

GREATER MINNESOTA HOUSING FUND



A Special Project of The McKnight Foundation & Blandin Foundation

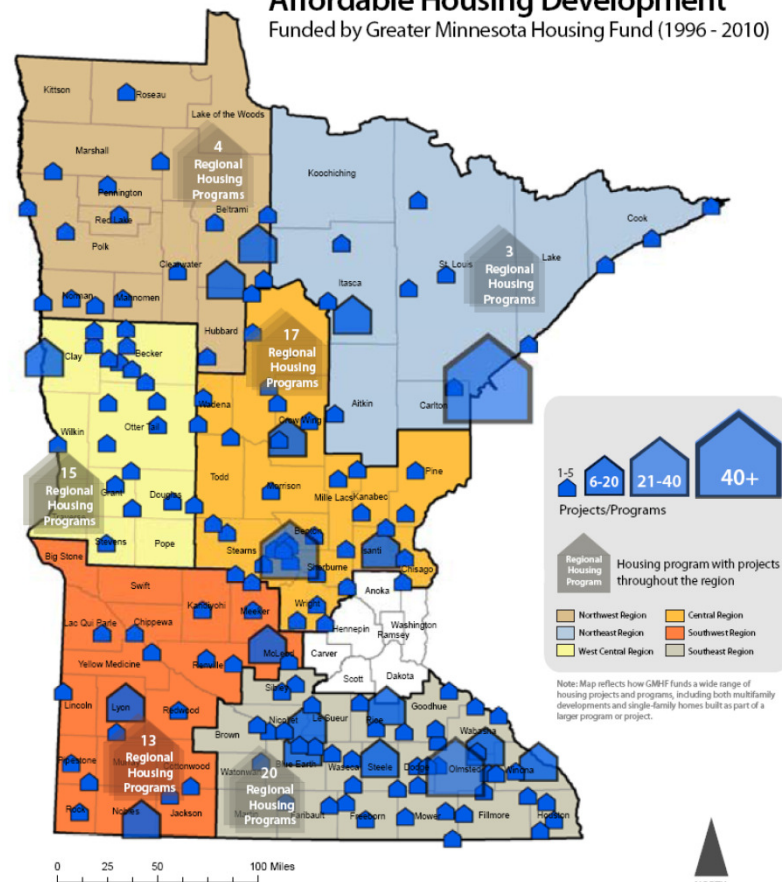
GREATER MINNESOTA HOUSING FUND

Supporting affordable housing throughout Minnesota for 18 years.

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



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



Olmsted County Market Area

Housing Need Study

2014-2030

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

Major
Finding...

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

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

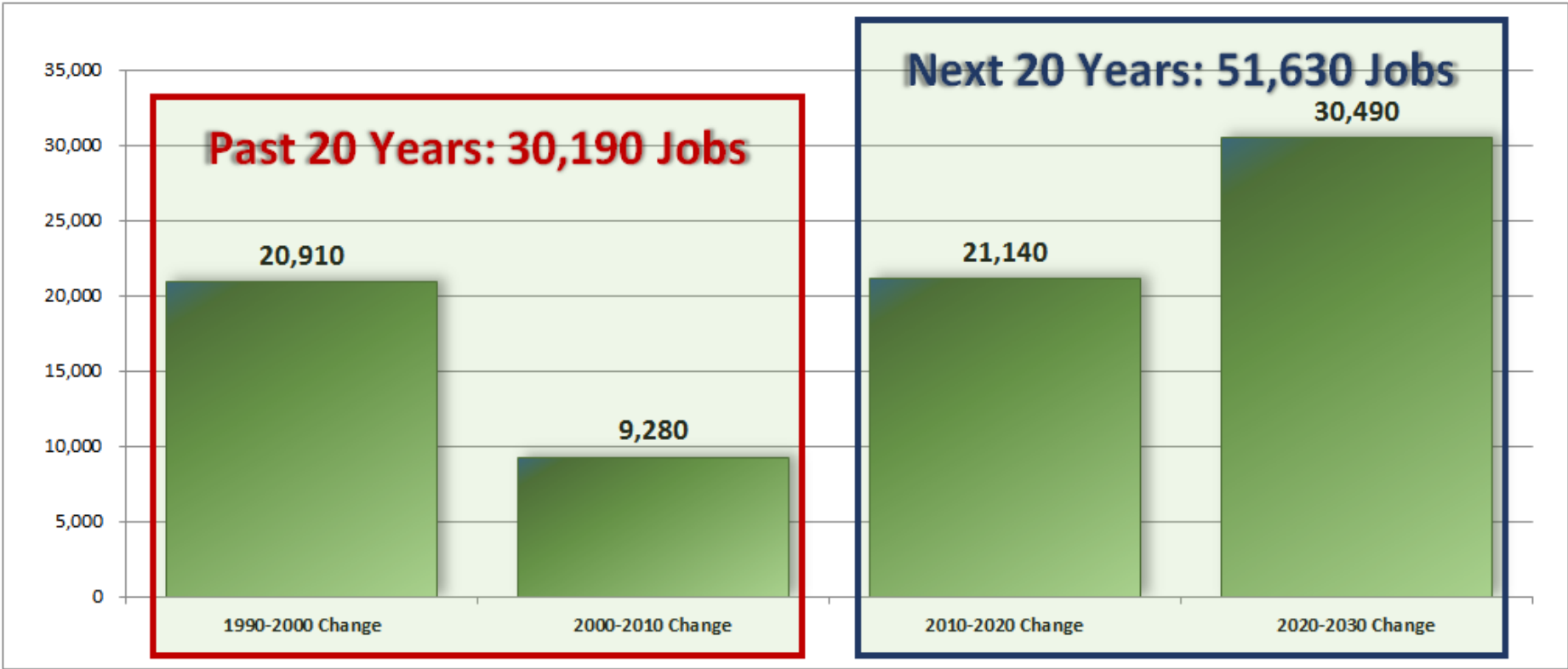
*Job Growth
Creates Housing
Demand...*

*...Housing Production
Supports Job Growth*

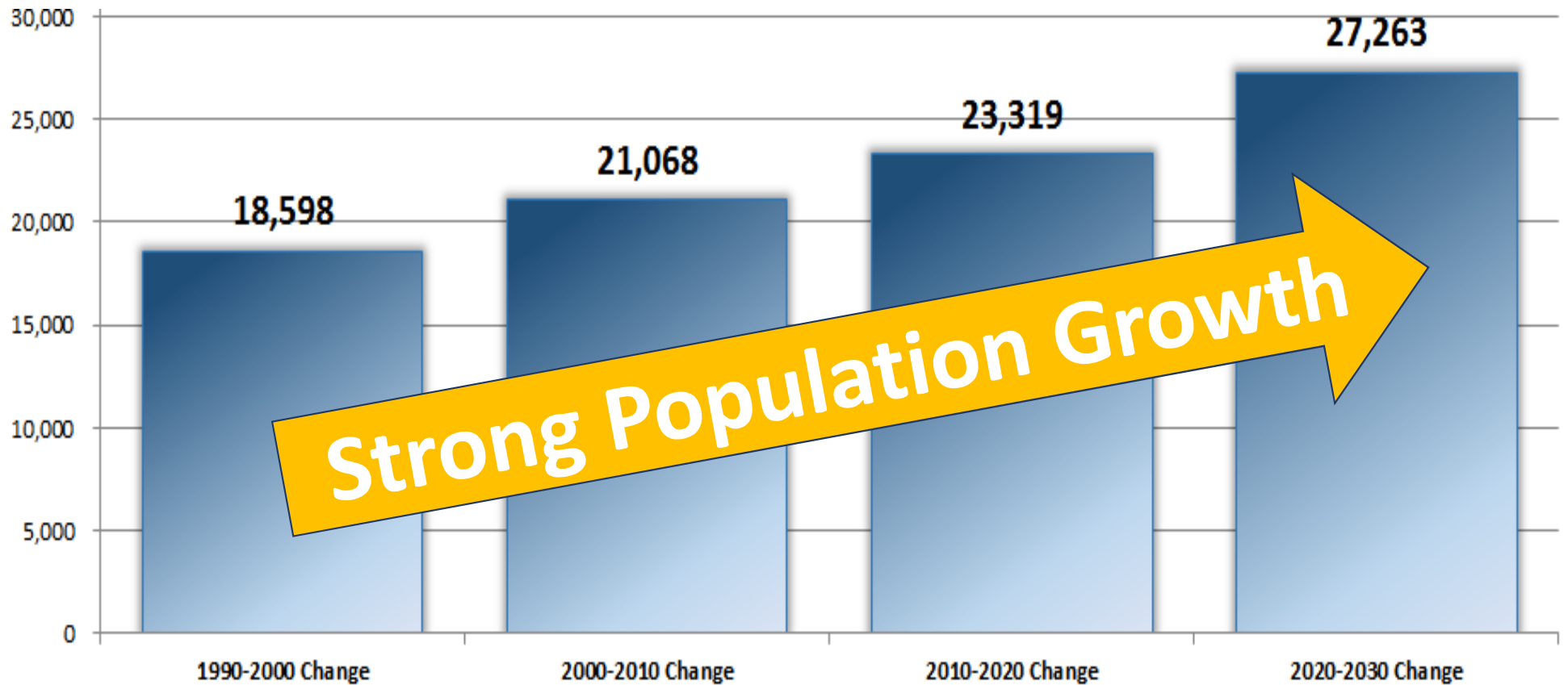
Job Growth

Olmsted County Market Area

2010 to 2030: 51,630 Jobs to be Created



Population Growth

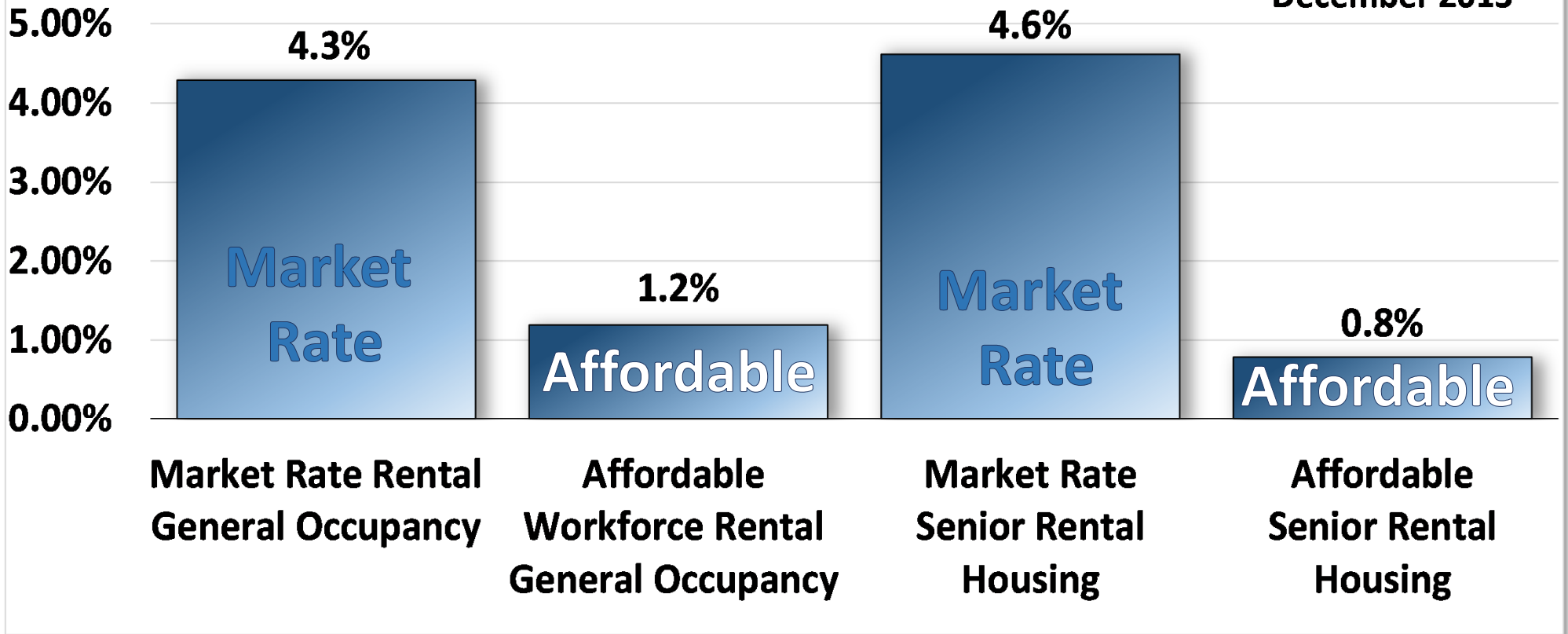


Rental Housing

Olmsted County Market Area

Low Vacancy Rates

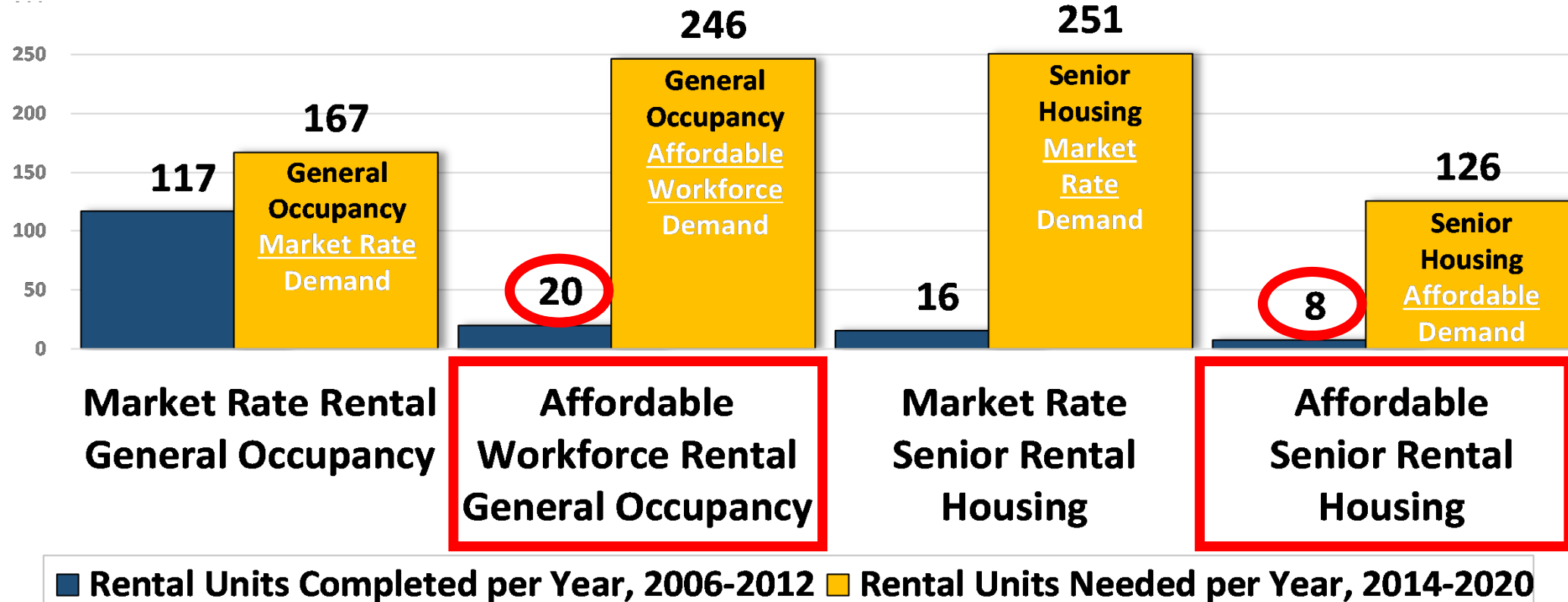
December 2013



Rental Housing Demand

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

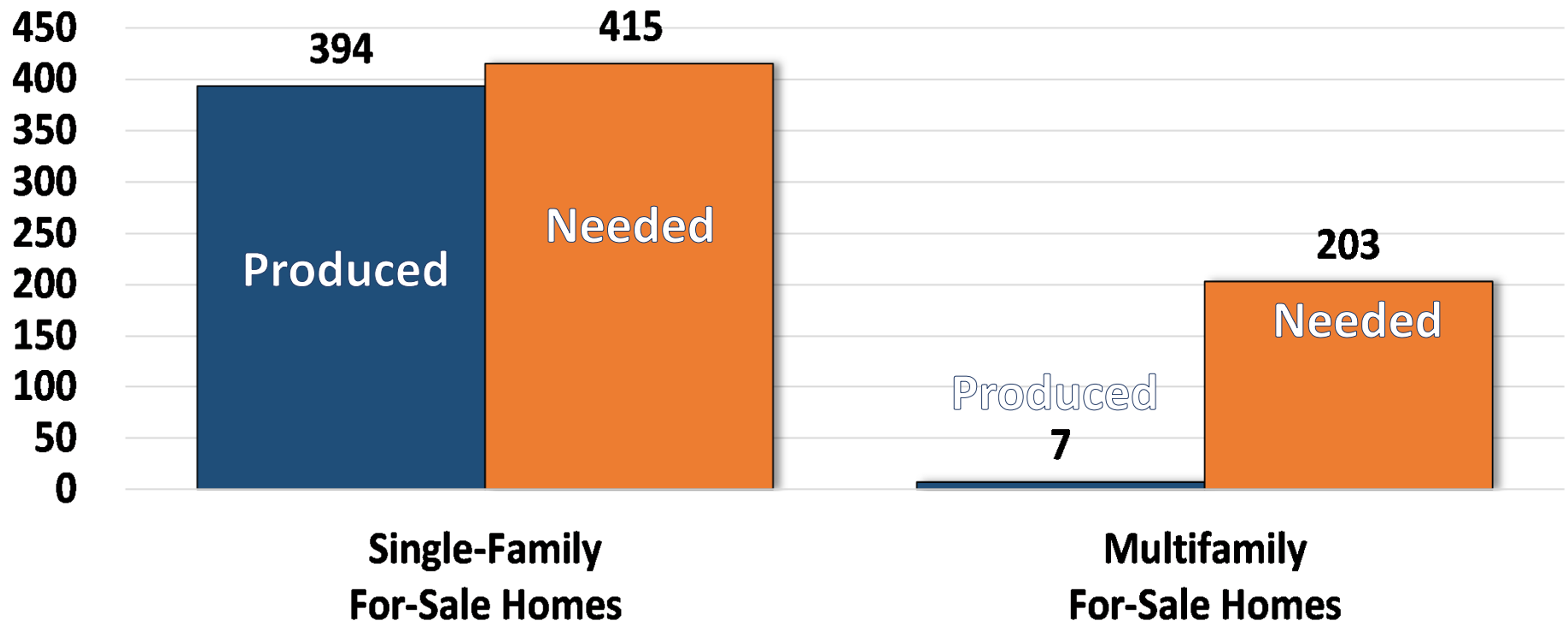
Olmsted County
 Market Area



For-Sale Housing Demand

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

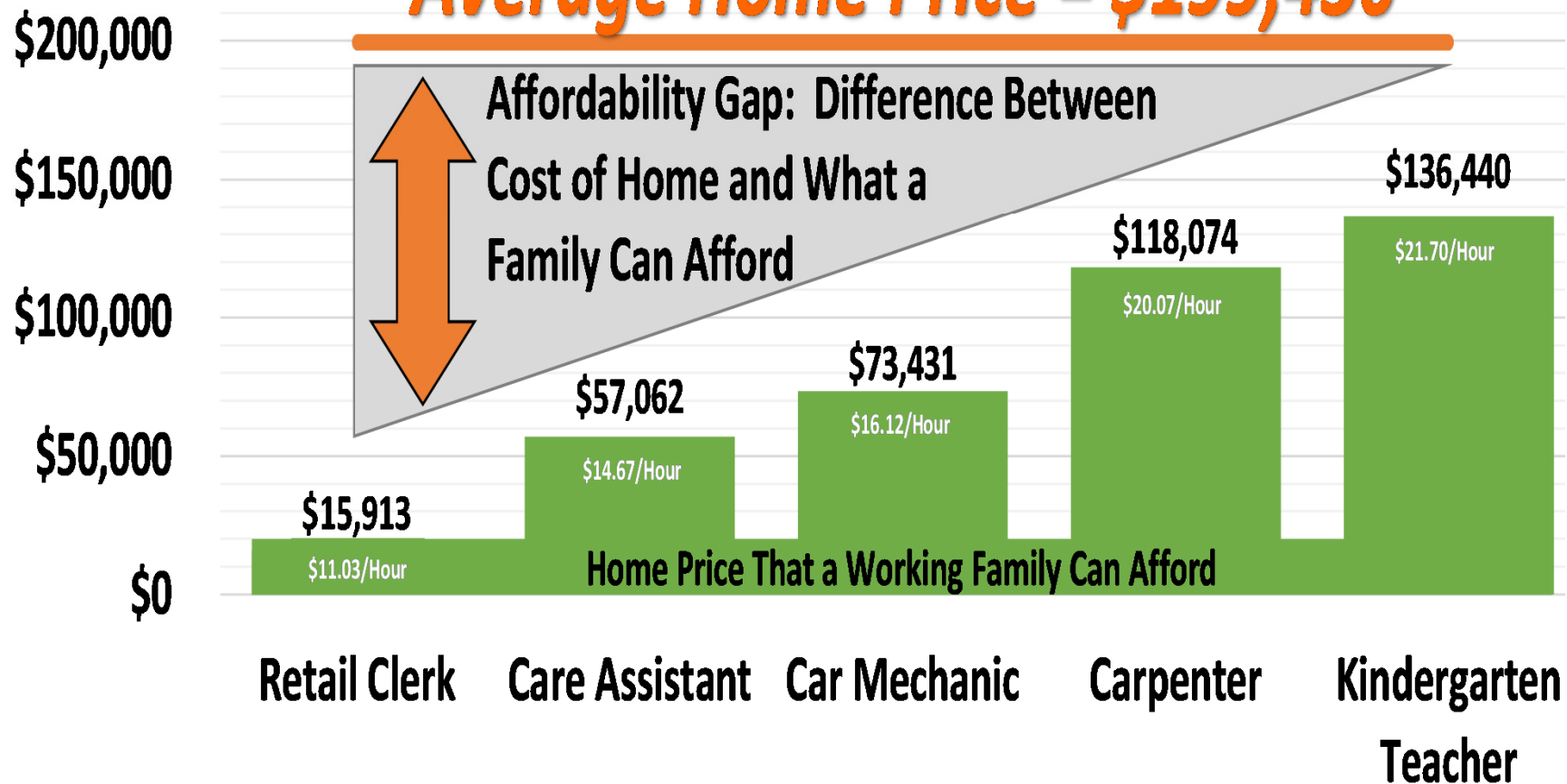
Olmsted County
Market Area



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

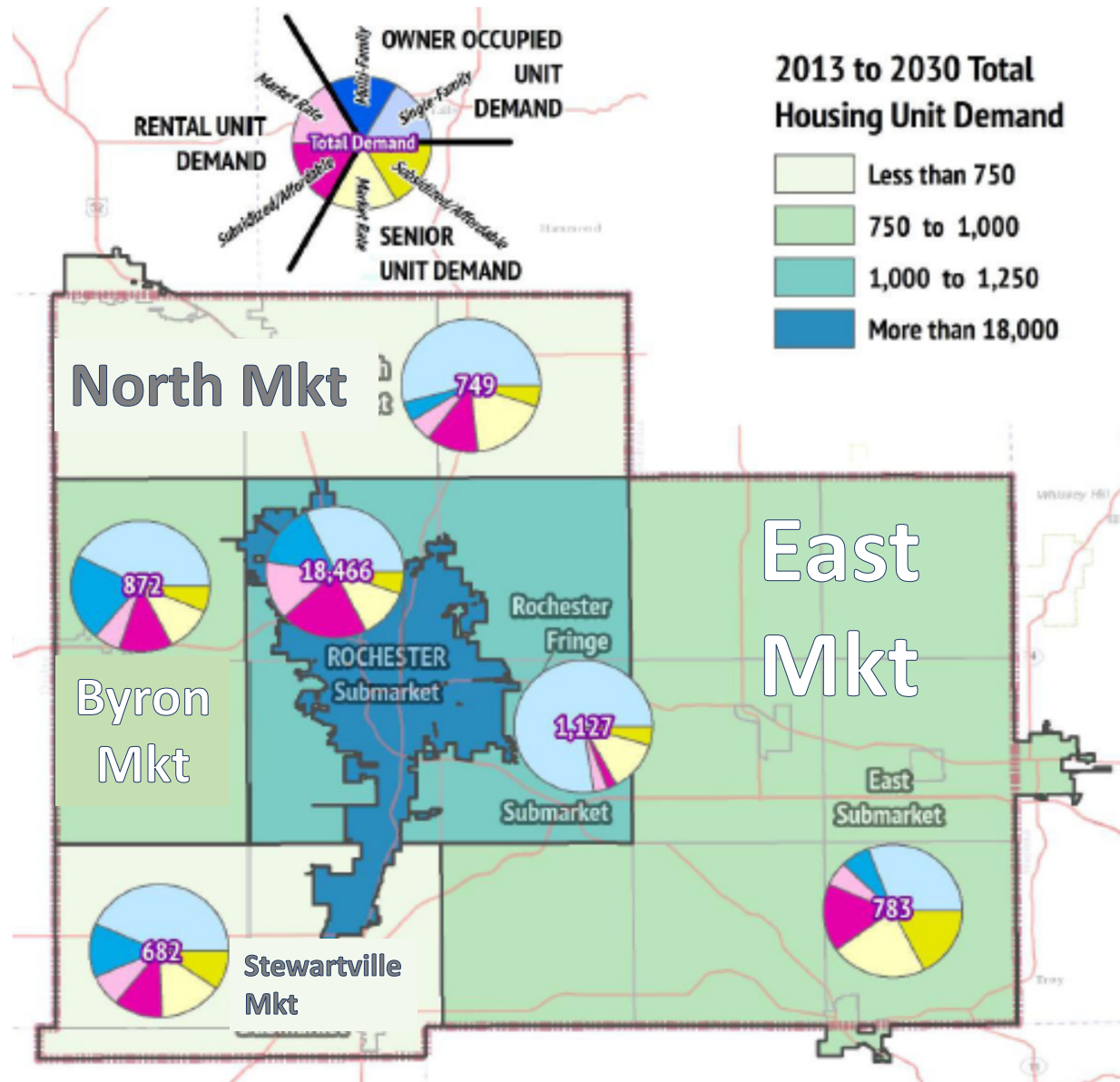
The Affordability Gap

Average Home Price = \$199,436



Olmsted County Market Areas

Six Submarkets

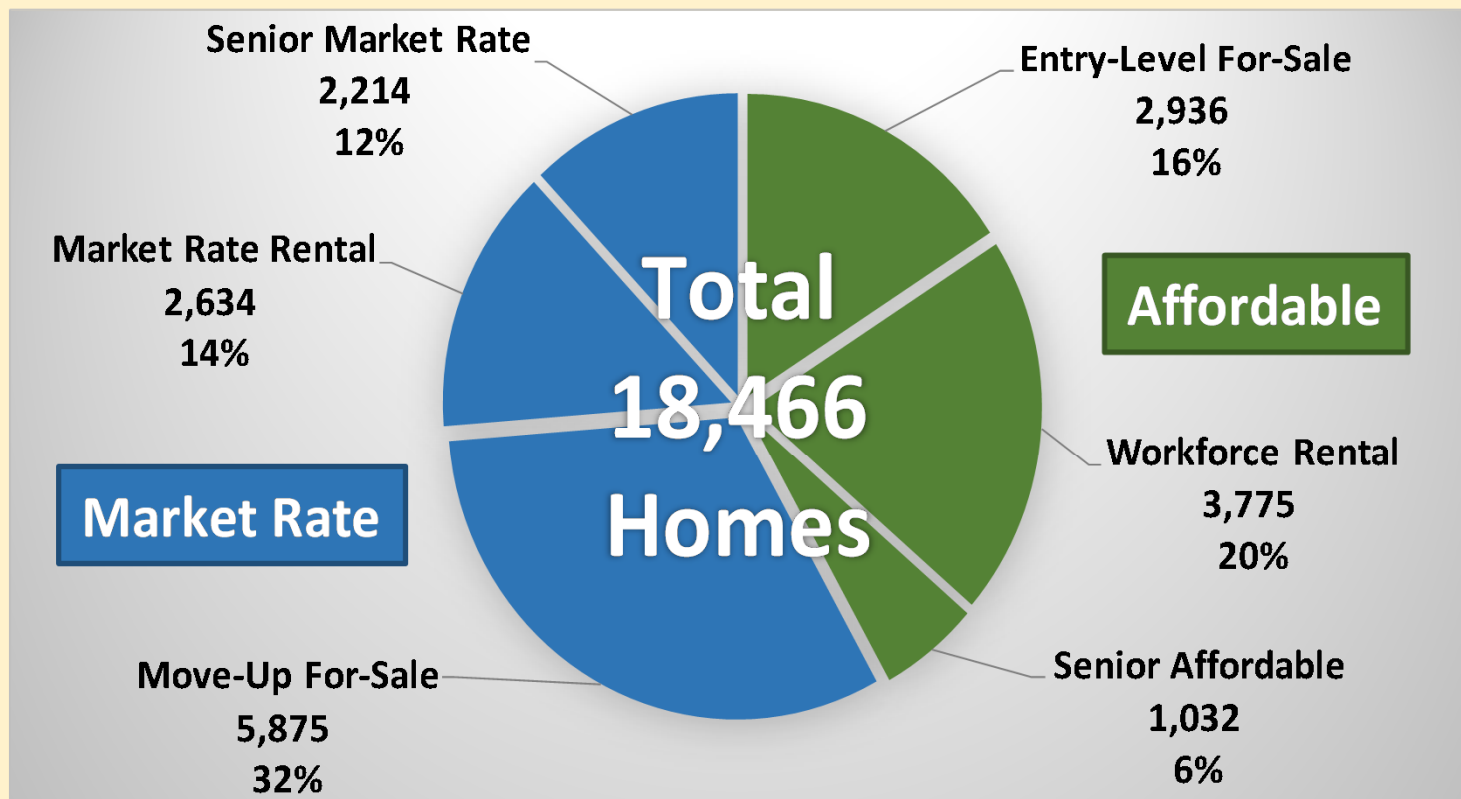


City of Rochester

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

City of Rochester

2014 to 2030: 18,466 Homes



Rochester Housing Demand

Within City Limits

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

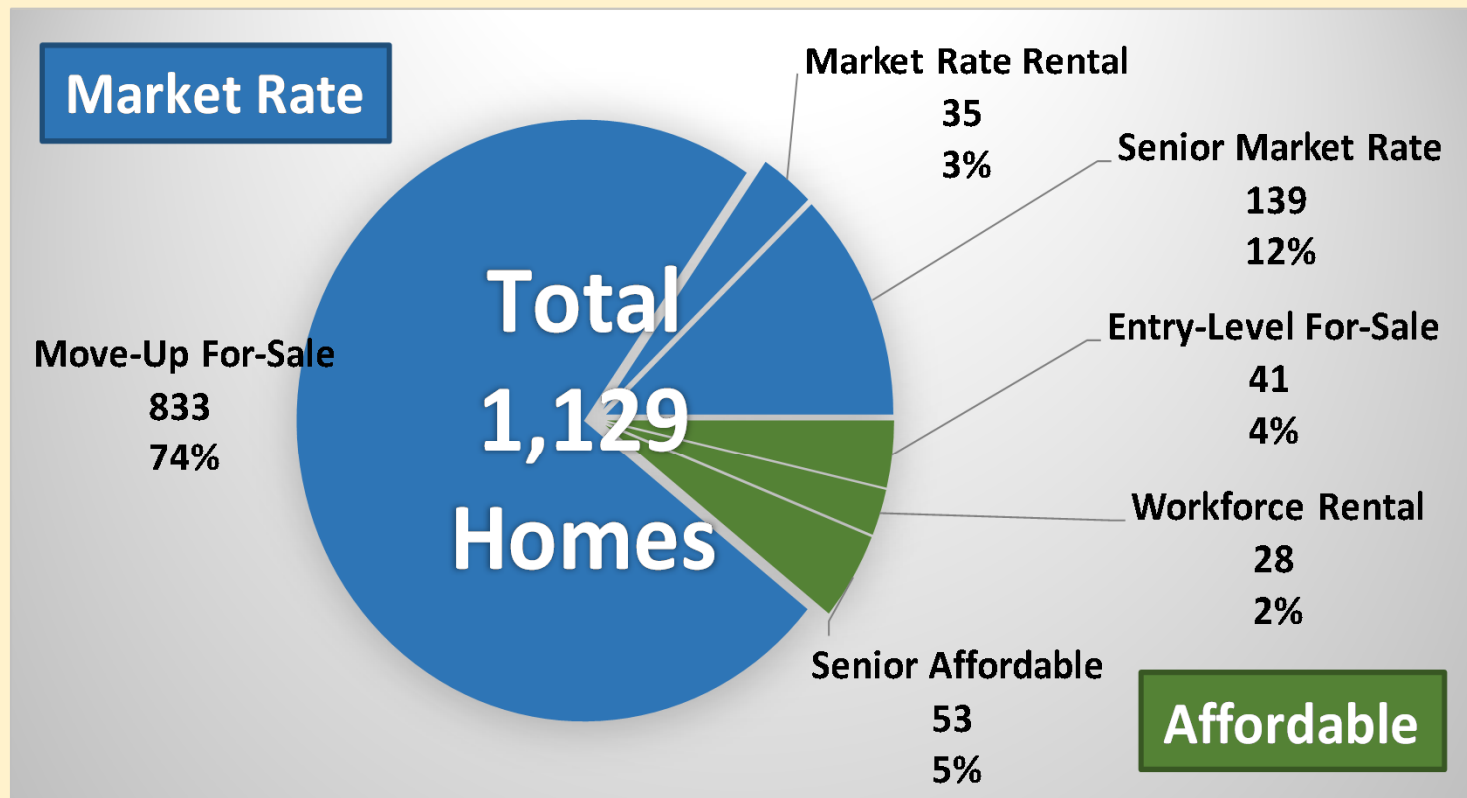
Sources: Maxfield Research, GMHF

Rochester Fringe Area

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

Rochester Fringe Area

2014 to 2030: 1,129 Homes



Fringe Area Housing Demand

Includes Townships Adjacent to Rochester

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

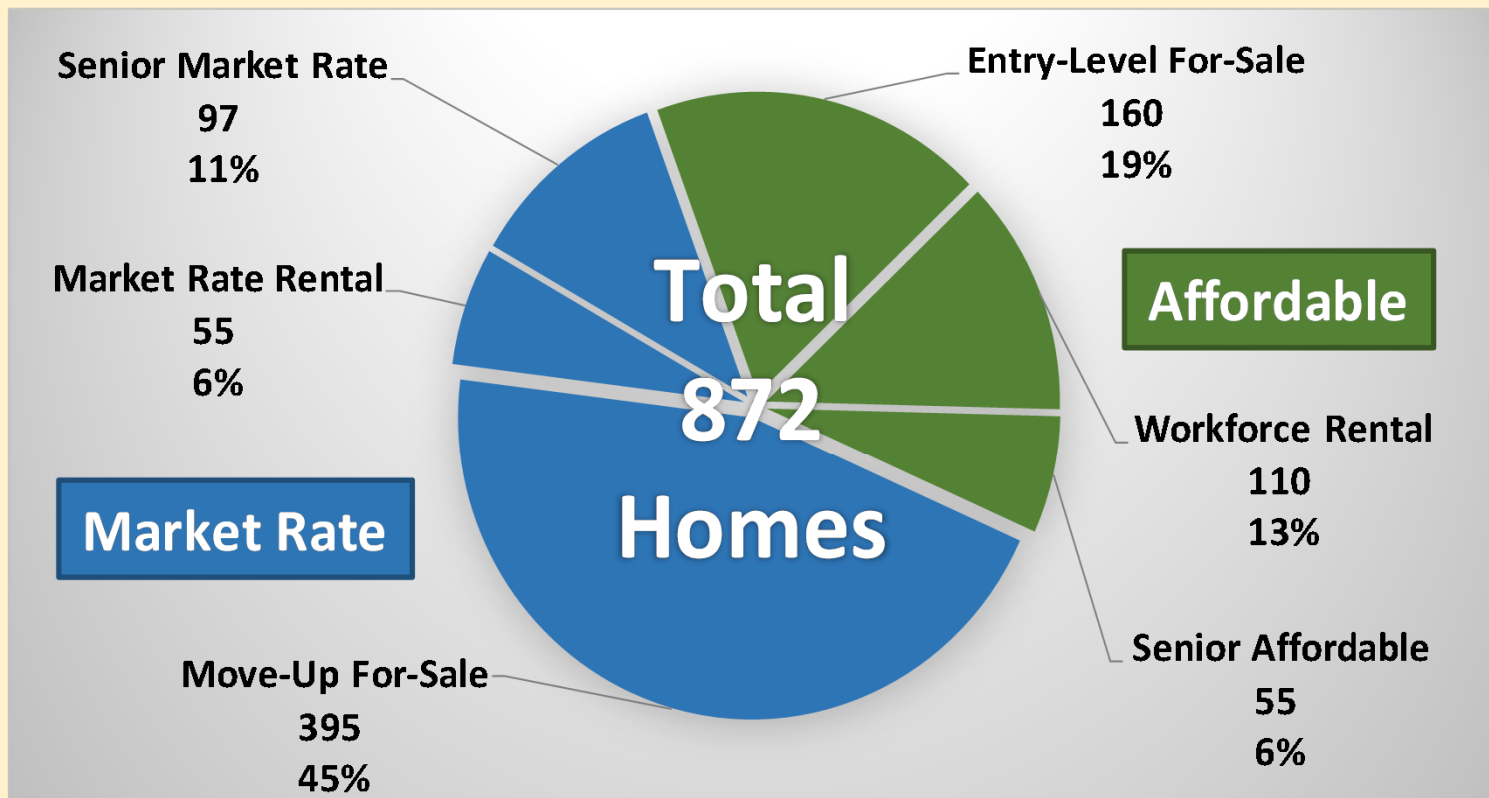
Sources: Maxfield Research, GMHF

Byron Area

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

Byron Area

2014 to 2030: 872 Homes



Byron Area Housing Demand

Includes Byron and Surrounding Townships

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

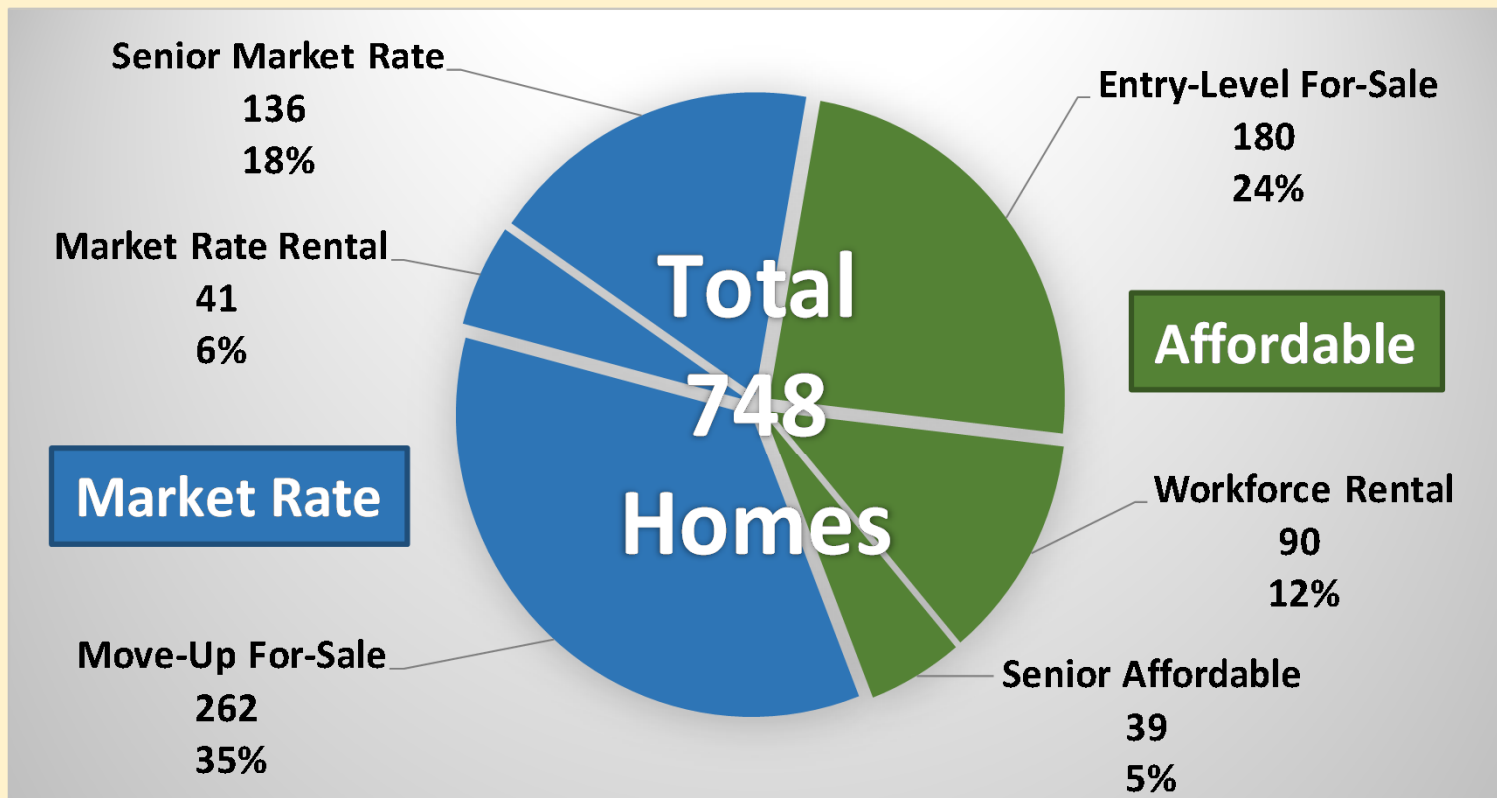
Sources: Maxfield Research, GMHF

North Area

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

North Area

2014 to 2030: 748 Homes



North Area Housing Demand

Includes Oronoco, Pine Island, and Surrounding Townships

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

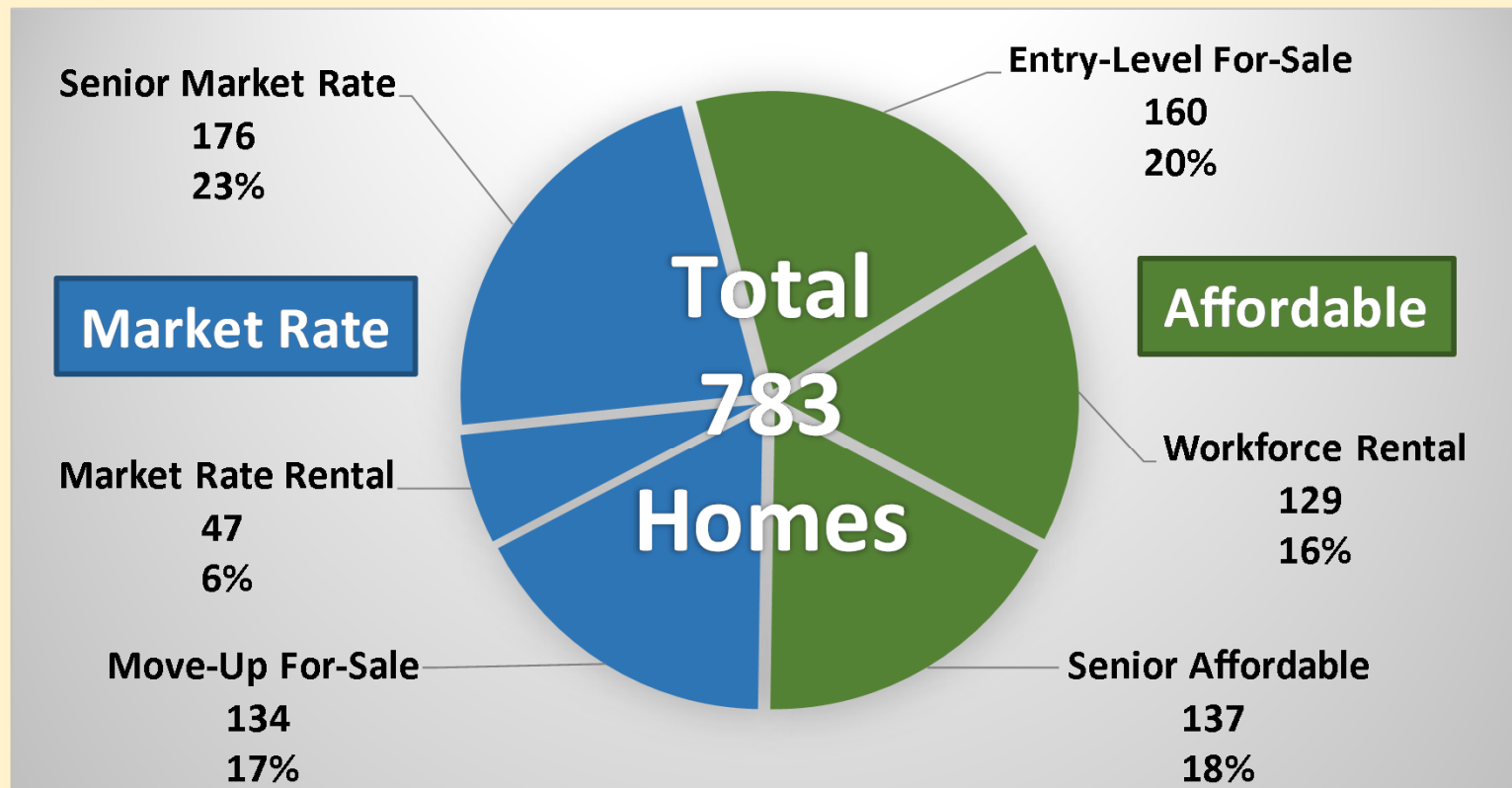
Sources: Maxfield Research, GMHF

East Area

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

East Area

2014 to 2030: 783 Homes



East Area Housing Demand

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

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

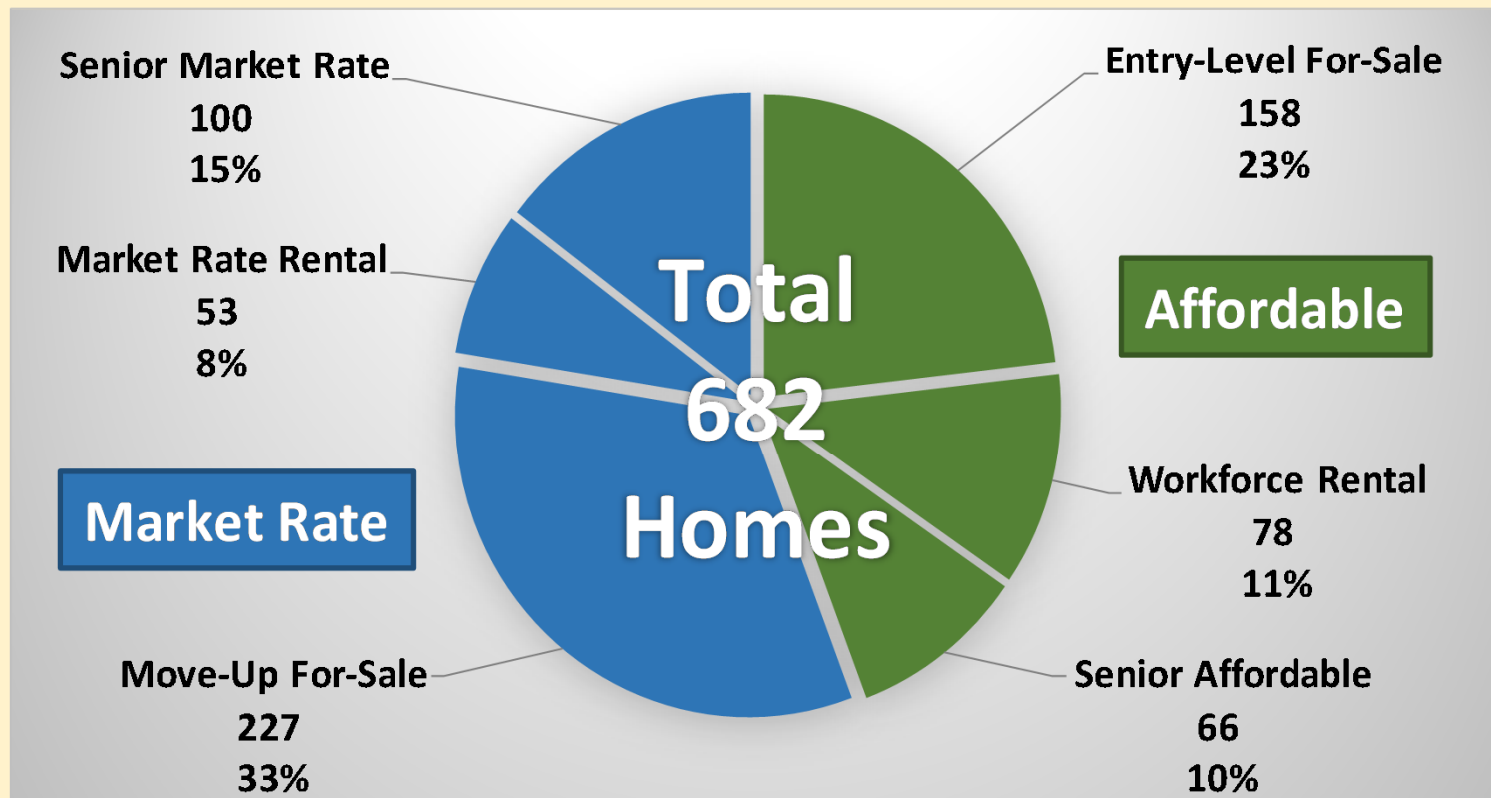
Sources: Maxfield Research, GMHF

Stewartville Area

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

Stewartville Area

2014 to 2030: 682 Homes



Stewartville Housing Demand

Includes Stewartville and Surrounding Townships

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

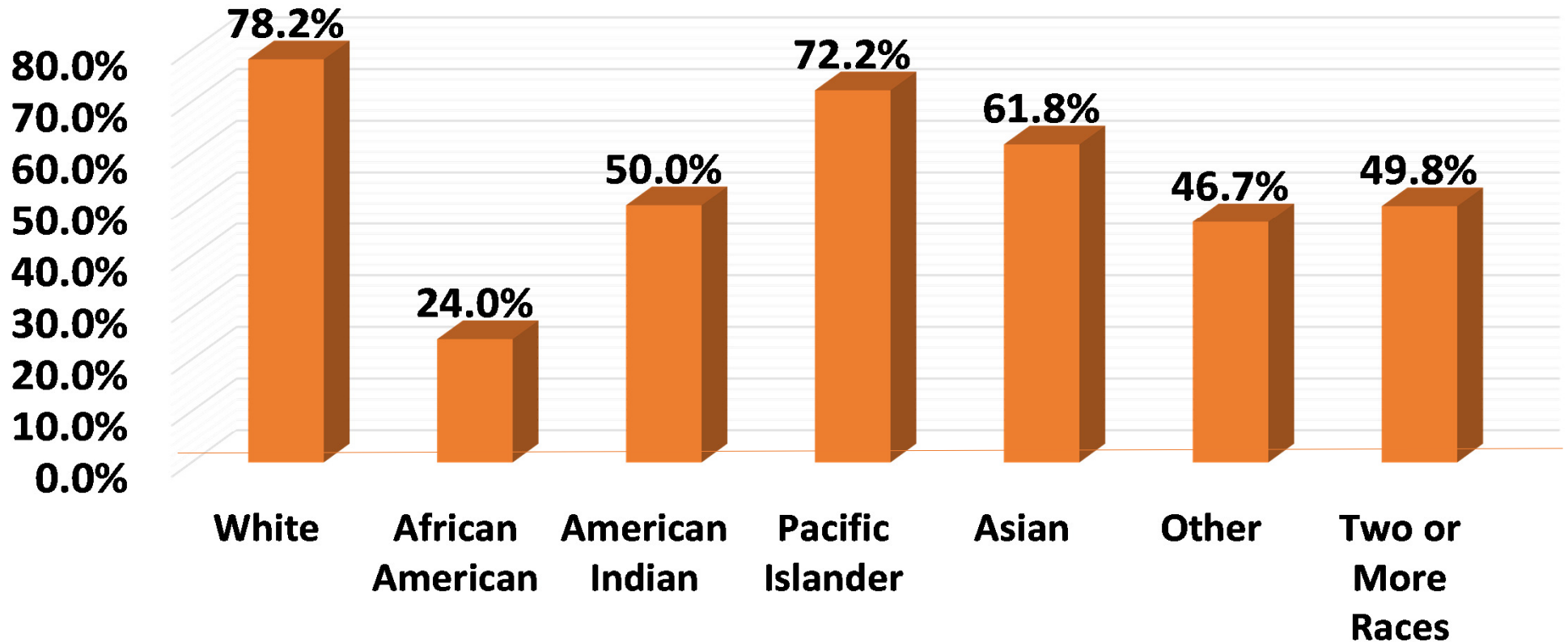
Sources: Maxfield Research, GMHF

The Rent Burden in Olmsted County

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

Homeownership Rate Disparities

Olmsted County
Market Area



Homelessness:

93% of Olmsted
County Homeless are
Women & Children

Olmsted County

January 2013 Shelter Survey

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

93% of Homeless Are Women and Children

Southeast MN has Highest Rate of Homeless Children

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



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

Cascade Creek

Kutzky Park, Rochester MN
Developed by MetroPlains

Weigel Place

Kutzky Park, Rochester MN



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

Summary

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

Housing Action Plan

GMHF Facilitating “Housing Action Plan”

Coordinated with All Local Planning Efforts

Will Establish Housing Production Goals

Identify Financing Tools, Policy Tools, Best Practices

Consult with State, Fed & Local Gov & Foundations

Plan for Increased Local Development Capacity

Innovative Policies, Strategies & P/Pv Partnerships

GMHF ROLE

Funder, Lender, Investor & T.A. Provider

Manage and Fund Community Planning Process

Convene Local & State Leadership

Finance Developments

Seed Money for Capacity Building

Technical Assistance for Projects & Programs

Help Build Local Development Capacity

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