to survey.

"I do not like surveys. I find this an intrusion at a busy time." He had not been aware of receiving a post card. He spoke with a "British" accent.

For a while both husband and wife were on the line--hence the double responses.

Had several questions about the Partnership.

Think the survey is a great idea.

## SOCIAL/HOUSING PROGRAMS

Wanted to know if we had any funding available to help with house payments. I told him "not yet." Appreciative of our work. A struggling young man getting married on Saturday and caring for/supporting a mentally ill uncle. The person I spoke with had a suggestion if new housing developments are built--she works for an ambulance service and finds low-income housing is generally difficult to get a stretcher to.

She went to get bills for exact amount. Their family qualifies for almost every program. Very helpful and asked many questions about what will the survey do for people.

Would like to have pets allowed in subsidized housing. Feels we need more subsidized affordable housing! Is upset about Southeast Asians moving into city.

Did not qualify for low-income housing. Did not qualify for first time home-buyer, yet friend did. Almost have to be broke to qualify. Friend's dirty shack \$380 plus utilities in Rochester. Not fair to take gross, should use "take-home" pay. Homeless--spend tax dollars here.

Was on federal assistance in 1988.

Senior on Social Security can't afford to repair leaky roof.

Need more low-interest funds to be available to people like me. I tried for one low-interest loan program and it (the money) was gone.

This young woman is clearly in need of housing assistance. She refuses to live in "projects," is on AFDC--spending more than half her income on housing even though she lives with another girl and together they have two kids--and she is a student. I bet in the long run she'll be fine but she could use help now--does not like the trailer park because the trailers are too close. She can hear her neighbors.

When can one get the results of this survey? Could make it easier for grants and aids other than first time home buyers--could use help for my second home. When going through grant program (like first time home buyers) is a miserable process. Given a list at beginning, after going through it makes you not want to buy. Process drags out, three days before closing still no loan approval. Frustrating, extremely frustrating process. Hard for me as a single woman to make this decision. Regulations made to adhere to make it a pain, more than average loan process. Understand that late loan approval is very common. Had to list how I got last \$700 deposited in bank account. This was one picky thing.

I tried to get into low-income housing (side-by-side) but didn't make enough money to be qualified. Would move the trailer to different location if could afford it. Tax situation on mobile homes is ridiculous.

ELDERLY

Man is 76, alone with kids far away. The house is paid for and still he spends all his income on housing. He finds the house too big and too much to handle. He may sell, but is not sure where he'd live.

Be nice if they had more options available for retiring couples smaller homes. Outside of Rochester.

He is on disability and has health problems which may force him to move because of upkeep of property or his wife would move if left alone. They have considered low income retirement housing but feel it would cost considerably more than they are now paying.

I'm always worried. When I'm on fixed income, my taxes keep going up and insurance goes up. Everything is going up and my income stays the same! I went to get my driver's license and it was \$15! I wonder how long I'll be able to stay here in my own home.

"We only hope we can continue to live in our home. My husband is on oxygen all the time but he can move around here nicely. I retired last year--worked four months to the income limit. We'll take a year at a time."

Should have more mobile homes for seniors. It's a good economical form of housing.

Rochester way behind in senior citizen housing, and the ones they have, have no parking so no one can visit you. Suggest ID to prevent abuse of parking.

May have to sell. Husband is going to retire so have to sell soon.

Been here for twelve years and like it fine. Good living for retired person, no lawn work.

Eyota needs more housing for elderly persons.

I'm aging and the washer and dryer are in the basement and I'd like to find a place where they're on the main floor. There wasn't enough heat last winter or in chilly days in June, and I told the landlord I'd have to leave if I didn't have adequate heat. So I hope it's taken care of. I don't want to move to Central Towers because it's too much like a nursing home. I think that would be the end of me if I had to move out there. But they do have laundry on the same floor.

More housing needed for elderly. Needed to be homeless to get into Central Tower. Waited five years before lucking out. Sold mobile home before knowing for sure on home. (Suggested by management of the low-income.)

"I'll be glad when the streets are fixed. I'm glad for the bus too. I use it to go downtown, although I do have to cross the highway to get to it. You know I'm a senior citizen, and it's hard for us to get around."

"Not much of a choice for people of my age here. I can't go up and down steps. I had a house and I had to sell it so I could live on the interest. Now I have to move to be in a place with an elevator. I think I'll like it there; I already have two friends living there. But I had to wait eight months to get in.

## TAXES

Why are taxes and insurance jumping up? Kind of pisses a guy off, paying taxes and don't fix the roads around here.  
Real estate taxes are way too high. Four times as much as those in Phoenix.

We want to be self-sufficient as long as our health permits and we can afford to live independently. Taxes are a serious concern.

Why the shortage:

1. increased demand
2. no new increase in construction (multi-family units)
  - tax laws (federal tax reform in 1986)

He owns rental units. He has raised rents because of tax changes in 1986. Real estate tax is 25 percent of gross rent. He was very hostile. Refused to answer many of the questions and wanted to know why we were asking each of the questions.

Not satisfied with tax situation. Rochester has gone all to pot with all the building, assessment, etc. "It's a mess now and it's getting worse."  
Rochester has poor leadership. Need improvements on low-income housing.

As a single person with no dependents I feel I am asked to pay more and more in taxes with no benefit to me. I am willing to help the poor but escalating school taxes and now day-care are too much.

Property taxes too high.

Minnesota taxes too high! Especially property taxes, he will have to leave when he retires due to taxes--he came from New York!!!

Mayo Clinic is not for the people of Rochester. Homeowners are paying too much taxes. Too much attention to Mayo Clinic and IBM. Mayo Clinic will give Reagan free medical service but not people here. At one time Mayo did care and you could pay low monthly payments; the more the city gives Mayo the less it gets back!!!

Would not give info on income, but said he was "poor." Taxes high for poor and low for rich. He mentioned having to move out soon because of "developers."

Taxes too high. Problem of affordability.

Wouldn't want to live in a crowded condominium. Like single home. Taxes are very high. Tenants are very destructive.



LANDLORD/TENANT

Lot never maintained; weeds grow, no grass. Pays 14 percent interest on trailer.

House payment	\$417
Land rent	145
Property tax	275
Insurance	<u>250</u>
	\$1,087

for inadequate mobile home. (Also pay \$100/month to store furniture. Has been ill eight years, lost home.

This person works with Rochester School District with emotionally disturbed children; was interested in this survey. Also owns an older home on a farm which he rents and when renters move out, they leave it in shambles.

Landlord pries into personal lives of tenants.

RURAL RESIDENTS

Roadway to house is terrible, City of Oronoco won't pay to keep it up. The road floods in spring; mud is bad then too.

We live in country on private well and private septic tank and love it.

We live in country and are happy. Their children are looking for apartments and rent is too high.

We wanted to live in country so we took the first thing we could afford.

Housing...living in country. It's getting too much to work all this land. We're nearly 60 and want to move to town. I suppose it will be a trauma to leave but I don't think we'll have any problems finding a place in town.

"I live in the country because I couldn't afford to live in Rochester."

Moved trailer to Stewartville to be closer to family and boyfriend.

Would never want to live in Rochester...it's too messed up.

Not much rental in Chatfield for a single or older couple.

Housing in Stewartville is fairly adequate now. When looking wish more was available...looked for two years. Hardest problem was getting foot in door. This is the biggest initial thing. Closing costs and down payment all add up. Housing costs are okay (fairly priced) in Stewartville. Interest rates also present a problem. Have a lot of country in me and wanted to live in small town. Had rented in Stewartville three years before purchasing. Good location for work.

Live outside the city of Rochester. Some talk about annexation, but septic tank and well work fine...not happy about annexation.

May eventually want to move to some land or country house.

Couldn't find anything cheap in town...want to live cheaply and privately in rural county! New governor! Taxes too high. Water/sewer too high. Live by noisy highway....uggghhh! Should change zoning regulations in country...relax them, more rural development. Should accept own septic.

#### SATISFIED

We are very satisfied. However, we have friends who are very dissatisfied because of very high rents in Rochester. Father is property owner (renter) and says property tax is reason so high. Single girlfriend pay \$380 plus utilities for one bedroom.

Don't usually do surveys, but the postcard persuaded him. Love the location. House is twenty years old. Overall, very happy with home, area.

Built cheap in those days...twenty-five years ago...easy to finance then. They are happy with it.

Very happy with housing situation.

I'm getting too damn old to be particular.

Thankful and happy for a good home and able to move on to another home I'll be happy with. We're happy with farming. We contract for deed and will do that at the next farm (my husband's father's farm).

Housing situation pretty good!

Great! Country lot.

Not very satisfied with my home. We moved here cause we like the area. I'm very happy. (female)

A lot of options for people who want to build. Generally all incomes have a good choice.

New house. They built it two years ago.

Totally satisfied with housing situation. Refused to answer questions regarding income, so I placed him in the below \$45,000 category.

Things are OK.

Lived in Europe three years. Came to appreciate even modest living quarters.

Satisfied.

Satisfied with what I have. Pretty good house here. (male)

In answer to question #43: Seems very adequate. No blights in community.

Wide range in houses...\$100,000 and \$80,000 under. But little in-between so we built a home when we were transferred here.

Pretty happy...just bought place. Wasn't much out there (in country). Poor selection in desired location.

I like it. I would have to leave the area to move. Like Stuartville very well, lived there for thirty-seven years.

#### YOUNG PEOPLE

Respondent indicated that they would like to move into (purchase) "permanent housing" as soon as they are finished with school and can afford to buy a house.

Son is having a hard time finding nice apartments at affordable prices.

Nowadays very expensive for young people to buy homes. Not fair to them.

It's okay, but will be nice to get out of school and be able to afford more. Very expensive to rent in Rochester. Decided to buy mobile home.

"My son works part-time and works at minimum wage and his income counts against my housing. He just graduated from John Marshall and doesn't want to go to any more school. He's going to increase his housing now at his job so he'll have to move out because I can't afford the rent increase...but he can't afford to rent anything either, the rent is so high in Rochester. But the people down at Section 8, they don't care. I don't know what to do. I really would like to get into handicapped housing...I really would...but there's none over here. And then I don't know what my son will do. Now he did say something about learning to be a cook. I guess that make \$7.00 per hour. But he still won't be able to stay with me and he can't afford to rent something himself. It's getting so I just don't know what to do. I live on VA and social security and have emphysema and rheumatoid arthritis...it's pretty hard to get around...etc. etc."

More people (younger) are having a real hard time finding adequate affordable housing. They are forced to go together to afford the housing. Can't afford even with two people working. Hard to qualify for low-cost housing. Forced to move into lower quality housing.

Amazed at all the new building that's going on. Housing is really affordable for young couples. We couldn't get a house until after twenty-five years of marriage. (Young couples today have dual incomes and more creative financing options.)

Young people should build a house to be maintenance free; if parents didn't help kids they couldn't afford to buy.

HIGH COSTS (rent, own, some utilities)

Closing costs were expensive and it took too long to approve refinancing. It took one day to find out but it took me thirty days to find answer from banker and lawyers. I could have lost the house. Was recently divorced and they waited until the last minute. I didn't have enough money to close and no one told me the hidden costs until the last minute. The check I had to write was more than I had. The housing is way over-priced in this town!

He would rather have had a home but was unable to afford housing in Rochester area. He found it interesting that he could get a loan for a mobile home, but not a home. He seems unable to take advantage of "first home loan;" makes too much money. But feels he has more expenses than some with four children. He will probably look for a home in outlying communities.

Very little to rent with more than three kids. More housing for low-income. Rent or buy. Not only for first time buyers. Very interested and cooperative. Even put dinner on "hold" though I offered to call back.

Definitely a need for affordable low-income housing.

Great demand and need for low-income rental property in Rochester.

Very high living standards in Rochester. Decided to buy rather than pay rent fees.

Horrible demand for low income housing.

Feels Rochester is oriented exclusively toward affluent professionals. No interest in common people.

Own home, rent property...want to own property but can't afford it...downpayment too high, payments too high, zoning won't approve wells and septic.

Rochester very expensive for what you get. Especially as far as renting goes. Now that she owns, things are better.

Utility bills much higher than Red Wing and Wabasha.

Rental housing is a lot more expensive than most people can afford. Both rental and owning a moderately priced (\$70,000) home is very difficult in this town. There is very little available.

Rental housing tough...young people can't find affordable housing.

Very difficult to find affordable housing. No way to build up in jobs (polarized market).

Lots of pretty houses in Rochester I couldn't afford...bought my house at a good price years ago...it'll be okay until I retire in a few years.

High costs.

Need for lower income housing...need more housing for elderly.

Feels very lucky to have good job; but knows there are a lot that can't afford housing and wishes there was something she could do.

Medical bills are very high. Makes too much money to get medical help but not enough to get insurance.

Rental property is a killer to find especially if you're on minimum wage. Older people are better off because they are owners. Prices in town for everything is very high.

Prices in Rochester are inflated when you get to the city limits...lived in a country home before...cannot afford a house in Rochester...and commuting was also too expensive.

At the mercy of the utilities.

If I would move, I'd like to take my house with me.

Wishes there were affordable apartments in Rochester that weren't dumps.

House for sale now; they are dissatisfied with size of their home. They are having some difficulty finding a home with payments they can afford.

Rents too high..."middle income" people are hurt...some with lower income can get aid.

Rental prices are unreal. I moved from subsidized housing to do day care and the options were not there. No one would rent to me because I did day care and I looked for months. I fell into this place through one of my day care parents who found it for me so I would stay in the neighborhood. I assumed the payments and paid almost \$700 a month for two years because it was non-homesteaded and I did without things just to stay in business. Now I owe \$4,000 to the IRS with 25 percent interest because I couldn't pay taxes. I would have been old with nothing if I hadn't hung on until now. Now the payment's dropped to \$500 a month. I couldn't borrow the money to buy but the rent was too high to afford too. I can't borrow the money to fix the plumbing because I don't have enough collateral. Public housing was terrible. I have a day care mom who is still there and she hates it but can't get out. In public housing the managers don't screen the renters and people can do anything and get by with it...deal drugs, destroy property...no one does anything about it.

We spend more for heating because the house is so old. We use LP gas and room space heaters and are still cold. The house is not fancy but very handy and kept in working order. (female)

Would like to move to smaller unit but find available units grossly overpriced.

It took a long time to get to where they wanted (four years). Very expensive compared to Owatonna.

Would like to see more affordable housing and utilities.

Came from Wisconsin. Found housing very expensive.

Price of lot rent and utilities are high.

Rental market overpriced should be encouraging people to move in rather than converting everything to exorbitant rentals.

#### MOBILE HOMES

I wish there was a trailer court where we could buy land. My lawn is nice and I've planted trees but I'd take even better care of it if it were mine. The owner could raise the rent and we don't have a storm shelter here. During storms I pray and I've gone to HyVee. I'd like to have the land myself and I couldn't find land available in Rochester, and this is the nicest court in Rochester, but I wish it were my own land. I know kids (relatives in their 20's) who are looking for an apartment and they can't find anything affordable. The landlord raised their rent \$100/month and they couldn't afford it. They work hard full-time and are unskilled labor and had to move to a place I don't like them to live in. It's \$375 and it's not a very nice place. I wish there was affordable housing for them and I can't help them either. I know people my age (40s) who are living five and six people to a one bedroom apartment because that's all they can afford. It's really bad.

Living in a mobile home...but really wants to live in a house...too high of monthly payments. Had to file chapter 13.

Unusual...they bought a mobile home in another state when they knew they were coming here and had it set up here. They never looked for housing here!

I wish they would have fewer rules and restrictions in trailer courts... restrictions on pets, for instance.

Not too many banks would loan money on mobile homes. If you want to improve mobile homes, can't get loan to improve them. Should be able to get improvement loans for mobile homes.

#### REFUGEES

Bought this home with HUD assistance, but will be moving in two months (remarrying and moving). However if not getting married and had to make a choice she'd move, as she doesn't like Southeast Asians moving into general area.

Very self-reliant old man. Wife hard of hearing...she answered phone and took forever to get him. Bitter against Southeast Asians. "Pay own way...why should they come over here and live free?" He built his own bi-level house from a trailer. He fixes anything that goes wrong.

I own a home. The area where I live is across from old Crenlo plant and now there's rental property across from us that is not kept up. It looks like a

junkyard. If people are evicted, they don't care. It's noisy...cars racing in the middle of the night...parties and motorcycles and they don't have any consideration for owners. One owner keeps good tabs because he lives in the same building but the others have no idea what's going on. One group was busted for dealing drugs...trash all over the place. The neighborhood looked really nice when we moved in fourteen years ago...the houses were all family owned and now it's all rental property and a wreck. The situation with the Vietnamese will be crucial. We have a driveway next to theirs and three carloads came to look at it. Of course I'm prejudiced because I've been in the war in Vietnam. This place could turn into a slum. They get state aid and they can have the house but the renters who had it before couldn't afford to buy it because they work for a living!!! I don't agree! If three families are moving in I'll be worried. These renters don't even own lawnmowers here and they don't shovel the sidewalks. My wife wants to move.

#### REGULATIONS AND ZONING

If annexed, will be very dissatisfied, by the city. Doesn't think they should be assessed any more than the additional benefit derived by annexation.

Neighbor...a judge...forced him to get rid of dog-raising business. Zoning department agreed. Not happy about it.

Question #27: Happy with location, but if we are annexed we won't be.

North of city in Cascade township. Anxious about annexation! (i.e., Golden Hills annexation) Very worried about costs!

Zoning is crazy-picky. Try to build one thing, zoners will come out and reevaluate everything.

They allowed a bar to go in a residential neighborhood. This man lives next to the bar and is very unhappy with that. He doesn't like having a bar right smack in the middle of the residential neighborhood.

Questioned me about "who is the Housing Partnership?" "Were the local governments involved?" "Were there people from the zoning boards?" I answered "No," and he gave me an emphatic "Good!"

Better monitoring of septic systems and water--would like to be annexed... neighborhood doesn't want it. Too expensive. Charges unreasonable when charging by frontage foot. Value should be value of property or house.

Very dissatisfied with city...not satisfied with city...need curbs and gutters all over...cater to housing developers too much. Need to be more aware of individual and not only developer...city fathers lean too much on money people...they cater to those who splash!

The roads are bad. Next fixing, would like black topping like the rest of the roads in their area.

MISCELLANEOUS

She would like to see more facilities for the handicapped in housing.

Electricity is too high. The peak use doesn't make sense. I wonder how many other cities charge according to peak use instead of the average? St. Cloud doesn't. I called once and asked what their reasoning was and didn't get an answer.

It would be nice to have more people sharing homes...too many new homes.

She has a garden so she doesn't need foodstamps.

The burning unit in southeast area causing pollution in air when very bad on humid days.

Didn't use to be that two people had to earn the income. Very odd.

"It's hard to find good housing with yard for kids to play in. Apartments just are not adequate for kids."

If someone came around who wanted to buy, would sell and move to a smaller house or condo.

Wish housing was a little bigger. Would like a pool table and a swimming pool. He didn't know some of the answers. He said his wife handles the finances. She works; they don't earn money from their farm anymore.

Neighbor problem is he works on cars until about 11:00 p.m. every night.

Very comfortable with situation. School system is great. Too many people at the poles of income.

Handicapped accessible housing needs greater than available or planned. Need help to make houses accessible for handicapped...handicapped could buy houses but can't afford cost of accessibility. This man very involved with handicapped citizens, and anxious to speak to any group about needs of disabled...or help in any other way.

Contract for deed is up in one year, so trying to fix up home for the higher estimate. We're on 4 1/2 acres and want to stay but need to refinance it now and if we can't, we'll need to try to find something cheaper. But I don't think we can find anything cheaper.

If you get a pay increase, no consideration for baby sitting costs, etc.

Loves living in Oronoco...and having friends to help pay for housing.

Neighborhood leaves much to be desired.

Floor plan not satisfactory. Good neighborhood. Good school.

Problems with drainage, etc. Occurred only during storm of last week, approximately August 6th, 1989.



Didn't answer either income question so I gave her the long version.

She couldn't hear me...the TV was loud! She finally turned it down. Have a farm...no income really...he should be retired but has to keep working.

Notice: She said she was "Below \$45,000" income and then said, "before taxes" she earned \$60,000. Phoned again...she was astounded at her \$60,000 and refigured her income at \$34,000.

House payments were \$800 a month for a long time. Just paid it off in 1988. Very helpful.

Question #43: 1. Painting on rental as improvements.  
2. Curious about fair rent for twin-plex? He owns a twin-plex and considers maintenance as improvement in rentals... more desirable unit.

Respondent does day care. Husband works. Income varies.

Questions #35: Built own house, so working on it slowly.

Wife answered...went to get husband and asked if he would respond. Very kind.

Very cooperative.

Would like to know how people qualify for programs like rehab loans or energy assistance grants.



APPENDIX 6

OLMSTED COUNTY PROFILE BY AREA

(Rochester, Small Cities, Suburban Twp, Rural Twp)

Inferences from the following analysis can be made about the entire Olmsted county population. All survey respondents were asked the questions used in this analysis.\*

Percent of total county households by area:

Rochester	69.9%
Small Cities	8.8%
Rural Township	9.9%
Suburban Township	11.3%
	-----
Total	100.0%

TYPE OF HOUSING UNIT

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
Single Family House	58.2%	82.0%	86.6%	91.3%	66.9
Townhouse	4.6%	.3%	.0%	.7%	3.3
Mobile Home	2.2%	9.5%	11.9%	6.8%	4.3
Apartment	22.9%	5.8%	1.0%	.3%	16.7
Duplex	5.7%	1.1%	.1%	.9%	4.2
Four-plex	3.6%	.4%	.0%	.0%	2.5
Condominium	2.2%	.0%	.4%	.0%	1.6
	-----	-----	-----	-----	-----
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

HOW SATISFIED ARE YOU WITH YOUR CURRENT HOUSING SITUATION?

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
Very Satisfied	50.9%	51.8%	57.5%	60.2%	52.7
Satisfied	42.8%	42.8%	34.6%	33.2%	40.9
Dissatisfied	5.5%	4.8%	6.9%	6.4%	5.7
Very dissatisfied	.9%	.6%	1.0%	.2%	0.8
	-----	-----	-----	-----	-----
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

\* Percentages may not add up to 100 percent due to rounding errors and missing cases.

TENURE - DO YOU OWN OR RENT?

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
Own	64.7%	88.1%	88.8%	90.9%	72.1
Rent	35.3%	11.9%	11.2%	9.1%	27.9
	-----	-----	-----	-----	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

HOUSEHOLD INCOME (1988, all sources) ABOVE OR BELOW \$45,000

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
Above \$45,000	28.3%	21.0%	35.5%	48.5%	30.7
Below \$45,000	71.7%	79.0%	64.5%	51.5%	69.3
	-----	-----	-----	-----	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

HOUSEHOLD COMPOSITION

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
Single person	28.3%	11.7%	8.3%	8.5%	22.7
Single unrelated persons	7.7%	3.8%	2.9%	.7%	6.1
Married/unmarried couples	53.0%	75.2%	86.0%	84.3%	61.7
Single Parent	9.5%	7.3%	.9%	5.1%	7.9
Other	1.6%	2.0%	1.9%	1.2%	1.6
	-----	-----	-----	-----	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

NUMBER OF CHILDREN

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
none	66.2%	50.5%	55.3%	46.8%	61.6
one	16.2%	13.8%	12.4%	17.2%	15.7
two	12.3%	19.5%	17.5%	24.7%	14.9
three	5.2%	11.7%	8.2%	7.4%	6.3
four	.0%	3.3%	3.2%	3.8%	1.1
five or more	.0%	1.2%	3.5%	.2%	0.4
	-----	-----	-----	-----	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

NUMBER OF STUDENTS OVER 18 YEARS OLD LIVING AT HOME

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>
none	80.7%	80.9%	77.5%	81.4%
one	15.7%	16.1%	15.3%	15.0%
two	3.3%	2.0%	7.2%	2.9%
three	.4%	1.0%	.0%	.7%
	-----	-----	-----	-----
TOTAL	100.0%	100.0%	100.0%	100.0%

HOUSEHOLD SIZE

Average by area:

Rochester	2.37
Small City	3.13
Rural Township	3.29
Suburban Township	3.19
	-----
county average	2.62

RACE

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Twp</u>	<u>Suburban Twp</u>	<u>Total County</u>
White	95.7%	99.4%	99.4%	97.6%	96.6
Asian	1.5%	.0%	.3%	.9%	1.2
Other	1.9%	.4%	.3%	1.3%	1.6
Black	.9%	.0%	.0%	.0%	0.6
Hispanic	.0%	.0%	.0%	.2%	--
American Indian	.0%	.2%	.0%	.0%	--
	-----	-----	-----	-----	-----
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0



APPENDIX 7

FAMILY INCOME DATA FOR THE  
ROCHESTER METROPOLITAN STATISTICAL AREA

Fiscal Year 1989

FY 1979 and projected FY 1989 Decile Distribution of Income:

	<u>10%</u>	<u>20%</u>	<u>30%</u>	<u>40%</u>	<u>50%</u>
1979	9,188	13,494	17,179	20,533	23,504
1989	15,871	23,309	29,674	35,467	40,600
	<u>60%</u>	<u>70%</u>	<u>80%</u>	<u>90%</u>	<u>95%</u>
1979	26,599	30,145	34,840	42,249	60,985
1989	45,946	52,071	60,181	78,161	105,343

Median Family Income for a family of 4: \$40,600

1989 Definitions of Lower Income and Very Low Income  
Based on Projected 1989 Median Family Income:\*

	<u>1 person</u>	<u>2 person</u>	<u>3 person</u>	<u>4 person</u>
Lower Income	22,750	26,000	29,250	32,500
Very Low Income	14,200	16,250	18,250	20,300
	<u>5 person</u>	<u>6 person</u>	<u>7 person</u>	<u>8 person</u>
Lower Income	34,550	36,550	38,650	40,650
Very Low Income	21,900	23,550	25,150	26,800

\* These figures were prepared by HUD on December 1, 1988 and became effective February 1989.





APPENDIX 8

PROFILE OF HOUSEHOLDS WITH YEARLY INCOMES  
LESS THAN \$45,000, BY AREA

Inferences from the following analysis can be made about the entire Olmsted County population with total incomes less than \$45,000 per year. Each table presents, by area, the percentages of households in each particular category. For example Table I shows that 53% of the households in Rochester live in single family homes, while 77% of the households in Small Cities reside in single family homes.\*

Overall, the percent of households under \$45,000 by area:

Rochester	72.5%
Small Cities	9.9%
Suburban Township	9.2%
<u>Rural Township</u>	<u>8.4%</u>
TOTAL	100.0%

TYPE OF HOUSING UNIT LIVING IN

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
Single Family house	53.0%	77.0%	80.2%	11.9%	60.6
Townhouse	4.4%	0.0%	0.0%	0.0%	3.2
Mobile Home	2.8%	12.4%	18.0%	12.1%	6.0
Apartment	26.5%	7.4%	1.6%	.7%	20.1
Duplex	5.5%	1.4%	.2%	1.8%	4.3
4-plex	4.5%	.5%	0.0%	0.0%	3.3
Condominium	2.5%	0.0%	0.0%	0.0%	1.2
Other	.7%	1.3%	0.0%	0.0%	0.7
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

HOUSEHOLD COMPOSITION

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
Single person	37.9%	14.4%	33.0%	14.9%	31.3
Single unrelated	7.9%	4.3%	0.0%	1.1%	6.3
Un/married couple	40.5%	69.8%	81.5%	72.2%	49.8
Single parent	12.2%	9.6%	1.5%	9.3%	1.9
Other	1.6%	2.0%	3.0%	2.5%	--
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

\* Percentages may not add up to 100 percent due to rounding errors and missing cases.

### HOUSING SATISFACTION

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
Very Satisfied	43.3%	47.1%	51.8%	42.2%	44.4
Satisfied	48.7%	46.3%	40.6%	47.5%	47.6
Dissatisfied	6.8%	6.4%	6.1%	10.0%	6.9
Very Dissatisfied	1.3%	.2%	1.6%	.3%	1.1
TOTAL	100.05	100.0%	100.0%	100.0%	100.0

### TENURE

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
Own	59.5%	85.4%	89.1%	84.7%	66.9
Rent	40.5%	14.6%	10.9%	15.3%	33.1
TOTAL	100.05	100.0%	100.0%	100.0%	100.0

### HOUSEHOLD SIZE

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
1 person	37.9%	14.3%	12.9%	14.9%	33.1
2 persons	30.5%	32.1%	35.4%	30.4%	31.1
3 persons	14.1%	18.7%	11.6%	14.7%	14.4
4 persons	14.0%	19.3%	18.8%	22.1%	15.6
5 persons	3.4%	10.7%	11.0%	8.1%	5.2
6 persons	.1%	2.7%	5.0%	9.5%	1.6
7 persons	0.0%	2.2%	1.4%	0.0%	0.6
More than 7	0.0%	0.0%	3.9%	.3%	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

NUMBER OF CHILDREN

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
No children	69.0%	53.4%	55.6%	54.0%	65.1
1 child	17.0%	14.3%	9.3%	11.2%	15.5
2 children	9.6%	19.3%	17.3%	20.1%	12.1
3 children	4.1%	9.3%	8.3%	8.2%	5.4
4 children	.1%	2.2%	4.8%	6.1%	1.2
5 or more children	0.0%	1.6%	4.7%	.3%	0.6
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

NUMBER OF STUDENTS PER HOUSEHOLD

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
No students	80.8%	83.2%	86.3%	83.9%	81.8
1 student	15.3%	14.2%	11.3%	14.5%	14.8
2 students	3.9%	2.6%	2.5%	1.7%	3.4
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0

RACE

	<u>Rochester</u>	<u>Small City</u>	<u>Rural Township</u>	<u>Suburban Township</u>	<u>Total County</u>
American Indian	0.0%	.2%	0.0%	0.0%	
Asian	2.0%	.0%	0.0%	1.8%	1.6
Black	.6%	.0%	0.0%	0.0%	0.5
Hispanic	0.0%	0.0%	0.0%	0.3%	1.7
White	95.2%	99.2%	99.5%	96.5%	96.1
Other	2.1%	.6%	.5%	1.3%	
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0



APPENDIX 9A

PROFILE OF LOWER INCOME OWNERS

This is an analysis of those households in Olmsted County which own their housing and are defined by HUD standards to be lower income. Households in this category have a total income of 80 percent or less of the median household income in the county. For a family of four, 80 percent of the median income is \$32,500. (See technical notes for a table of lower income levels for various household sizes.)

This analysis is based on the weighted responses of the 1,008 survey responses and inferences from it can be made for all lower income homeowner households in Olmsted County.

Table I. TYPE OF HOUSING UNIT LIVING IN

	<u>Percent</u>
Single family	73.3%
Townhouse	2.6
Mobile home	15.0
Duplex	3.5
Condominium	3.3
Other	2.3
TOTAL	100.0%

Table II. SATISFACTION WITH CURRENT HOUSING

	<u>Percent</u>
Very satisfied	38.1%
Satisfied	51.8
Dissatisfied	10.2
Very dissatisfied	0.0
TOTAL	100.0%

Table III. NUMBER OF BEDROOMS IN RESIDENCE

	<u>Percent</u>
1	6.1%
2	35.4
3	47.8
4	8.7
5	2.0
TOTAL	100.0%

Table IV. AMOUNT OF INCOME SPENT ON HOUSING

	<u>Percent</u>
Less than a quarter	28.0%
Quarter to a third	35.3
Third to a half	26.9
More than half	9.8
TOTAL	100.0%

Table V. MADE HOME IMPROVEMENTS IN LAST THREE YEARS

	<u>Percent</u>
Yes	70.0%
No	30.0
TOTAL	100.0%

Table VI. FIRST MOST EXPENSIVE IMPROVEMENTS

	Percent
1. Floor covering	10.9%
2. Siding	10.6
3. Painting	8.9
4. Deck	7.8

SECOND MOST EXPENSIVE IMPROVEMENTS

	Percent
1. Floor covering	24.1%
2. Painting	12.1
3. Roof	8.8
4. Doors	8.0

THIRD MOST EXPENSIVE IMPROVEMENTS

	Percent
1. Painting	19.1%
2. Floor covering	18.7
3. Remodeled bathroom	7.1
4. Doors	6.6

Table VII. MUST SHARE HOUSING IN ORDER TO AFFORD IT

	Percent
Yes	7.7%
No	92.3
TOTAL	100.0%

Table VIII. RECEIVE HOUSING ASSISTANCE

	Percent
Public housing	0.0%
Section 8	0.0
Low interest rehab loan	1.2
Energy assistance grant	2.7
Weatherization loan	.9

Table IX. PROBLEMS WITH PHYSICAL CONDITION OF HOUSING  
(How many households experience the following conditions?)

	<u>Percent</u>
Fuses/circuit breakers go out	5.5%
Plumbing works improperly	9.1
Roof leaks	9.1
Basement leaks	15.2
Steps or porch are broken	3.0
Stove/refrigerator doesn't work	3.0
Heating or ventilation inadequate	6.1
Rats, roaches or other pests	4.7

Table X. LOOKED FOR HOUSING IN OLMSTED COUNTY IN LAST 3 YEARS

	<u>Percent</u>
Yes	31.9%
No	68.1
TOTAL	100.0%

Table XI. HAD A HARD TIME FINDING ADEQUATE/AFFORDABLE HOUSING  
(OF THOSE HOUSEHOLDS THAT LOOKED)

	<u>Percent</u>
Yes	73.8%
No	26.2
TOTAL	100.0%

Table XII. PROBLEMS INVOLVED IN FINDING AFFORDABLE HOUSING

	<u>Percent</u>
Available housing in poor quality	29.9%
Nothing in price range	71.5
Available housing too large	0.0
Available housing too small	7.3
Bad location	23.4
Not the right type of housing	20.4



Table XIII. TIMES MOVED IN LAST THREE YEARS

	<u>Percent</u>
1	58.1%
2	27.8
3	12.0
More than 3	2.1

Table XIV. FEEL WILL HAVE TO MOVE IN NEXT YEAR

	<u>Percent</u>
Yes	10.0%
No	90.0
TOTAL	100.0%

## FACTORS TO CAUSE MOVE

	<u>Percent</u>
1. Financial reasons	34.0%
2. Taxes/assessments	22.1
3. Changes in household	11.8
4. Health	4.8
5. Bigger House	4.6

Table XV. SATISFACTION WITH HOUSING FACTORS

	<u>Costs</u>	<u>Size</u>	<u>Conditions</u>	<u>Location</u>	<u>Neighbors</u>
Very satisfied	32.1%	20.1%	29.4%	46.7%	34.7%
Satisfied	56.5	62.4	64.3	40.3	57.3
Dissatisfied	10.7	16.1	5.9	12.3	7.0
Very dissatisfied	.7	1.4	.4	.7	1.0
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%

\* The major reason for dissatisfaction with housing costs was that it "costs too much." 48.9 percent of those who were dissatisfied or very dissatisfied with housing costs stated this as the reason. "Housing too small" was the reason given by 62.5 percent of those who are dissatisfied with their housing size, and "needs fixing" and "old house" were each given by 40 percent of the households dissatisfied with the condition of their housing. Households are predominantly dissatisfied with their housing location because it is in a flood zone (14.2 percent) or because it is in a school district they don't like (16 percent). A variety of reasons were given for dissatisfaction with neighbors (overcrowded, Southeast Asians, noisy, not friendly).

Table XVI. NUMBER OF PERSONS LIVING IN HOUSEHOLD

	<u>Percent</u>
1	19.5%
2	39.7
3	11.4
4	12.7
5	12.4
6	3.0
Over 6	4.3
 TOTAL	 100.0%

Table XVII. HOUSEHOLD COMPOSITION

	<u>Percent</u>
Single person	19.6%
Single unrelated	7.3
Un/married couple	54.7
Single parent	13.4
Other	5.0
 TOTAL	 100.0%

Table XVIII. NUMBER OF PERSONS WHO CONTRIBUTED TO INCOME

	<u>Percent</u>
1	55.2%
2	43.9
3	.8
 TOTAL	 100.0%

APPENDIX 9B

PROFILE OF LOWER INCOME RENTERS

This is an analysis of those households in Olmsted County which rent their housing and are defined by HUD standards to be lower income. Households in this category have a total income of 80 percent or less of the median household income in the county. For a family of four, 80 percent of the median income is \$32,500. (See technical notes for a table of lower income levels for various household sizes.)

This analysis is based on the weighted responses of the 1,008 survey responses and inferences from it can be made for all lower income households in Olmsted County.

Table I. TYPE OF HOUSING UNIT LIVING IN

	<u>Percent</u>
Single family house	12.2%
Townhouse	5.7
Mobile home	1.3
Apartment	60.3
Duplex	8.5
4-plex	11.6
Other	.3
TOTAL	100.0%

Table II. SATISFACTION WITH CURRENT HOUSING

	<u>Percent</u>
Very satisfied	30.2%
Satisfied	55.2
Dissatisfied	10.5
Very dissatisfied	4.0
TOTAL	100.0%

Table III. NUMBER OF BEDROOMS IN RESIDENCE

	<u>Percent</u>
1	34.3%
2	49.8
3	12.4
More than 3	3.5
TOTAL	100.0%

Table IV. AMOUNT OF INCOME SPENT ON RENT

	<u>Percent</u>
Less than a quarter	15.4%
Quarter to a third	32.5
Third to a half	34.7
More than half	17.5
TOTAL	100.0%

Table V. DOES LANDLORD REPAIR THINGS IN UNIT?

	<u>Percent</u>
Yes	73.8%
No	12.6
Sometimes	13.6
TOTAL	100.0%

Table VI. WANT TO OWN HOME WITHIN TWO YEARS?

	<u>Percent</u>
Yes	63.3%
No	36.7
TOTAL	100.0%

Table VII. HOW LIKELY TO OWN HOME IN TWO YEARS  
(of those who want to own)

	<u>Percent</u>
Very likely	18.3%
Likely	14.3
Not very likely	48.2
Not at all likely	19.3
TOTAL	100.0%

Table VIII. REASONS HOUSEHOLDS ARE UNLIKELY TO OWN

	<u>Percent</u>
Lack of downpayment	83.7%
Cannot afford monthly payments	48.0
Cannot qualify for mortgage	15.0
Poor credit history	4.9
No credit history	0.0
Uncertain job future	15.0
Plan to move	4.4
Cannot find suitable home	14.7
Discrimination	4.4
Other	7.8

Table IX. MUST SHARE HOUSING TO AFFORD IT

	<u>Percent</u>
Yes	10.8%
No	89.2
 TOTAL	 100.0%

Table X. RECEIVE THE FOLLOWING TYPES OF HOUSING ASSISTANCE

	<u>Percent</u>
Public housing	8.6%
Section 8 certificate or voucher	11.4
Energy assistance grant	6.1

Table XI. HAVE THE FOLLOWING TYPES OF HOUSING PROBLEMS

	<u>Percent</u>
Fuses/circuit breakers go out	5.3%
Plumbing that works improperly	12.7
Roof leaks	10.5
Basement leaks	8.6
Steps or porch are broken	7.1
Stove/refrigerator inoperative	6.9
Heating/ventilation inadequate	15.3
Rats, roaches or other pests	13.7

Table XII. LOOKED FOR HOME IN OLMSTED COUNTY IN LAST 2 YEARS

	<u>Percent</u>
Yes	56.4%
No	43.6
TOTAL	100.0%

Table XIII. HARD TIME FINDING ADEQUATE/AFFORDABLE HOUSING  
(of those who looked)

	<u>Percent</u>
Yes	70.5%
No	29.5
TOTAL	100.0%

Table XIV. PROBLEMS INVOLVED IN FINDING AFFORDABLE HOUSING

	<u>Percent</u>
Available housing of poor quality	42.6%
Nothing in price range	80.5
Available housing too large	0.0
Available housing too small	17.9
Bad location	24.3
Not right type of housing	17.5
Other	34.0

Table XV. TIMES MOVED IN LAST THREE YEARS

	<u>Percent</u>
1	27.7%
2	39.4
3	15.0
More than 3	17.9
TOTAL	100.0%

Table XVI. FEEL WILL HAVE TO MOVE IN NEXT YEAR

	Percent
Yes	37.4%
No	62.6
TOTAL	100.0%

Table XVII. FACTORS TO CAUSE MOVE

	Percent
1. Financial reasons	30.3%
2. Change in household	8.0
3. Neighbors	8.0
4. Other	53.7
TOTAL	100.0%

Table XVIII. SATISFACTION WITH HOUSING FACTORS

	Costs	Size	Condition	Location	Neighbors
Very satisfied	25.1%	17.6	19.9%	45.4%	28.3%
Satisfied	38.9	71.1	63.0	47.6	47.7
Dissatisfied	15.6	10.5	16.9	7.0	20.7
Very dissatisfied	20.5	.8	.2	0.0	3.3
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%

The vast majority (91.4 percent) of households dissatisfied or very dissatisfied with housing costs state "cost too much" as the reason. 65.6 percent of households are dissatisfied with their housing size because it is too small. "Needs fixing" is the reason given by 62.4 percent of households who say that they are dissatisfied with the physical condition of their housing, and those who are dissatisfied with their location are split between feeling they are too close to town (43.1 percent) and those stating other factors (56.9 percent).

Table XIX. NUMBER OF PERSONS IN HOUSEHOLD

	<u>Percent</u>
1	45.6%
2	25.5
3	8.3
4	15.1
Greater than 4	5.4
TOTAL	100.0%

Table XX. HOUSEHOLD COMPOSITION

	<u>Percent</u>
Single person	45.6%
Single unrelated	6.4
Un/married couple	20.0
Single parent	27.3
Other	.6
TOTAL	100.0%



APPENDIX 10

FACT SHEETS

Organization: Powderhorn Community Council.

City: Minneapolis.

Jurisdiction: Powderhorn neighborhood.

Year Founded: Late 1970s.

Population Served: Moderate income households at first, then low-income as development skills became more efficient.

Organizational Structure: Single office. Director, support staff.

Role: Developer and advocate. Began as advocate only. Managerial role is foreseen.

Approach/Techniques: Apply for any funding available--allow funding sources to drive development choices. Copy successful development models from other nonprofits around nation. Design "demonstration" projects to obtain preferred status in funding.

Current Project Description: Demonstration program for frail elderly. Forty units, alternative to nursing home.

Funding Sources: Primarily from corporations and foundations. To a smaller extent: CDBG money and a citizen participation grant from the Minneapolis Community Development Agency (MCDA). Small proceeds from sale of housing (up to 8 percent). Original funding from the Greater Minneapolis Metropolitan Housing Coalition (GMMHC) in the form of a \$50,000 grant.

Budget: Unknown.

Staff: One full-time, 3 part-time.

Cooperative Interorganizational Links: Churches provide office space. GMMHC instrumental in guiding the organization's growth.

Technical Assistance: Chuck Krusell of GMMHC.

Advice To New Housing Nonprofits: Always approach development with respect to what's likely to be successful, given the funding sources, community support, and projected returns on investment. Be well connected: politics significantly impact the viability of nonprofits. Make it a point to talk to individuals who control funding.

Contact: Glenn Sampson, 612-724-1502.

Organization: Central Community Housing Trust.

City: Minneapolis.

Jurisdiction: Downtown Minneapolis. Relocated units from downtown development.

Year Founded: 1986.

Population Served: Very low, low, and moderate income households in need of affordable housing, especially those displaced.

Organizational Structure: Executive director and three full-time staff. Board of directors elected from neighborhoods, assisted units and at large. Volunteers utilized for specific development skills.

Role: Developer; owns some of the property.

Approach/approach New construction and rehabilitation.

Current Project Description: Six projects: 38, 57, 16, 87, 63, and 226 units. Mostly efficiencies, but newest projects are one-bedroom units and some two-bedroom units.

Funding Sources: Minneapolis replacement fund (almost entirely). Development fees and rents cover minor expenses.

Budget: Unknown.

Staff: Four full-time, varying amounts of skilled volunteer support.

Cooperative Interorganizational Links: The Minneapolis Community Development Agency operates its replacement housing program through the CCHT.

Technical Assistance: Unknown.

Advice To New Housing Nonprofits: Hold off on staffing until the organization's plan is well under way.

Contact: Alan Arthur, 612-341-3148.

Organization: Phillips Neighborhood Housing Trust.

City: Minneapolis.

Jurisdiction: Phillips neighborhood.

Year Founded: C. 1979.

Population Served: Very low income individuals and families.

Organizational Structure: Executive director, property managers, single office.

Role: Developer and manager.

Approach/Techniques: Rental units only, no rehabilitation, in-house maintenance of units.

Current Project Description: Acquire and renovate residential unit, reducing unit count from 23 to 18.

Funding Sources: Ninety-five percent of budget is paid through rents and developers' fees. Began as a spinoff from a parent corporation, part of the budget allocation. Small Minneapolis Community Development Agency grant. McKnight Foundation began funding after three years of experience.

Budget: Approximately \$1,000,000/year.

Staff: Ten professional staff (nine of which are property managers) and three support staff.

Cooperative Interorganizational Links: No contact with private developers.

Technical Assistance: No formal contacts after early years.

Advice To New Housing Nonprofits: Decide who you want to serve and concentrate on that. Focus.

Contact: Christopher Owens, 612-872-6060.

Organization: The Whittier Alliance.

City: Minneapolis.

Jurisdiction: Whittier neighborhood.

Year Founded: Unknown.

Population Served: Dependent upon community demands.

Organizational Structure: Single office of community development. Housing is one focus among others.

Role: Community development, in which housing is just one aspect. Started by giving out grants, then became a limited partner in development, now a full-fledged developer.

Approach/Techniques: Develops whatever is in demand by community in area of low income housing.

Current Project Description: Rehabilitation of two-and-a-half story walkups; conversion to multi-bedrooms and to rental cooperatives in a "lease-hold" arrangement.

Funding Sources: Dayton/Hudson gave five-year funding commitment totaling \$1 million. Greater Minneapolis Metropolitan Housing Corporation provided seed money for architectural and engineering costs. Minneapolis Community Development Agency provided some administrative funding. First mortgage from bank. Equity through tax credit syndication. Foundations and corporations fund one-third of budget.

Budget: Unknown.

Staff: Full-time director, part-time assistant director, a bookkeeper, office administrator, and four others (not all involved with housing).

Cooperative Interorganizational Links: City of Minneapolis realized importance of nonprofit role in housing and encouraged departments to allocate more to nonprofits.

Technical Assistance: Intermediaries are dangerous, albeit necessary at times, to rely on. Advises that nonprofits get integrated as soon as possible. Learning how to do pro formas is a critical step for developers.

Advice To New Housing Nonprofits: Be careful about how much you bite off. Most people in community assume that nonprofits don't know what they're doing, and a project failure will doom future funding.

Contact: Kris Nelson, 612-871-7756.

Organization: Westminster Corporation (formerly CDC).

City: St. Paul.

Jurisdiction: Minneapolis, St. Paul, and various non-metro locations.

Year Founded: 1974.

Population Served: People with social and economic needs. Recent targets are 50 percent single parents, 50 percent elderly and handicapped.

Organizational Structure: Corporation has three wholly-owned subsidiaries: Westminster Housing Production division (a for-profit entity), Management division and Resident Services division.

Role: Intermediary, developer, manager, social service provider, advocate.

Approach/Techniques: Preservation of existing housing seen as emerging goal in context of diminished federal funds for housing.

Current Project Description: Various. Controls 2,300 units.

Funding Sources: Government mortgages and subsidies, private lending institutions, city CDBG pools, churches, community groups, foundations, corporations, Catholic Charities, United Way, Twin Cities Family Housing Fund. Ten percent of funding comes from the Archdiocese of St. Paul and Minneapolis. Profit from management division covers operation costs of residential services division. Foundations are beginning to increase their support of housing, but most to programmatic activities.

Budget: Over \$1,000,000/year.

Staff: Thirty-five administrative, ninety-five on-site.

Cooperative Interorganizational Links: Cooperative links with eight organizations for transportation needs, twelve organizations for wellness programs, eleven organizations for youth programs, and six organizations for programs for seniors.

Technical Assistance: Shares expertise with twenty-seven local agencies.

Advice To New Housing Nonprofits: Take note of growing population of single-parent households.

Contact: Joe Errigo, 612-291-1750.

Organization: ELIM Transitional Housing.

City: Minneapolis.

Jurisdiction: Northeast neighborhoods in Minneapolis; northern Hennepin County and southern Anoka County.

Year Founded: 1983.

Population Served: Homeless.

Organizational Structure: Small organization; all report to director.

Role: Social service support, advocacy, management.

Approach/Techniques: Rents out property and sublets to homeless as way to get around permit requirement for transitional housing programs. Guarantee rents to landlords to avoid resistance.

Current Project Description: Scattered-site housing can accommodate 60 clients, and can assist 75-100 per month through minimal support or their moving program.

Funding Sources: Rents cover one-third of all expenses. One-third covered through government funding, including Hennepin County, the state of Minnesota, federal McKinney Fund, and Minneapolis. One-third from private sources (including individual donations) and local churches. Initial funding came from NSP, the Minneapolis Foundation, Baldwin Chevrolet, and individual donors. Churches allow use of rooms for office space.

Budget: Unknown.

Staff: Part-time director, full-time assistant directors for three types of facilities, and a part-time administrative assistant.

Cooperative Interorganizational Links: Religious institutions play a key supportive role.

Technical Assistance: Not utilized heavily at this stage.

Advice To New Housing Nonprofits: Have a program in mind before pursuing funding. Director of ELIM would be happy to go to Rochester and help set up a transitional housing program.

Contact: Sue Watlov-Phillips, 612-379-2779.

Organization: Local Initiatives Support Corporation.

City: Nationwide, with twenty-three branches, one in St. Paul.

Jurisdiction: Metro areas in branch office communities.

Year Founded: Unknown.

Population Served: Housing nonprofits.

Organizational Structure: National organization with two subsidiaries--the National Equity Fund (which syndicates tax credit investment) and LIMAC (which acts as a secondary market for commercial development loans).

Role: Technical assistance, some short-term lending and grant giving. A "social service banker."

Approach/Techniques: Works with nonprofits on either a project-by-project basis or on general programmatic concerns.

Funding Sources: Foundations, corporations, private investors (through tax syndication), and a matching grant from national LISC. No public funding.

Advice To New Housing Nonprofits: St. Paul office would be willing to give a one-shot consultation to the Rochester Housing Partnership.

Contact: Paul Fate, 612-223-8672.

Organization: The Housing Coalition of the St. Cloud Area.

City: St. Cloud, Minnesota.

Jurisdiction: St. Cloud area.

Year Founded: 1985.

Population Served: Has varied from homeless/transitional to low income families.

Organizational Structure: Parent organization for a variety of local housing organizations.

Role: Developer and advocate. Four work categories--protection, preservation, production, and public outreach.

Approach/Techniques: Sees organization as a catalyst or instigator of housing partnerships. Gets project started, then spins off duties to others.

Current Project Description: An eleven-unit SRO building and hopefully renovation of an old student dormitory.

Funding Sources: No city or county money yet. Local Community Action Program. MHFA housing trust fund. CDBG money is possible this year. In-kind staff donations from the Bremer organization and Central Initiatives Fund. Initially funded by religious groups (Lutheran and Catholic Charities).

Budget: \$60,000-100,000.

Staff: Part-time, mostly volunteers.

Cooperative Interorganizational Links: Changes at different stages of growth. Religious institutions critical at first; foundation support is now providing staff support that will act as the critical catalyst for further growth.

Technical Assistance: Acts as a source of technical assistance but also applies to other organizations for assistance (ELIM and Habitat for Humanity).

Advice To New Housing Nonprofits: Do not move too quickly. Don't create any failures that will shake up the confidence of the community or staff members.

Contact: Michael Brown, 612-259-7676.



Organization: Leech Lake Reservation Business Committee.

Jurisdiction: Leech Lake Reservation.

Year Founded: Unknown.

Population Served: Low income families and individuals. Elderly and below 18 are neediest.

Organizational Structure: A unit of government in the reservation.

Role: Developer.

Approach/Techniques: Do the actual construction of units to save on cost and increase control. Concentration on renovation.

Current Project Description: Limited equity cooperative housing project--four units.

Funding Sources: Leech Lake Business Committee, donated land, and the MHFA Housing Trust Fund. No property tax on reservations. Foundations contribute if an education element is involved.

Budget: Project cost is \$137,490.

Staff: Housing renovation office has fifteen on staff.

Cooperative Interorganizational Links: Indian Housing Authority and the Tribal Council.

Technical Assistance: Architectural and engineering services are used on occasion, but most skills are in-house.

Advice To New Housing Nonprofits: Be prepared to jump to the drummer. Funding does not follow your long range plans, so create plans to fit funding source requirements.

Contact: Peter Bernier, 218-335-8290.

Organization: Mid-Minnesota Women's Center, Inc.

City: Brainerd, Minnesota

Jurisdiction: Region surrounding Brainerd.

Year Founded: 1978.

Population Served: Low income women and women and children leaving the emergency shelter for battered women.

Organizational Structure: Two staff members; simplest of organizational forms.

Role: Purchase and management.

Approach/Techniques: Keep it simple--purchase and rent the home through Section 8 certificates and vouchers.

Current Project Description: Purchase of three homes for use as permanent residential housing for battered women and their children.

Funding Sources: Permanent financing from local lender covers about 60 percent of cost. MHFA Housing Trust Fund covers remaining 40 percent. Total project cost: \$124,000. No other sources of funds. Initial funding for first homes came from Department of Corrections.

Budget: Beyond these funds, no other sources exist. No return on investment expected for ten years (length of mortgage).

Staff: Two part-time staff, office in women's shelter.

Cooperative Interorganizational Links: Good local standing with the bank paved way for relatively risky loan.

Technical Assistance: None utilized.

Advice To New Housing Nonprofits: Single-family home approach was very expensive. Going with an apartment building would have been as effective and less costly.

Contact: A. Louis Seliski, 218-828-1216.

Organization: Wisconsin Partnership for Housing Development.

Jurisdiction: Wisconsin.

Year Founded: 1985.

Population Served: Nonprofits, for-profits, and governmental agencies that deal with housing.

Organizational Structure: Enabled by state legislature to act as an umbrella agency to other housing providers.

Role: Administering state housing programs (development financing) and offering technical assistance to other housing providers.

Approach/Techniques: Similar to the Minnesota Housing Finance Agency in allocating limited funds to housing organizations on a competitive basis.

Funding Sources: HUD grant, National Cooperative Bank Development Corporation, the Wisconsin Gas Company, eleven lending institutions, CDBG money, Wisconsin Electric, the oil overcharge fund, Johnson's Wax.

Budget: Unknown.

Staff: Unknown.

Cooperative Interorganizational Links: Link with the legislature creates opportunities to access multi-jurisdictional funding streams such as the state's oil overcharge fund.

Technical Assistance: Technical assistance provided includes evaluation of project feasibility, selection of project development team, estimating costs, planning for project marketing, securing financing, negotiating joint ventures, and negotiating with tax syndicators.

Organization: The Boston Housing Partnership.

Jurisdiction: The Boston area.

Year Founded: Unknown.

Population Served: Community development corporations (CDCs) which support housing subsidiaries or divisions.

Organizational Structure: An umbrella agency for ten local CDCs.

Role: Assembles property, finances the purchase.

Approach/Techniques: Acts as a catalyst for housing development by offering banking services to organizations that private lenders avoid. All projects are owned by CDCs after fifteen years.

Funding Sources: CDBG, tax shelters, rental subsidies from the state, linkage funds paid by developers, proceeds from bond issues, contributions from forty corporations (averaging \$6,250).

Budget: \$500,000/year.

Staff: Nine or ten full-time.

Cooperative Interorganizational Links: Has the authority to issue bonds by virtue of its relationship with the state legislature.

Technical Assistance: Receives technical assistance from the Greater Boston Community Development agency.

Contact: Robert B. Whittlesey, 617-423-1221.

Organization: The Chicago Housing Partnership.

Jurisdiction: The Chicago area.

Year Founded: 1983.

Population Served: Low income households.

Organizational Structure: A city-wide forum with wide representation from community-based organizations, local government, civic organizations, financial institutions, corporations, developers, LISC, and others. Created the Chicago Equity Fund and the Community Equity Assistance Corporation to aid in the capital generation process.

Role: Raises capital, funds CDCs.

Approach/Techniques: Mostly rehabilitation of rental units.

Funding Sources: LISC, The Enterprise Foundation, the Chicago Department of Housing, private and corporate investors in the Equity Fund.

Budget: Unknown.

Staff: Unknown.

Cooperative Interorganizational Links: Chicago United, a group of the city's business leaders, helped to coordinate the Partnership's program.

Technical Assistance: Receives assistance from the Chicago Rehab Network for financial packaging.

Contact: The Local Initiatives Support Corporation at 312-440-1006.

Organization: The New York City Housing Partnership.

Jurisdiction: New York City.

Year Founded: Unknown.

Population Served: Unknown.

Organizational Structure: Has a subsidiary--the Housing Partnership Development Corporation--to carry out housing development under guidelines of parent corporation.

Role: Intermediary.

Approach/Techniques: Unknown.

Funding Sources: Takes 4 percent of city's budget. \$1 million grant from the Rockefeller Foundation. Land donated from public inventory.

Budget: \$1.5 million.

Staff: Twenty-five professionals.

Cooperative Interorganizational Links: Civic-minded banker helped to make loans available.

Technical Assistance: Offers feasibility studies for other nonprofits and to sub-units of its own development affiliate.

Contact: Kathryn Wylde, 212-561-2086.

Organization: BRIDGE Housing Corporation.

Jurisdiction: Nine counties in the San Francisco area.

Year Founded: 1983.

Population Served: Mostly low-income. Development of some moderate and upper-income housing serves to create profits that subsidize low-income housing.

Organizational Structure: A single nonprofit entity.

Role: Developer, primarily, but also is involved with financial packaging and management.

Approach/Techniques: Takes over failing city projects. Type of projects vary considerably.

Funding Sources: Profits from non-low-income housing development. A \$6 million revolving investment fund capitalized by foundations and corporations.

Budget: \$500,000/year.

Staff: Ten administrative staff, five project managers, heavy use of consultants.

Cooperative Interorganizational Links: Founding board included six area mayors, which greatly eased the multi-jurisdictional disputes over land use regulations.

Technical Assistance: Provides financial packaging assistance, predevelopment technical assistance and construction supervision.

Contact: Arthur Sullivan, 415-989-1111.

Organization: The Baltimore Housing Partnership.

Jurisdiction: Baltimore area.

Year Founded: Unknown.

Population Served: Developers of low-income housing.

Organizational Structure: Unknown.

Role: Facilitator of development by attracting money bound for nonprofits and entering limited partnerships with development agencies.

Approach/Techniques: Engage in joint ventures with developers but not nonprofits. Profit is reaped on some projects to pay for others.

Funding Sources: Unknown.

Budget: \$250,000/year.

Staff: Four professionals, a bookkeeper, a salesperson, and an administrative assistant.

Cooperative Interorganizational Links: Unknown.

Technical Assistance: Unknown.

Contact: Patricia Massey, 301-889-4665.



APPENDIX 11

A RESOURCE DIRECTORY

Provided below is a listing of local and national organizations that offer technical assistance for housing non-profits (the list is confined to those organizations most likely to service an Olmsted County based housing provider). Some organizations are listed under more than one heading. Contractual terms of the assistance vary, and are often project specific.

General Assistance

Minnesota Housing Finance Agency. Funding source for housing programs.  
Contact: Jim Solem/Monte Aaker, 612-296-5738/9952.

Local Initiatives Support Corporation (LISC), St. Paul branch. Contact: Paul Fate, 612-223-8672.

Enterprise Foundation (Columbia, Maryland), 301-964-1230. Community Information Exchange (Washington D.C.).

Chicago Rehab Network. Contact: Bill Foster, 312-663-3936.

Famicos (Cleveland). Contact: Robert Wolf, 216-431-3461.

Westminster Corporation (Minneapolis). Contact: Joe Errigo, 612-291-1750.

Twin Cities Affordable Housing Collaborative. The umbrella agency for Minneapolis and St. Paul low-income housing developers. Source of contacts; sponsors seminars. Contact: Ron Pike, 612-625-8562.

Minnesota Coalition For Community Economic Development (MCCED). Mostly for CDCs, some recent emphasis on low income housing. Contact: Melva Radke, 612-642-1904.

Minnesota Housing Partnership. Advocacy, studies. Contact: Chip Hallbach, 612-338-5959.

Financial Packaging/Brokering Assistance

Local Initiatives Support Corporation (LISC), St. Paul branch. Contact: Paul Fate, 612-223-8672.

Minneapolis/St. Paul Family Housing Fund. Contact: Tom Fulton, 612-338-3693.

National Mutual Housing Network (Washington D.C.). Contact: David Freed, 202-662-1540.

National Training and Information Center (Chicago). Contact: Gale Cincotta, 312-243-3035.

Enterprise Foundation (Columbia, Maryland), 301-964-1230.

#### Legal Assistance

National Housing Law Project (Berkeley, California). Contact: Dan Pearlman, 415-548-9400.

#### Site Acquisition Assistance

Trust For Public Land (New York, NY). Will sometimes buy and hold land temporarily for a non-profit. Contact: Peter Stein, 212-677-7171.

#### Architectural Services

Chicago Architectural Assistance Center. Contact: John Tomassi, 312-786-1920.

East Tennessee Community Design Center. Contact: Annett Anderson, 615-525-9945.

Environmental Works/Community Design Center (Seattle). Contact: Steve Johnson.

#### Rehabilitation Advice

Comprehensive Rehab Services (CRS). A HUD program. Contact: local HUD office or national office, 202-755-6422.

Chicago Rehab Network. Contact: Bill Foster, 312-663-3936. Neighborhood Reinvestment Corporation (Washington, D.C.), 202-376-2400.

Enterprise Foundation (Columbia, Maryland), 301-964-1230.

Famicos (Cleveland). Contact: Robert Wolf, 216-431-3461.

See also: Architectural Services.

#### Home Ownership/Cooperative Ownership Housing Assistance

Common Space Mutual Housing Association (Minneapolis), 612-872-0550.

National Mutual Housing Network (Washington D.C.). Contact: David Freed, 202-662-1540.

Famicos (Cleveland). Contact: Robert Wolf, 216-431-3461.

Advice on Transitional and SRO Housing

ELIM Transitional Housing (Minneapolis). Contact: Sue Watlov-Phillips, 612-379-2779/8520.

Single Room Occupancy Housing Corporation (Los Angeles). Preservation of residential hotels and other SRO housing, 213-488-9695.

Developer Referrals

Brighton Corporation. Contact: Linda Donaldson, 612-332-5664.

Program Management

Development Training Institute (Baltimore). Contact: Joseph McNeely, 301-727-5161.

National Training and Information Center (Chicago). Contact: Gale Cincotta, 312-243-3035.

Publications

*Raising The Roof: A Sampler of Community Partnerships for Affordable Housing.* (An excellent guide to innovative new affordable housing initiatives: how they work, what skills are required, how to begin, who to contact, etc.) Contact either The United Way of America (701 N. Fairfax Street, Alexandria, VA, 22314-2045) at 703-836-7100, or Community Information Exchange (1120 G Street NW, Suite 900, Washington, D.C. 20005) at 202-628-2981.

Newsletters

National Alliance to End Homelessness (Washington, D.C.), 202-638-1526.

Minnesota Housing Partnership (Minneapolis), 612-339-5255.

General Models

New York City Partnership. Contact Kathryn Wylde, 212-561-2086.

BRIDGE Housing Corporation (San Francisco). Contact: Arthur Sullivan, 415-989-1111.

Baltimore Housing Partnership. Contact: Patricia Massey, 301-889-4665.

Boston Housing Partnership. Contact: Robert B. Whittlesey, 617-423-1221.

Westminster Corporation (Minneapolis). Contact: Joe Errigo, 612-291-1750.

National Low Income Housing Coalition. Contact: Barry Zigas.

Philanthropic Sources/Grants

Most housing nonprofits have strong ties to the community, so most foundation or corporate donations come from local sources. The Rochester/Olmsted County Housing Partnership will need to find these sources through existing networks. However, several regional and national sources may consider Olmsted County in funding decisions. These include:

Dayton Hudson Foundation. Contact Duane Scribner, 612-370-6561.

Minneapolis/St. Paul Housing Fund. Contact Tom Fulton, 612-338-3693.

Ford Foundation (New York), 212-573-5000.

McKnight Foundation.

Minnesota Department of Jobs and Training. Gave \$105,000 to housing in 1989. Contact: Mark Kaszynski, 612-297-2590.

Minnesota Housing Finance Agency. Contact: Jim Solem/Monty Aaker, 612-296-5738/9952.

FNMA (Washington, D.C.). For excellence in low income housing. Contact: Harriet Ivy, 202-752-4927.

The United Way. 703-836-7100 (national office in Alexandria, VA).