



City of
Blue Earth

**CITY OF BLUE EARTH
AGENDA
CITY COUNCIL WORKSESSION
MONDAY, April 15 , 2019 @ 4:15 P.M.**

Call to order.

Roll call.

Old Business.

New Business.

1. Presentation of 2019 Housing Study

Adjourn.

By Order of the Blue Earth City Council

Timothy Ibisch

City Administrator

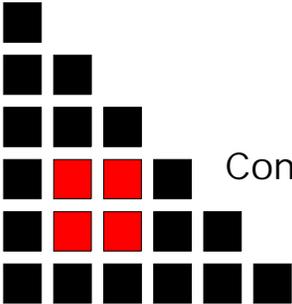
Post @ City Hall-Friday, April 12, 2019 through Monday, April 15, 2019

Distribute to Mayor & Council members-Media & file

City of Blue Earth HOUSING STUDY UPDATE

April 2019

An updated analysis of the overall housing needs
of the City of Blue Earth, MN



Community Partners Research, Inc.
Faribault, MN 55021

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Introduction

Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Blue Earth are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the City of Blue Earth to update the 2014 Blue Earth Housing Study which identified the housing needs and conditions in the City.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Update the housing recommendations and findings from the 2014 Blue Earth Housing Study

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from October 2018 to March 2019. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the City of Blue Earth
- Records and data maintained by Faribault County
- Minnesota State Demographer
- Interviews with City officials and staff, community leaders, housing stakeholders, etc.
- Area, State and Federal housing agencies
- Rental property owner/manager surveys
- Housing condition survey

Limitations

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources. At the time that research was completed for this Study, both the U.S. Census Bureau and the Minnesota State Demographer's Office had released basic demographic estimates for the year 2017. However, these annual estimates are generally limited to basic counts, such as population and household levels.

For more detailed demographic variables, the 2010 Census is viewed as the most reliable data source. While the last Census is an accurate benchmark for demographic data, it was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, are not available. To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households.

The American Community Survey does provide detailed demographic characteristics. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data, when it is viewed as reliable.

The frequency of American Community Survey varies depending on the size of the jurisdiction. For the City of Blue Earth, the 2017 estimates were the most current at the time of this Study. They were derived from sampling that was done over a five-year period, between 2013 and 2017.

Additionally, Community Partners Research, Inc., has obtained information from Esri, a private company based in California that generates demographic and projection data. Esri's estimates and projections are included in many of the demographic tables that follow.

Population Data and Trends

Table 1 Population Trends - 1990 to 2018						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Esri Estimate
Blue Earth	3,745	3,621	-3.4%	3,353	-8.0%	3,210
Faribault Co.	16,937	16,181	-4.7%	14,553	-11.2%	14,212

Source: U.S. Census; Esri

- ▶ The State Demographer, the Census Bureau and Esri have all released population estimates following the 2010 Census.
- ▶ Esri's 2018 estimate for the City of Blue Earth is 3,210, a decrease of 143 people from 2010. Esri's 2018 estimate for Faribault County is 14,212, down 341 people from the 2010 Census.
- ▶ For Blue Earth, the Minnesota State Demographer's most recent estimate is effective on July 1, 2017. The Demographer shows the City's population at 3,207 people, a decrease of 146 residents from the 2010 Census.
- ▶ The U.S. Census population estimate for Blue Earth in 2017 is 3,135, down 218 people from the 2010 Census. The U.S. Census population estimate is substantially lower than the Esri and State Demographer estimates. The Esri and State Demographer estimates have a difference of only three people.
- ▶ For all of Faribault County, the State Demographer's 2017 population estimate was 13,671, a decrease of 882 people since the 2010 Census. The U.S. Census 2017 estimate for Faribault County was 13,784 people, down 769 people since the 2010 Census. The U.S. Census and State Demographer population estimates for 2017 are substantially lower than Esri's 2018 estimate for Faribault County.
- ▶ According to the 2010 U.S. Census, the City of Blue Earth and Faribault County both had population losses from 2000 to 2010. Blue Earth's population was 3,353 in 2010. This was a 268-person decrease from 2000, which was a population loss of 8.0%.
- ▶ Faribault County's population was 14,553 in 2010. This was a 1,628-person decrease from 2000, which was a population loss of 11.2%.

- ▶ Blue Earth and Faribault County also experienced population decreases in the 1990s. Blue Earth's population decreased by 124 people and Faribault County's population decreased by 756 people.
- ▶ Blue Earth's population is primarily White and non-Hispanic/Latino. Based on the 2017 American Community Survey, 95.8% of the City's residents identified their race as White, 0.2% identified themselves as Black/African American and 0.2% identified themselves as American Indian. Additionally, 3.8% of the population identified themselves as some other race or two or more races. Approximately 7.3% of the City's residents were identified as Hispanic/Latino for ethnicity.

Group Quarters Population

Blue Earth has a number of people residing in group quarters. The following table displays changes in this population subset from 1990 to 2017.

Table 2 Group Quarters Populations in Blue Earth: 1980 to 2017				
	1990 Census	2000 Census	2010 Census	2017 Estimate
Blue Earth	196	201	164	168

Source: U.S. Census; MN State Demographer

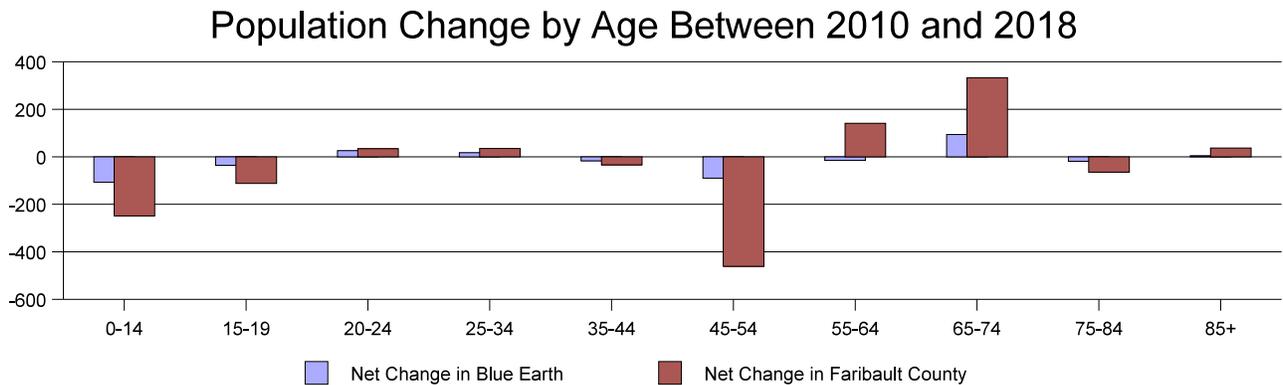
According to the 2010 Census, Blue Earth had 164 people living in group quarters housing. People living in skilled nursing facilities represented the majority of the group quarters total. The most recent estimate from the State Demographer's Office shows the City's group quarters population increasing by four people between 2010 and 2017.

Population by Age Trends: 2010 to 2018

Esri has provided population by age estimates. The following table compares population by age in 2010 and 2018, along with the numeric changes.

Table 3 Population by Age - 2010 to 2018						
Age	Blue Earth			Faribault County		
	2010	2018	Change	2010	2018	Change
0-14	588	481	-107	2,572	2,323	-249
15-19	202	166	-36	932	820	-112
20-24	159	185	26	638	672	34
25-34	359	376	17	1,485	1,520	35
35-44	322	305	-17	1,458	1,424	-34
45-54	430	340	-90	2,259	1,798	-461
55-64	464	449	-15	2,030	2,171	141
65-74	321	415	94	1,459	1,792	333
75-84	285	266	-19	1,122	1,057	-65
85+	223	227	4	598	635	37
Total	3,353	3,210	-143	14,553	14,212	-341

Source: U.S. Census, Esri



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Blue Earth and Faribault County. Between 2010 and 2018, Blue Earth had a gain of 94 people in the 65 to 74 age range, but this was somewhat offset by the loss of 15 people in the 55 to 64 age range. Faribault County had a gain of 474 people in the age ranges between 55 and 74 years old. In 2018, nearly all of the baby boomers were within these age ranges.

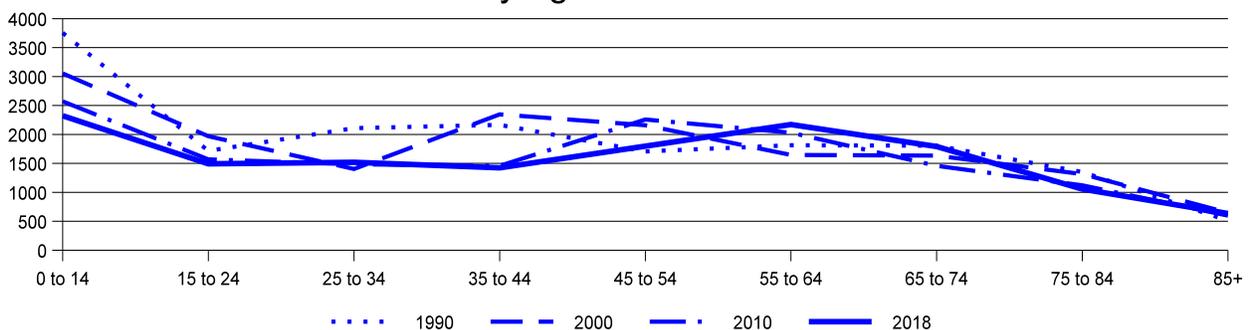
In addition to the population growth in the 65 to 74 age range, the City of Blue Earth also had an increase of 43 people in the 20 to 34 age ranges and a gain of four people in the 85 and older age range. All of the other age ranges in the City of Blue Earth had population losses, including 143 people in the 0 to 19 age ranges, a loss of 122 people in the 35 to 64 age ranges, and a loss of 19 people in the 75 to 84 age range.

In addition to the population gains in the 55 to 74 age ranges, Faribault County added 69 people in the 20 to 34 age ranges and 37 people in the 85 and older age range.

Faribault County had a loss of 361 people in the 0 to 19 age ranges, 495 people in the 35 to 54 age range and 65 people in the 75 to 84 age range.

The aging trends present in 2018 can be traced back over the previous decades to see the movement of the baby boom generation since 1990 in Faribault County.

Faribault County Age Distribution: 1990 to 2018



Population Projections

The following table presents population projections generated by Esri for the City of Blue Earth and Faribault County.

Table 4 Population Projections Through 2023				
	2010 Census	2018 Esri Estimate	2023 Esri Projection	Change 2018 to 2023
Blue Earth	3,353	3,210	3,142	-68
Faribault Co.	14,553	14,212	14,060	-152

Source: U.S. Census; Esri

Esri estimates that Blue Earth had a loss of 143 people from 2010 to 2018, and projects a loss of another 68 people from 2018 to 2023.

Esri estimates that Faribault County had a loss of 341 people from 2010 to 2018, and projects that the County will lose an additional 152 people from 2018 to 2023.

Household Data and Trends

Table 5 Household Trends - 1990 to 2018						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Esri Estimate
Blue Earth	1,530	1,535	0.3%	1,453	-5.6%	1,390
Faribault Co.	6,772	6,652	-1.8%	6,236	-6.7%	6,088

Source: U.S. Census; Esri

- ▶ Esri estimates that Blue Earth had 1,390 households in 2018, which is a loss of 63 households from 2010. Esri's 2018 household estimate for Faribault County was 6,088, which was a loss of 148 households from 2010.
- ▶ The State Demographer has released 2017 household estimates for Blue Earth and Faribault County. The State Demographer estimates that Blue Earth had 1,456 households in 2017, which is an increase of three households from 2010. The State Demographer's population estimate for 2017 is 66 people higher than Esri's estimate of 1,390. Faribault County's household estimate was 6,132, which is a decrease of 104 households from 2010.
- ▶ According to the decennial Census, Blue Earth and Faribault County both experienced household losses from 2000 to 2010. Blue Earth had 1,453 households in 2010. This was a loss of 82 households from 2000, which was a decrease of 5.6%.
- ▶ Faribault County had 6,236 households in 2010. This was a loss of 416 households from 2000, which was a household decrease of 6.7%.
- ▶ Blue Earth experienced minimal household gains and Faribault County had household losses during the 1990s. Blue Earth gained five households and Faribault County lost 120 households from 1990 to 2000.

Household by Age Trends: 2010 to 2018

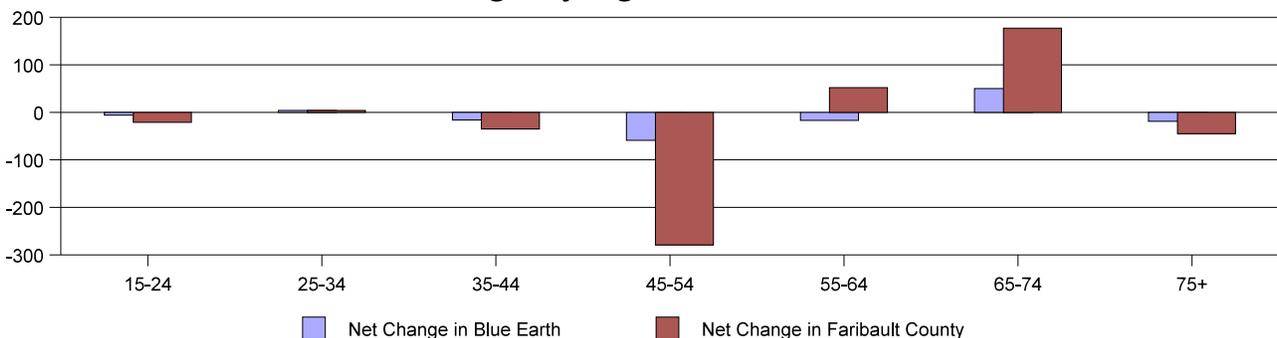
The 2018 American Community provides analysis of Blue Earth and Faribault County's changing age patterns. The following table compares this information from 2010 and 2018, along with the numeric changes.

Table 6 Households by Age - 2010 to 2018						
Age	Blue Earth			Faribault County		
	2010	2018	Change	2010	2018	Change
15-24	51	45	-6	202	181	-21
25-34	190	194	4	743	747	4
35-44	180	164	-16	769	734	-35
45-54	250	191	-59	1,233	954	-279
55-64	268	251	-17	1,216	1,267	52
65-74	203	253	50	901	1,078	177
75+	311	292	-19	1,172	1,127	-45
Total	1,453	1,390	-63	6,236	6,088	-148

Source: U.S. Census; Esri

Consistent with the population by age data presented earlier, the household patterns show much of the net change occurring in the baby boomer age groups. For all of Faribault County there was an increase of 229 households in the 55 to 74 year age ranges, and in the City of Blue Earth there was a gain of 50 households in the 65 to 74 year old age range. However, Blue Earth did have a loss of 17 households in the 55 to 64 age range.

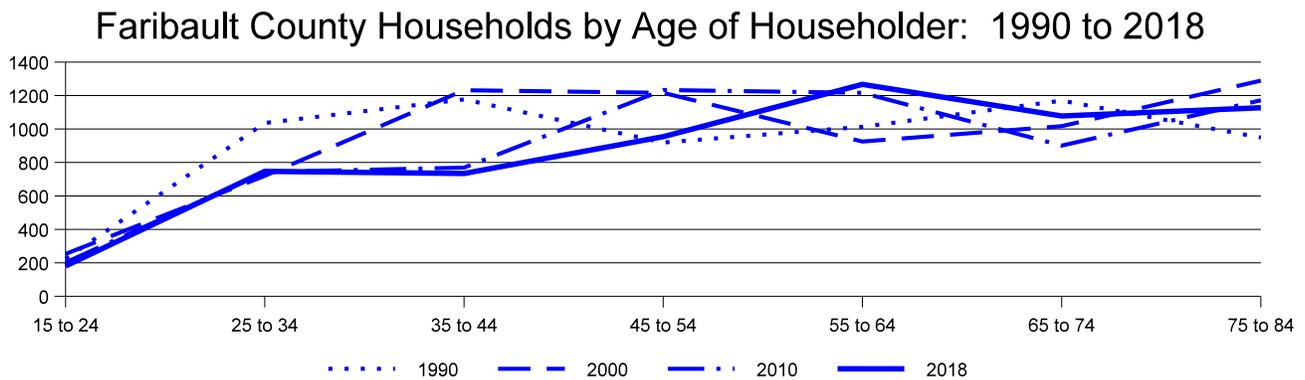
Household Change by Age Between 2010 and 2018



In addition to a gain of 50 households in the 65 to 74 age group, Blue Earth had a gain of four households in the 25 to 34 age range. In addition to the household gains in the 55 to 74 age ranges, Faribault County also gained four households in the 25 to 34 age range.

Blue Earth had a decrease of six households in the 15 to 24 age range, a loss of 92 households in the 35 to 64 age ranges and a loss of 19 households in the 75 and older age range. Faribault County had a loss of 21 households in the 15 to 24 age range, a loss of 314 households in the 35 to 54 age ranges and a loss of 45 households in the 75 and older age range.

As with the longer-term patterns for population, it is possible to track the progression of households by age over the past 20 years in Faribault County, using Census information for households by the age of householder.



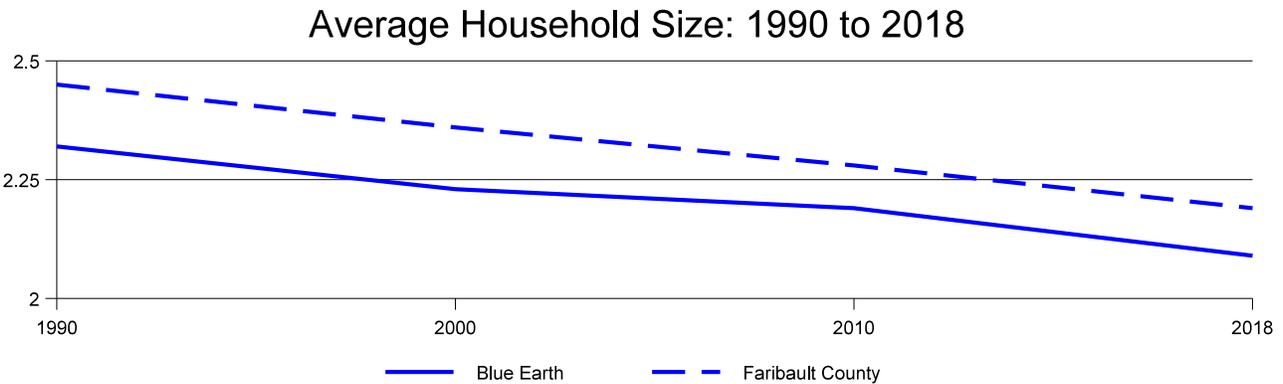
Average Household Size

The following table provides decennial Census information on average household size.

Table 7 Average Number of Persons Per Household: 1990 to 2018				
	1990 Census	2000 Census	2010 Census	2018 Esri
Blue Earth	2.32	2.23	2.19	2.09
Faribault County	2.45	2.36	2.28	2.19

Source: U.S. Census; Esri

Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.



There has been a pattern of smaller household sizes in the Blue Earth and Faribault County. The average household size in Blue Earth decreased from 2.32 in 1990 to 2.09 in 2018. Faribault County's average household size decreased from 2.45 in 1990 to 2.19 in 2018.

Household Projections

The following table presents household projections generated by Esri for the City of Blue Earth and Faribault County.

Table 8 Household Projections Through 2023				
	2010 Census	2018 Esri Estimate	2023 Esri Projection	Change 2018 to 2023
Blue Earth	1,453	1,390	1,364	-26
Faribault Co.	6,236	6,088	6,022	-66

Source: US Census; Esri

Esri estimates that Blue Earth had a loss of 63 households from 2010 to 2018, and projects a loss of an additional 26 households from 2018 to 2023.

For all of Faribault County, Esri estimates that from 2010 to 2018, the County had a loss of 148 households and will lose an additional 66 households from 2018 to 2023.

Blue Earth Household by Age Projections: 2018 to 2023

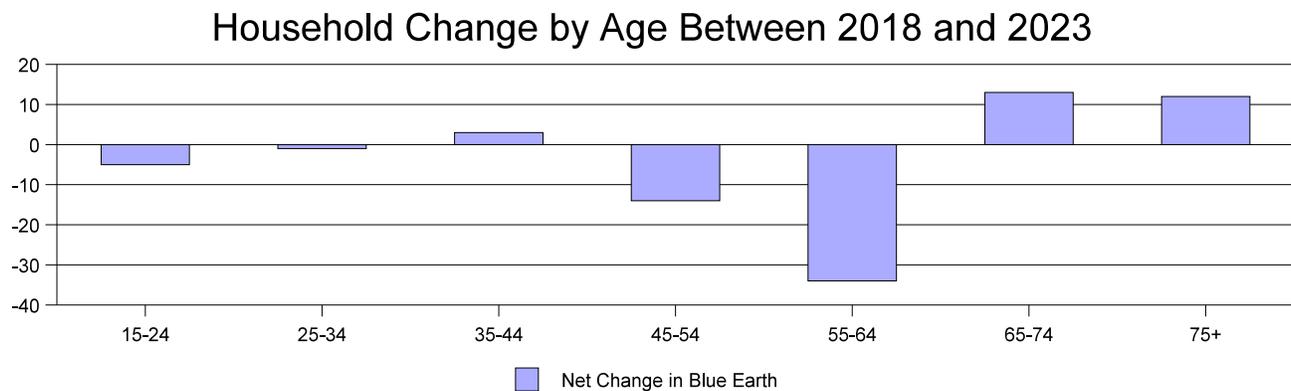
Blue Earth household by age projections were created by Esri.

Table 9 Blue Earth Projected Households by Age - 2018 to 2023			
Age Range	2018 Estimate	2023 Projection	Change 2018 to 2023
15-24	45	40	-5
25-34	194	193	-1
35-44	164	167	3
45-54	191	177	-14
55-64	251	217	-34
65-74	253	266	13
75+	292	304	12
Total	1,390	1,364	-26

Source: Esri

The City of Blue Earth is expected to lose 26 households from 2018 to 2023. Esri projects a loss of six households in the 15 to 34 age ranges and a loss of 48 households in the 45 to 64 age ranges.

Conversely, from 2018 to 2023, Esri estimates a gain of three households in the 35 to 44 age range and a gain of 25 households in the 65 and older age ranges.



Faribault County Household by Age Projections: 2018 to 2023

Faribault County household by age projections were created by Esri.

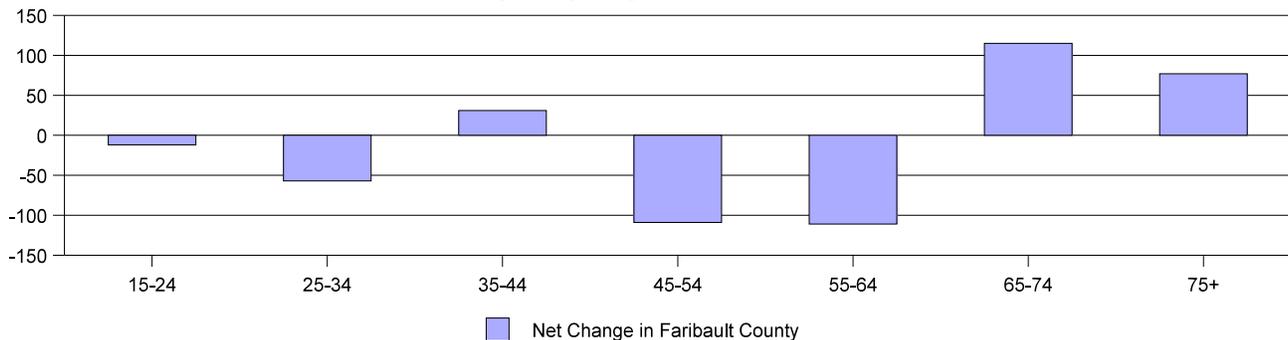
Table 10 Faribault County Projected Households by Age - 2018 to 2023			
Age Range	2018 Estimate	2023 Projection	Change 2018 to 2023
15-24	181	169	-12
25-34	747	690	-57
35-44	734	765	31
45-54	954	845	-109
55-64	1,267	1,156	-111
65-74	1,078	1,193	115
75+	1,127	1,204	77
Total	6,088	6,022	-66

Source: Esri

Faribault is expected to lose 66 households from 2018 to 2023. Esri projects a loss of 69 households in the 15 to 34 age ranges and a loss of 220 households in the 45 to 64 age ranges.

Conversely, from 2018 to 2023, Esri estimates a gain of 31 households in the 35 to 44 age range and a gain of 192 households in the 65 and older age ranges.

Household Change by Age Between 2018 and 2023



Households by Type

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the City of Blue Earth.

Table 11 Blue Earth Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	313	215	-98
Single Parent with own children	110	132	22
Married Couple without own children	451	483	32
Family Householder without spouse	52	58	6
Total Families	926	888	-38
Non-Family Households			
Single Person	557	516	-41
Two or more persons	52	49	-3
Total Non-Families	609	565	-44

Source: U.S. Census

Between 2000 and 2010, Blue Earth experienced a loss of 38 family households. The net loss was due to a decrease of 98 married couples with children. There was, however, a gain of married couples without children, family households without spouses and single parents with children.

The City also had a decrease of 44 “non-family” households. This was due both to a decrease in single person households and households with unrelated individuals living together.

Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine overall tenure rates, along with the changes that have occurred since 2000 for the City of Blue Earth and Faribault County.

Table 12 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Blue Earth	1,044	71.9%	409	28.1%
Faribault Co.	4,978	79.8%	1,258	20.2%
State	-	73.0%	-	27.0%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Blue Earth was 71.9%. Faribault County's ownership rate was 79.8%. Blue Earth's rental rate of 28.1% was slightly above the State of Minnesota's rental rate of 27.0%.

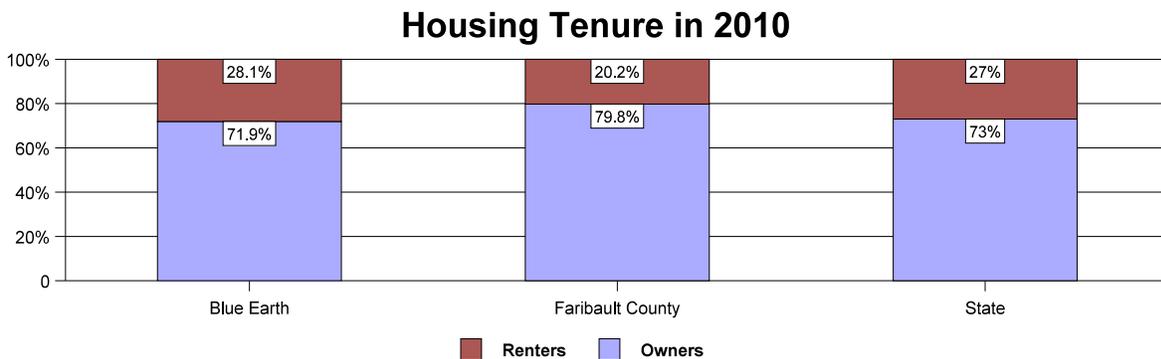


Table 13 Households by Housing Tenure - 2000 to 2010						
Tenure	Blue Earth			Faribault County		
	2000	2010	Change	2000	2010	Change
Owners	1,136/74.0%	1,044/71.9%	-92	5,370/80.7%	4,978/79.8%	-392
Renters	399/26.0%	409/28.1%	10	1,282/19.3%	1,258/20.2%	-24
Total	1,535	1,453	-82	6,652	6,236	-416

Source: U.S. Census

Blue Earth's ownership tenure rate decreased from 74.0% in 2000 to 71.9% in 2010. For Faribault County, there was also a decrease in the rate of owner-occupancy from 80.7% in 2000 to 79.8% in 2010.

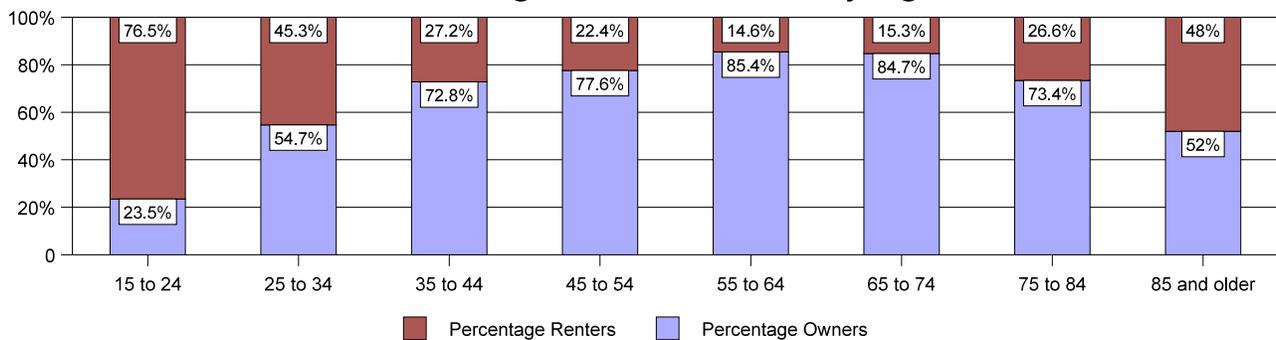
Tenure by Age of Householder

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in the City of Blue Earth.

Table 14 Blue Earth Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	12	23.5%	39	76.5%
25-34	104	54.7%	86	45.3%
35-44	131	72.8%	49	27.2%
45-54	194	77.6%	56	22.4%
55-64	229	85.4%	39	14.6%
65-74	172	84.7%	31	15.3%
75-84	138	73.4%	50	26.6%
85+	64	52.0%	59	48.0%
Total	1,044	71.9%	409	28.1%

Source: U.S. Census

Blue Earth Housing Tenure Patterns by Age in 2010



Within the defined age ranges, typical tenure patterns were present, with the households in the youngest and oldest age ranges showing a high percentage of rental occupancy, while middle-aged and older adult households were primarily home owners. Approximately 77% of households age 24 and younger, 45% of households 25 to 34 and 48% of the households age 85 and older rented their unit. Home ownership rates for each of the 10-year age cohorts age 35 to 84 were approximately 73% or higher.

2017 Income Data

Median income estimates are available at the city and county level through the American Community Survey. The following table compares the 2017 estimates with 2010 data to track changes since 2010.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 15 Median Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Households			
Blue Earth	\$34,773	\$45,884	32.0%
Faribault County	\$41,631	\$50,847	22.1%
Minnesota	\$57,253	\$65,699	14.8%
Families			
Blue Earth	\$51,184	\$60,385	18.0%
Faribault County	\$53,946	\$63,270	17.5%
Minnesota	\$63,217	\$82,785	31.0%

Source: American Community Survey

Income information contained in the American Community Survey shows significant income growth within the City of Blue Earth and in Faribault County from 2010 to 2017. However, Blue Earth and Faribault County's median household and family incomes were below the State of Minnesota median incomes.

Family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Blue Earth could afford approximately \$1,147 per month for ownership or rental housing in 2017. A family at the median income level for the City could afford approximately \$1,510 for housing costs.

Although households at or near the median levels do have some buying power for housing, the overall medians can be somewhat deceptive. In general, renter households tend to have incomes that are well below the overall median levels, while home owners tend to be above the medians for households or families.

In 2017, the median income level for owner households in Blue Earth was \$52,672. At 30% of income, a median owner household in the City of Blue Earth could apply approximately \$1,317 to a mortgage without experiencing a housing cost burden.

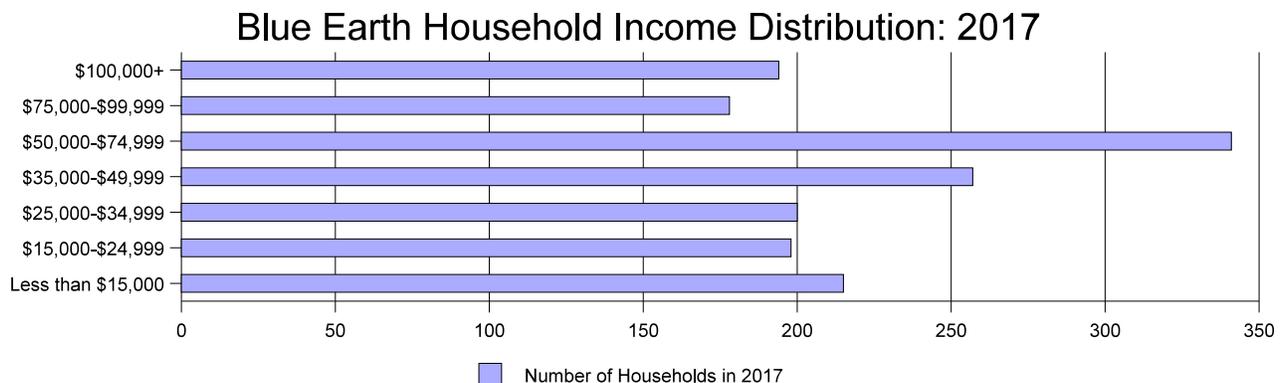
The estimated median household income for renters in 2017 was \$32,344. At 30% of income, a median income renter in the City could apply \$809 to gross rent without experiencing a housing cost burden.

Blue Earth Household Income Distribution

The 2017 American Community Survey household income estimates for the City of Blue Earth can be compared to the same distribution information from 2010 to examine changes that have occurred over the past five years.

Table 16 Blue Earth Household Income Distribution - 2010 to 2017			
Household Income	Number of Households 2010	Number of Households in 2017	Change 2010 to 2017
\$0 - \$14,999	475	215	-260
\$15,000 - \$24,999	137	198	61
\$25,000 - \$34,999	147	200	53
\$35,000 - \$49,999	222	257	35
\$50,000 - \$74,999	276	341	65
\$75,000 - \$99,999	161	178	17
\$100,000+	96	194	98
Total	1,514	1,583	69

Source: American Community Survey



It appears that both the 2010 and 2017 number of households in Blue Earth were overcounted. However, it is still a good indicator of household income distribution.

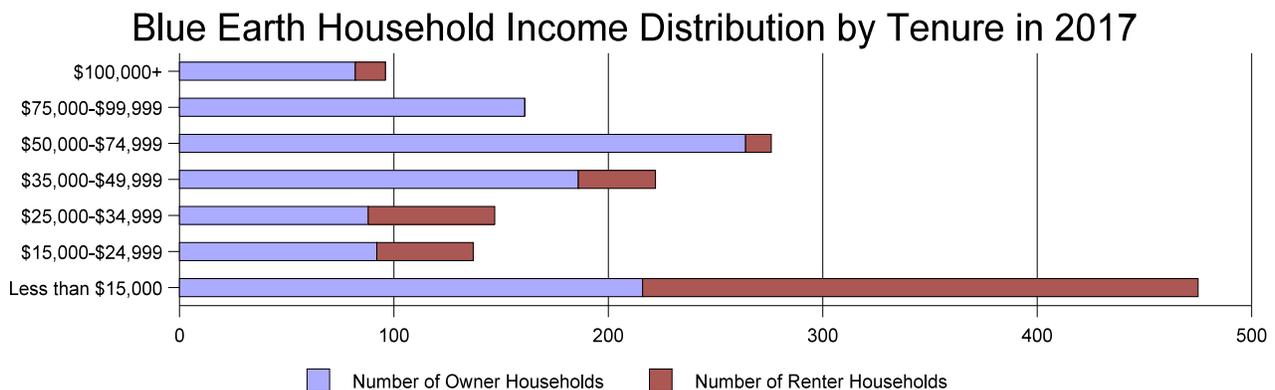
According to income estimates contained in the 2017 American Community Survey, household incomes have improved in Blue Earth. When compared to the 2010 American Community Survey, there was an increase of 180 households with an income of \$50,000, or more. There was a net decrease of 111 households with incomes less than \$50,000. However, there were still 413 households in Blue Earth that have an annual income below \$25,000. This was 26.1% of all households.

Blue Earth Income Distribution by Housing Tenure

The American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Blue Earth. It appears that the 2017 American Community Survey overcounted both the number of owner and renter households in the City of Blue Earth. However, it is still a good indicator of household income distribution.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	216/45.5%	259/54.5%	475
\$15,000 - \$24,999	92/67.2%	45/32.8%	137
\$25,000 - \$34,999	88/59.9%	59/40.1%	147
\$35,000 - \$49,999	186/83.8%	36/16.2%	222
\$50,000 - \$74,999	264/95.7%	12/4.3%	276
\$75,000 - \$99,999	161/100%	0/0%	161
\$100,000+	82/85.4%	14/14.6%	96
Total	1,089	425	1,514

Source: American Community Survey



Income and housing tenure are linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.

In 2017, approximately 85% of all renter households in Blue Earth had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Conversely, a majority of the owner households had a substantially higher income level. Approximately 47% of all owner households had an annual income of \$50,000 or more. At 30% of income, these owners could afford \$1,250 or more per month for housing costs.

2017 Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in the City of Blue Earth.

Table 18 Gross Rent as a Percentage of Household Income - 2017			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	214/55.5%	34/18.4%	248/43.4%
20% to 29.9%	51/13.2%	28/15.1%	79/13.8%
30% to 34.9%	10/2.6%	0/0%	10/1.8%
35% or more	102/26.4%	116/62.7%	218/38.2%
Not Computed	9/2.3%	7/3.8%	16/2.8%
Total	386/100%	185/100%	571/100%

Source: American Community Survey

The 2017 American Community Survey has overcounted the number of renter households in the City of Blue Earth. However, it is still a good indicator of the percentage of income renters pay for gross rent.

According to the American Community Survey, approximately 40% of all renters in the City were paying 30% or more of their income for rent. The significant majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Senior citizen renters (age 65 and older) represented approximately 51% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 49% of all households with a rental cost burden.

2017 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the City of Blue Earth that are paying different percentages of their gross household income for housing costs.

Table 19 Ownership Costs as a Percentage of Income - Blue Earth		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	705	69.6%
20% to 29.9%	189	18.7%
30% to 34.9%	21	2.1%
35% or more	97	9.6%
Not Computed	0	0%
Total	1,012	100%

Source: American Community Survey

The 2017 American Community Survey underestimated the number of owner households in the City. However, this still represents the best available information on housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 12% of all home owners reported that they paid more than 30% of their income for housing. A significant majority of these households were paying more than 35% of income for housing costs.

As would be expected, most of the cost-burdened home owners had a mortgage on their home.

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Building Permit Trends

Blue Earth has had some new housing construction activity in recent years. Over the 19-year period from 2000 to 2018, approximately 39 new housing units have been constructed in or moved into the City of Blue Earth, based on building permit issuance. Of this total, 37 units are detached single family homes, and one duplex was also built.

During the seven-year period from 2000 to 2006, the City averaged 3.3 new units per year. From 2007 to 2013, housing construction activity slowed, and the City averaged 1.4 new units per year.

Since the 2013 Housing Study from 2014 to 2018, six single family homes have been constructed, which is an average of 1.2 new units per year.

Existing Home Sales

This section examines houses that have been sold within recent years in the City of Blue Earth. Information was obtained from the Faribault County Assessor's Office.

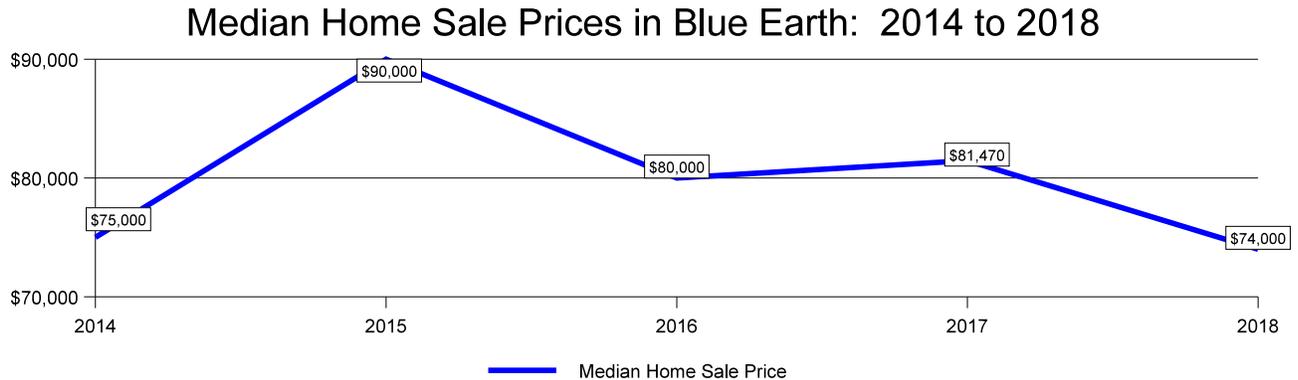
Faribault County collects and utilizes information from residential sales for the County's sales ratio study. The County compares the fair market sale price to the estimated taxable value for each home. As a result, the County information for sales primarily reflects existing homes that have an established tax value. New construction sales activity would generally not be recorded in the data that was used for this analysis, unless the house had been constructed some time ago and did have an established tax value.

The County also sorts the sales data into "qualified" and "unqualified" groupings. Qualified sales are also referred to as good sales, because they are fair market transactions. Unqualified sales are rejected because they are not considered to be fair market transactions. There are multiple reasons for rejecting a sale, but some are becoming more common, including sales of "bank-owned" properties, and foreclosures/short sales. Additional reasons for rejection would include transfers between related parties, or sales that were not conducted in the open market.

The sales values used for this 2019 Update reflect the actual sales price. The previous Study, completed in 2014, had instead used an "adjusted sale price", which attempts to make adjustments for personal property that was included in the sale, any financing concessions, or similar items that are not part of the real property transfer. However, the adjusted sales prices for recent sales were not available. Information was available for each calendar year, from 2014 through 2018.

Table 20 Blue Earth Residential Sales Activity - 2014 to 2018				
Year	Number of Good Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	31	\$74,000	\$195,000	\$19,500
2017	60	\$81,470	\$310,000	\$18,000
2016	51	\$80,000	\$335,000	\$13,500
2015	34	\$90,000	\$400,000	\$35,000
2014	37	\$75,000	\$250,000	\$ 27,000

Source: Faribault County Assessor; Community Partners Research, Inc.



There has been year-to-year variation in the number of good sales within any 12-month period. As a result, the midpoint sale for a single year may not always represent the median home value for the City. For example, there were only 31 good sales in 2018. The lower median sales price for that year would probably be impacted by the smaller sales sample that could be reviewed.

Over the past five years, the annual median has ranged from a low of \$74,000 to a high of \$90,000. But in four of the past five years the median has been within a range from \$74,000 to \$81,470.

In each of the years reviewed, at least one house has been sold for \$35,000 or less, and at least one house has sold for \$195,000 or more. In three of the past five years, at least one house has sold for more than \$300,000.

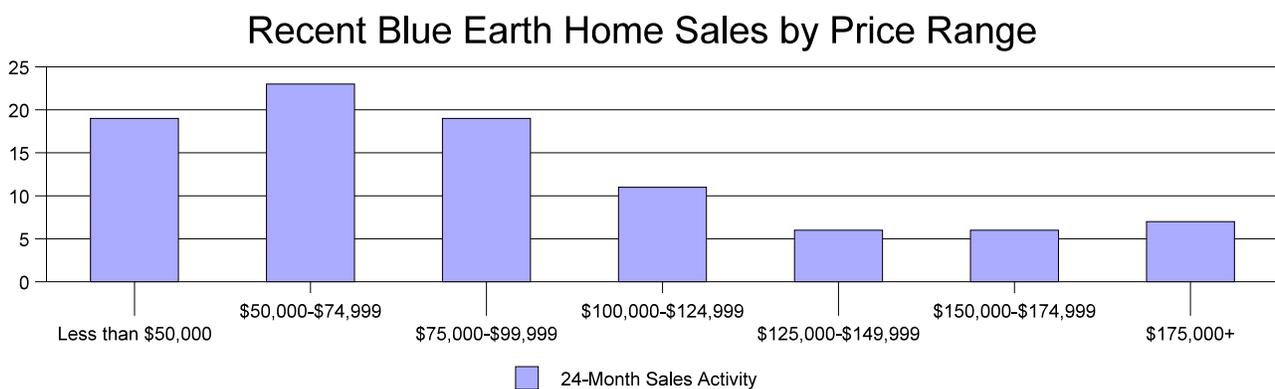
An alternate source of the median home value in the City exists in the American Community Survey. In 2017, this source estimated the median value for owner-occupied houses in Blue Earth at \$77,700, very similar to the sales medians in recent years.

Home Sales by Price Range

The following table looks at the 91 single family houses that sold in the 24-month period from January 1, 2017 to December 31, 2018. The sales have been divided by defined price ranges.

Table 21 Home Sales by Price Range: January 2017 thru Dec. 2018		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	19	20.9%
\$50,000 - \$74,999	23	25.3%
\$75,000 - \$99,999	19	20.9%
\$100,000 - \$124,999	11	12.1%
\$125,000 - \$149,999	6	6.6%
\$150,000 - \$174,999	6	6.6%
\$175,000 - \$199,999	3	3.3%
\$200,000 - \$249,000	1	1.1%
\$250,000+	3	3.3%
Total	91	100%

Source: Faribault County Assessor; Community Partners Research, Inc.



Approximately 67% of the residential sales over the past two years were for less than \$100,000. Fewer than 8% of sales were for \$175,000 or more.

Blue Earth Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 352 single family/duplex houses in two of Blue Earth's oldest neighborhoods.

The boundaries of the two neighborhoods are as follows:

- ▶ Neighborhood #1: West - Hwy 169
East - S. East St.
North - E. 2nd St.
South - E. 8th St.

- ▶ Neighborhood #2: West - Main St.
East - Hwy 169
North - Leland Parkway
South - E. 7th St.

Houses that appeared to contain three or more residential units were excluded from the survey. Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 22 Windshield Survey Condition Estimate - 2019

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	35/38.9%	41/45.6%	14/15.5%	0	90
Neighborhood #2	104/39.7%	106/40.5%	43/16.4%	9/3.4%	262
Total	139/39.5%	147/41.8%	57/16.2%	9/2.5%	352

Source: Community Partners Research, Inc.

- ▶ Approximately 42% of the houses in two of the City's oldest neighborhoods need minor repair and 16% need major repair.
- ▶ Approximately 40% are sound, with no required improvements.
- ▶ Nine houses are dilapidated and possibly beyond repair.
- ▶ As part of the 2014 Study, these two neighborhoods were also surveyed. The condition of the housing stock has improved in these two neighborhoods. The number of houses needing major repair has been reduced by 21 houses and the number of dilapidated houses has been reduced by three houses from 2014 to 2019.

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Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 409 occupied rental units and 60 unoccupied rental units in Blue Earth, for a total estimated rental inventory of 469 units. The City's rental tenure rate was 28.1%, above the Statewide rental rate of 27.0% in 2010.

At the time of the 2000 Census, Blue Earth had 399 occupied rental units, and 44 vacant rental units, for a total estimated rental inventory of 443 units. The rental tenure rate in 2000 was 26.0%.

Based on a Census comparison, the City gained 10 renter-occupancy households, and approximately 26 rental units from 2000 to 2010.

No multi-family rental projects were constructed in Blue Earth from 2000 to 2018.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of rental properties in the City of Blue Earth. The survey was conducted from December 2018 to January 2019. Emphasis was placed on contacting properties that have six or more units, although information was also obtained from smaller properties, including single family homes. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Information was tallied separately for different types of rental housing, including market rate, subsidized and senior housing with services.

A total of 289 housing units of all types were contacted in the survey. Based on our research, all of the subsidized rental projects, all of the senior with services projects and a high percentage of the market rate multifamily projects were surveyed. We also surveyed the nursing home which has a total of 75 beds.

The units that were successfully contacted include:

- ▶ 105 market rate units
- ▶ 114 federally subsidized units
- ▶ 70 senior with services units/beds
- ▶ 75 nursing home beds

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 105 market rate rental units. The rental units include 73 units in eight multifamily buildings and 32 single family homes.

Unit Mix

We obtained bedroom mix information on the 105 market rate units. The bedroom mix of these units is:

- ▶ Efficiency - 2 (1.9%)
- ▶ One-bedroom - 31 (29.5%)
- ▶ Two-bedroom - 56 (53.3%)
- ▶ Three-bedroom - 13 (12.4%)
- ▶ Four-bedroom - 3 (2.9%)
- ▶ Total - 105

The multifamily market rate projects surveyed have no three or four-bedroom units. All of the three and four-bedroom units surveyed were in single family homes. Only two efficiency units were identified and surveyed, both in Oak Apartments.

Occupancy / Vacancy

Within the market rate multifamily segment, the managers and owners reported there were seven vacant units of the 105 units surveyed. This represents a vacancy rate of 6.7%. Village Green Apartments reported five vacancies, the MVAC Apartments and Woodbridge Apartments each reported one vacancy. All of the other projects reported no vacancies. The owners and managers reported that they usually have very high occupancy rates.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The following gross rent range has been identified based on information from the telephone survey.

<u>Unit Type</u>	<u>Gross Rent Range</u>
Efficiency	\$475
One-bedroom	\$425-\$645
Two-bedroom	\$550-\$775
Three-bedroom	\$850-\$900
Four-bedroom	\$950-\$1,400

Only two efficiency units in a single project were surveyed. Also, all of the three and four-bedroom units were in single family homes.

Tax Credit Summary

Blue Earth has no rental projects assisted through the federal low income tax credit program.

Subsidized Summary

The research completed for this Study identified three subsidized projects providing rental opportunities for lower income households. These projects have a combined 114 units. Two of the projects are general occupancy housing with 90 units and one project is senior/disabled (55 and older) occupancy with 24 units. The subsidized projects were developed in Blue Earth with HUD and MHFA funds.

The three subsidized rental projects include:

- ▶ **Crescent Apartments** - A HUD Public Housing general occupancy project with 54 one-bedroom units
- ▶ **Blue Ridge Apartments & Townhomes** - A 36-unit MHFA/Section 8 general occupancy project with four one-bedroom, 26 two-bedroom and six three-bedroom units
- ▶ **New Life Manor** - A 24-unit HUD 202/Section 8 senior/disabled project with 24 one-bedroom units

Rental Rates

The City's subsidized rental projects have access to project-based rent assistance. The projects charge rent based on 30% of the tenant's household income. The subsidized projects have a market rent and tenants do not pay more than the market rent. However, a very high percentage of tenants in the subsidized projects pay less than the market rent, as 30% of their income is less than the market rent.

Unit Mix

The bedroom mix breakdown for subsidized housing in Blue Earth is as follows:

- ▶ One-bedroom - 82 (71.9%)
- ▶ Two-bedroom - 26 (22.8%)
- ▶ Three-bedroom - 6 (5.3%)
- ▶ Total - 114

There are no efficiency or four-bedroom units in the three subsidized projects.

Occupancy / Vacancy

There were five vacant units that were identified in the subsidized projects, which is a 4.4% vacancy rate. Three vacancies were in Crescent Apartments and two vacancies were in Blue Ridge Apartments.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960, 1970s and 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. Village Green/Southridge Apartments with 24 units, opted out of the Rural Development Subsidy Program many years ago and converted to market rate units.

Housing Choice Vouchers

In addition to subsidized rental projects, Blue Earth and Faribault County households have access to the Housing Choice Voucher Program. The Minnesota Valley Action Council administers the Housing Voucher Program in Blue Earth and Faribault County.

The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Currently, 66 Faribault County households, 28 of which live in Blue Earth, are receiving assistance through the Housing Voucher Program. The program has a two to four-month waiting list.

Senior Housing with Services

Blue Earth has four housing options for seniors needing services. One of these is a 75-bed skilled nursing home. There are three additional senior with services projects.

- ▶ **Friendship Court** - Friendship Court has 24 one-bedroom and four two-bedroom assisted living units with a capacity of 32 residents. The facility offers the full array of senior services including meals, laundry, bathing, housekeeping, medication management, 24-staffing, etc. Friendship Court is part of the St. Luke's campus. At the time of the survey there were three vacant units.
- ▶ **Southview Estates** - Southview Estates is a 24-unit independent/light services project and part of the St. Luke's campus. The project includes 16 one-bedroom and eight two-bedroom units. The project provides a noon meal and weekly housekeeping. Additional meals and services can be purchased from the St. Luke's Care Center. The facility currently has no vacancies and a 25-person waiting list.
- ▶ **St. Luke's Care Center** - The St. Luke's Care Center is a 75-bed facility, which includes 25 beds in a secure wing of the facility devoted to memory care residents. The nursing home is part of the St. Luke's campus. Currently, the nursing home has no vacancies and there is a waiting list. The facility has a 108-bed capacity, however, 33 beds are not utilized due to a lack of staffing.
- ▶ **Nicollet Place** - Nicollet Place has 14 one-bedroom units. The facility provides the full array of senior services including meals, laundry, bathing, medication management, 24-hour staffing, etc. Currently, there are no vacant units.

In addition to these housing with services options, New Life Manor, which is included in the subsidized housing section, offers 24 units of HUD Section 202 housing. New Life Manor is part of the St. Luke's campus. Although New Life Manor is designed for independent living, tenants can purchase meals and other senior services through the St. Luke's Care Center.

Occupancy / Vacancy

At the time of the survey, Friendship Court had three vacancies. Southview Estates, Nicollet Place and St. Luke's Care Center had no vacancies. Southview Estates and St. Luke's Care Center reported long waiting lists.

Table 23 Blue Earth Market Rate Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Minnesota Valley Action Council (MVAC) Apartments	1 - 1 bedroom <u>3 - 2 bedroom</u> 4 total units	\$350 +electricity, heat	1 vacant one bedroom	General Occupancy	The MVAC Apartments include four units on the second floor of their building. The MVAC offices are on the first floor. The units include one one-bedroom and three two-bedroom units. Rent is \$350 plus electricity and heat. Manager reports one vacancy.
Frandle Apartments	<u>4 - 2 bedroom</u> 4 total units	\$425 +heat, electric	No vacancies	General Occupancy	Frandle Apartments is a four-unit project. All four units have two bedrooms. Rent is \$425 plus heat and electricity. Owner reported no vacancies at the time of the survey.
Woodbridge Apartments	6 - 1 bedroom <u>6 - 2 bedroom</u> 12 total units	\$370-\$390 \$450-\$470 +heat, electric	1 vacant one bedroom	General Occupancy	Woodbridge Apartments is a 12-unit project that includes six one-bedroom units and six two-bedroom units. Rents are \$350 to \$370 for a one-bedroom unit and \$430 to \$450 for a two-bedroom unit. The units with the higher rents have balconies. Tenants also pay heat and electricity. Manager reports no vacancies.
Village Green Apartments	10 - 1 bedroom <u>14 - 2 bedroom</u> 24 total units	\$500 +heat, electricity	5 vacant	General Occupancy	Village Green Apartments is a 24-unit market rate project in three eight-unit buildings. The buildings were constructed in 1979 and 1981. The 24 units include 10 one-bedroom units and 14 two-bedroom units. The project was originally a subsidized project that included 16 units in Village Green and eight units in Southridge Apartments. Rent is \$500 plus heat, electricity, and a \$20 water delivery charge. Manager reports five vacant units.
Oaks Apartments	2 - efficiencies 3 - 1 bedroom <u>6 - 2 bedroom</u> 11 total units	\$375 \$425-\$475 \$525-\$625 +heat, electric	No vacancies	General Occupancy	Oaks Apartments has 11 units including two efficiencies, three one-bedroom and six two-bedroom units. One of the two-bedroom units is a large two-bedroom. Tenants pay heat and electric in addition to rent. Owner reports no vacancies, however, one unit is vacant due to renovations.

Table 23 Blue Earth Market Rate Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
216-220 North Main St	5 - 1 bedroom <u>1 - 2 bedroom</u> 6 total units	\$450 \$600 +electric	No vacancies	General occupancy	Six units in a downtown mixed-use building. The six units include five one-bedroom units and one two-bedroom unit. Rent is \$450 for the one-bedroom units and \$600 for the two-bedroom unit plus electricity. Owner reports no vacancies at the time of the survey.
112-114 North Main St	3 - 1 bedroom <u>1 - 2 bedroom</u> 4 total units	\$400 \$550 +some utilities	No vacancies	General occupancy	Four units in two mixed-use downtown mixed-use buildings. The four units include three one-bedroom units and one two-bedroom unit. Rent is \$400 plus electricity for the one-bedroom units and \$550 plus electricity for the two-bedroom unit. Owner reports no vacancies.
Lynch Apartments	2 - 1 bedroom <u>6 - 2 bedroom</u> 8 total units	\$350 \$500 +heat, electric	No vacancies	General Occupancy	Lynch Apartments is an eight-unit project constructed in 1961 that includes two 4-plexes. The eight units include two one-bedroom and six two-bedroom units. Rent is \$350 for a one-bedroom and \$500 for a two-bedroom. Tenants also pay heat and electricity and a basic water and sewer charge. The manager reported no vacancies at the time of the survey.
R & D Anderson Rentals	1 - 1 bedroom <u>12 - 2 bedroom</u> 13 total houses	\$500-\$625 + all utilities	No vacancies	General Occupancy	R & D Anderson Rentals have 13 single family rental homes. The 13 homes include one one-bedroom and 12 two-bedroom. Rents are in the \$500 to \$625 range plus utilities. The owner reports no vacancies.
Klous single family homes	1 - 2 bedroom 7 - 3 bedroom <u>1 - 4 bedroom</u> 9 total houses	\$500 to \$1,200 + all utilities	No vacancies	General Occupancy	Klous rental homes include one two-bedroom homes, seven three-bedroom homes and one four-bedroom homes for a total of nine single family homes. Rents range from \$500 to \$1,200 plus all utilities. The home rented for \$1,200 is a four-bedroom and has been renovated. The owner reports that two houses are not being rented at this time as they are being renovated.

Table 23 Blue Earth Market Rate Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Double B Investment Properties - single family homes	2 - 2 bedroom 6 - 3 bedroom <u>2 - 4 bedroom</u> 10 total	\$550-\$750 +utilities	No vacancies	General Occupancy	Double B Investment Properties include 10 single family homes. The 10 homes include two, three and four-bedroom. Rent ranges from \$550 to \$750. Tenants pay all utilities. The owner reports no vacancies.

Source: Community Partners Research, Inc.

Table 24 Blue Earth Subsidized Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Crescent Apartments	<u>54 - 1 bedroom</u> 54 total units	\$400-\$435 30% of income	3 vacancies	General occupancy	HUD Public Housing constructed in 1968. Originally was a senior/disabled project, but converted to general occupancy. Currently, less than 50% of the tenants are seniors. Project had 60 units when constructed, however, several units have been consolidated to make larger units, thus, there are currently 54 one-bedroom units. Tenants pay rent based on 30% of income, up to the maximum rents listed. At the time of the survey, there were three vacant units.
Blue Ridge Apartments & Townhomes	4 - 1 bedroom 26 - 2 bedroom <u>6 - 3 bedroom</u> 36 total units	\$544 \$605-\$623 \$652 30% of income	1 vacant unit	General occupancy	MHFA/Section 8 general occupancy project constructed in 1979. Project includes four one-bedroom units, 26 two-bedroom units and six three-bedroom units. Six two-bedroom units and six three-bedroom units are in townhomes. Tenants pay 30% of income up to the maximum rents listed. The manager reported 2 vacancies at the time of the survey.
New Life Manor	<u>21 - 1 bedroom</u> 24 total units	\$682 30% of income	No vacancies, waiting list	55 and older	New Life Manor is a 24-unit HUD 202/Section 8 senior project. New Life Manor is part of the St. Luke's senior campus. The project was constructed in 1987. New Life Manor is an independent living project, thus, no senior services are included. However, meals and other services can be purchased from the St. Luke's Care Center. Tenants must be 55 and older and be below income limits. Some expenses can be deducted from tenants' income. Tenants pay 30% of their adjusted gross income (some expenses deducted) up to the maximum rent of \$682. Manager reports no vacancies and a waiting list.

Source: Community Partners Research, Inc.

Table 25 Blue Earth Senior Housing with Services					
Name	Bedroom Mix	Rent	Occupancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Southview Estates	8 - 1 bedroom 8 - 1 bdrm deluxe 4 - 2 bedroom <u>4 - 2 bdrm deluxe</u> 24 total units	\$1,276 \$1,455 \$1,734 \$1,838 includes utilities	No vacancies with a 25-person waiting list	Senior housing with services	Southview Estates is an independent/light services project that is part of the St. Luke's Senior Campus. The project includes 16 one-bedroom units and eight two-bedroom units. The project was constructed in the mid-1990s. There are two sizes of one and two-bedroom units, thus, rents are \$1,276 and \$1,455 for a one-bedroom unit and \$1,734 and \$1,838 for a two-bedroom unit. Rent includes weekly housekeeping and a noon meal. Additional meals and services can be purchased from the St. Luke's Care Center. Garages are available for \$90 per month. The Administrator reports no vacancies and a long waiting list.
Nicollet Place	<u>14 - 1 bedroom</u> 14 total units	Based on level of services	No vacancies	Senior assisted living	Nicollet Place is a 14 one-bedroom unit assisted living facility. The facility opened in 1990. The facility provides all assisted living services including meals, utilities, laundry, housekeeping, medication management, bathing, etc. At the time of the survey, there were no vacant units. Rent and fees are based on level of services. Two of the 14 units are larger and could accommodate couples.
Friendship Court	24 - 1 bedroom <u>4 - 2 bedroom</u> 28 total units with capacity for 32 residents	Base rent and fees range from \$2,800 to \$3,433 including utilities	3 vacancies	Senior assisted living	Friendship Court is an assisted living project with 24 one and four two-bedroom units with a capacity of 32 residents. Friendship Court was constructed in 2007 and is part of the St. Luke's campus. Services provided in the standard package include three daily meals, housekeeping, laundry, 24-hour staffing and activities. Additional services can be purchased. Rent and fees range from \$2,800 for the smallest one-bedroom unit to \$3,433 for the largest two-bedroom unit. The Administrator reported three vacancies at the time of the survey.

Table 25 Blue Earth Senior Housing with Services					
Name	Bedroom Mix	Rent	Occupancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
St. Luke's Care Center	75 skilled <u>nursing beds</u> 75 total	Based on level of services	No vacancies with a waiting list	Skilled nursing home	St. Luke's Care Center includes 75 skilled nursing beds. The facility has a 108-bed capacity, however, staffing is only available for 75 beds. Twenty-five beds are memory care beds that are in a secure wing of the facility. The facility was constructed in 1963. Currently, there are no vacancies in the nursing home. Memory care beds are usually full. There is a substantial waiting list for skilled nursing beds, thus, if staffing was available, more beds could be occupied.

Source: Community Partners Research, Inc.

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Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Faribault County include:

- ▶ Aerospace Systems
- ▶ Blue Earth Area Schools
- ▶ Kerry Ingredients
- ▶ United Hospital District Hospital & Clinic
- ▶ Seneca Foods/Green Giant
- ▶ St. Luke's Lutheran Home
- ▶ TAFCO Equipment Company
- ▶ BEVCOMM

Source: Blue Earth Area Chamber of Commerce

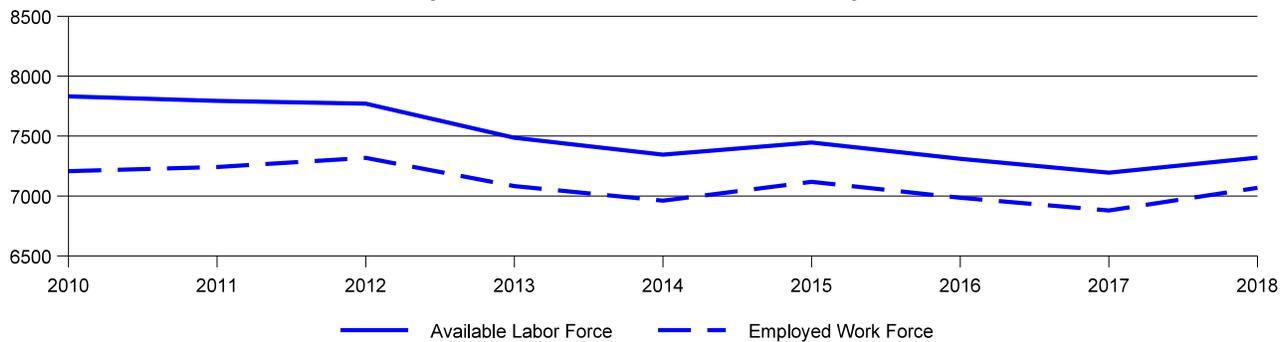
Work Force and Unemployment Rates

Employment information is available for all of Faribault County. Data in the following tables have been obtained from the Minnesota Department of Employment and Economic Development.

Table 26 Faribault County Labor Statistics 2010 to 2018						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	7,831	7,207	624	8.0%	7.4%	9.6%
2011	7,794	7,242	552	7.1%	6.5%	8.9%
2012	7,771	7,318	453	5.8%	5.6%	8.1%
2013	7,486	7,083	403	5.4%	5.0%	7.4%
2014	7,345	6,961	384	5.2%	4.2%	6.2%
2015	7,446	7,118	328	4.4%	3.7%	5.3%
2016	7,310	6,985	325	4.4%	3.9%	4.9%
2017	7,195	6,879	316	4.4%	3.5%	4.4%
2018	7,320	7,068	252	3.4%	2.9%	3.9%

Source: MN Department of Employment and Economic Development - Not Seasonally Adjusted

Faribault County Labor Force and Employed Work Force

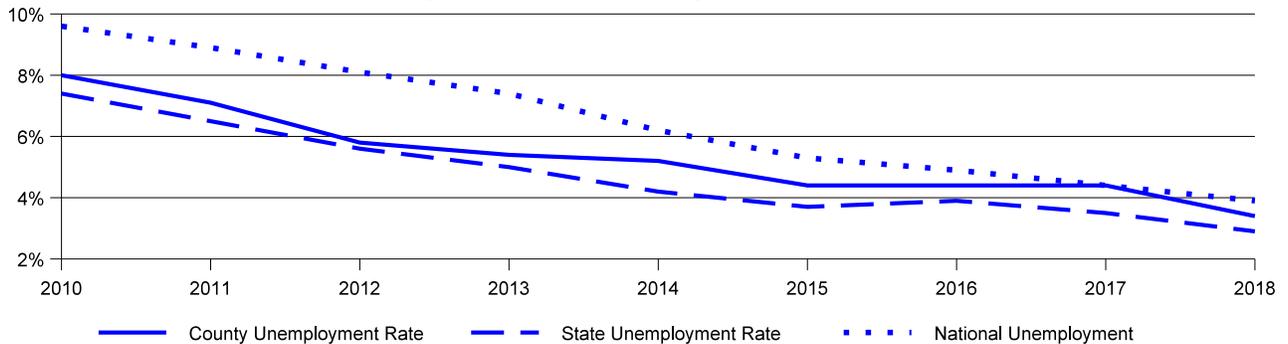


While there have been some year-to-year fluctuations in the County’s resident labor force, the long-term patterns generally show a declining resident labor force. Between 2010 and 2018, the labor force decreased by more than 500 people, or 6.5%. However, between 2017 and 2018 the County’s labor force did increase in size, countering the longer-term trend.

The employed work force has generally followed a somewhat similar pattern, although there were only 139 fewer residents employed in 2018 than in 2010. Once again, there was some increase in the number of employed County residents between 2017 and 2018, contrary to longer-term trends.

Since there has been a smaller decrease in the employed work force than the overall labor force, the County's unemployment rate has grown lower over time. However, Faribault County's unemployment rate has been higher than the Statewide rate since 2010. The County's unemployment rate has consistently remained at or below the national rate.

Faribault County Annual Unemployment Rate: 2010 to 2018



Employment and Wages by Industry Sector

The following table shows the average weekly wages in the City of Blue Earth by major employment sector in 2017 the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the City.

Table 27 Blue Earth Average Annual Wages by Industry Detail: 2017		
Industry	Employment	Average Weekly Wage
Total All Industry	2,150	\$721
Manufacturing	377	\$846
Trade, Transportation, Utilities	331	\$587
Information	82	\$1,076
Financial Activities	97	\$1,227
Professional and Business Services	55	\$733
Education and Health Services	755	\$733
Leisure and Hospitality	176	\$232
Other Services	43	\$342
Public Administration	180	\$813

Source: Minnesota Department of Employment and Economic Development

The average annual wage for all industry in 2017 was \$37,492, assuming that workers were employed for 52 weeks. The highest paying wage sectors were Financial Activities, Information and Manufacturing. Each of these sectors had an annual average wage above \$43,000. Manufacturing was also the second largest employment sector. The largest employment sector, Education and Health Services, had an annual average wage of \$38,116.

The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$12,064.

Blue Earth Annual Covered Employment

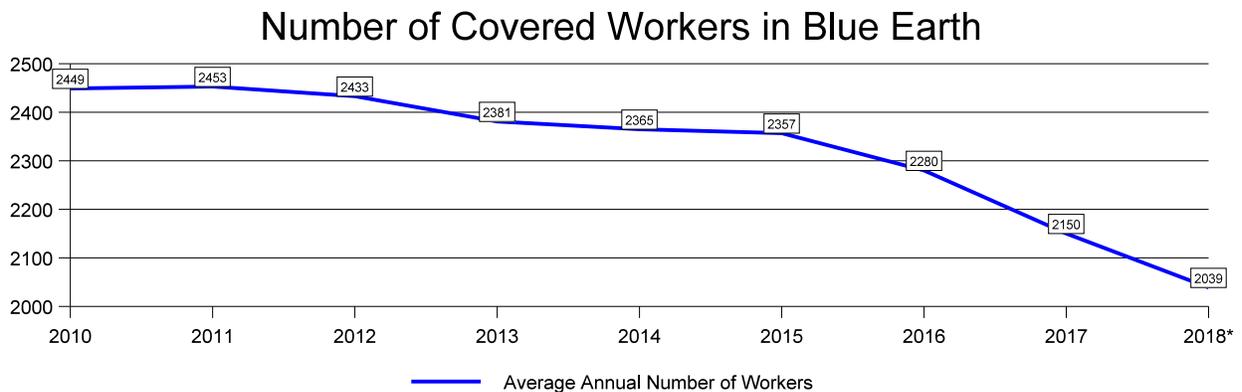
Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the employment level. The following table displays the total number of workers reported in Blue Earth back to the year 2010.

Table 28 Blue Earth Average Annual Employment: 2010 to 2018*			
Year	Total Covered Employment	Year	Total Covered Employment
2010	2,449	2015	2,357
2011	2,453	2016	2,280
2012	2,433	2017	2,150
2013	2,381	2018*	2,039
2014	2,365	-	

Source: QCEW - MN Department of Employment and Economic Development

* 2018 is through September

There has been a reduction in the level of employment in Blue Earth so far this decade. When 2017 (the last full year of data) is compared to the year 2010, there were approximately 300 fewer employees working in City, a decrease of more than 12%. While only the first three quarters of 2018 are reported, there was once again a minor decrease when compared to 2017.



Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The most recent data is from the 2017 American Community Survey, and has been examined for the City of Blue Earth. The first table examines people that commute, and exclude people that work at home.

Table 29 Commuting Times for Blue Earth Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	941	60.7%
10 to 19 minutes	382	24.6%
20 to 29 minutes	81	5.2%
30 minutes +	146	9.4%
Total	1,550	100%

Source: American Community Survey

A majority of Blue Earth residents appeared to be working in the City in 2017. Presumably, most residents that were working within the City would have a travel time under 10 minutes. Overall, nearly 61% of residents commuted less than 10 minutes to work, and more than 85% traveled less than 20 minutes.

The American Community Survey also identifies travel time by location of employment. For people that worked in Blue Earth, the following travel times were identified.

Table 30 Commuting Times for Blue Earth-based Employees - 2017		
Travel Time	Number	Percent
Less than 10 minutes	1,033	41.7%
10 to 19 minutes	801	32.4%
20 to 29 minutes	384	15.5%
30 minutes +	258	10.4%
Total	2,476	100%

Source: American Community Survey

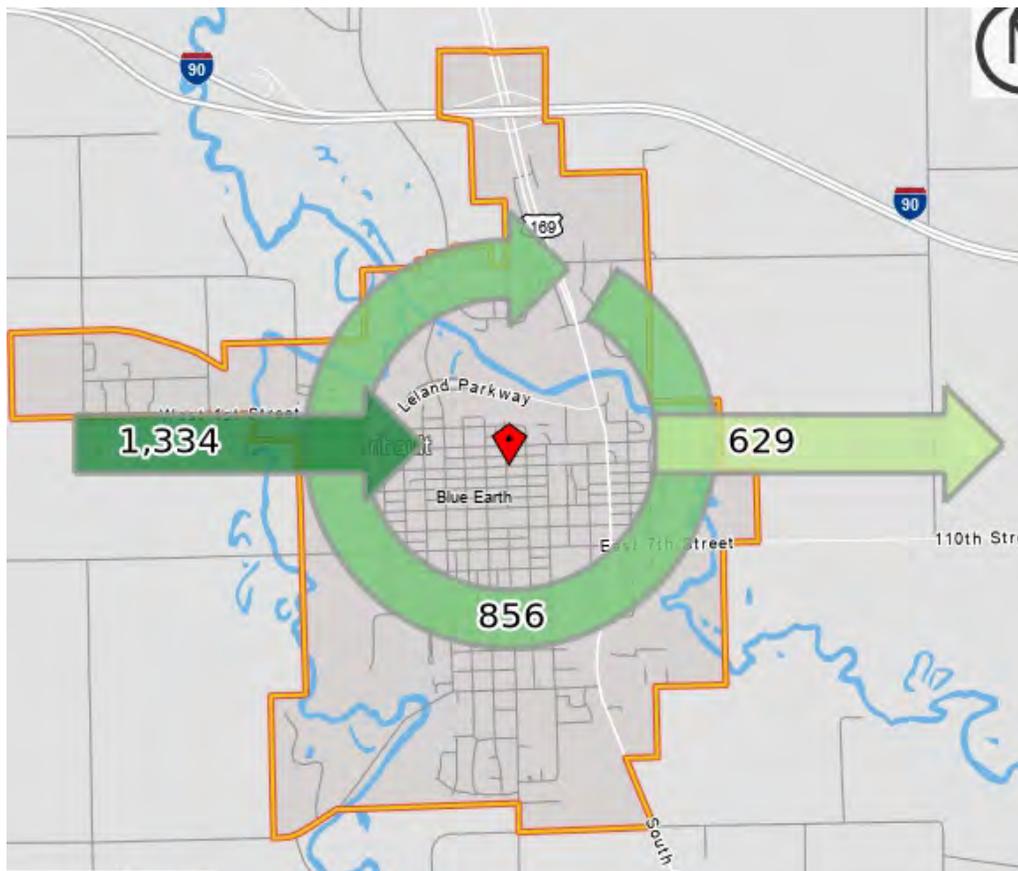
Most people that worked in Blue Earth lived within the surrounding area, as more than 74% had a travel time of less than 20 minutes. This total would include people that both lived and worked within the City. Fewer than 11% of people employed in Blue Earth had a commute time of 30 minutes or more.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2015, but provides a further breakdown of worker movement patterns.

According to the report for Blue Earth, there were 2,190 people that were employed within the city limits in 2015. Only 856 of these Blue Earth-based employees actually lived within the City. The remaining 1,334 employees lived outside the City limits. The percentage of City-based workers that were also residents was 39.1%. Among the primary jurisdictions supplying workers to the City included Winnebago, Fairmont, Elmore, Blue Earth Township, Verona Township and Jo Daviess Township.

This same source can also be used to track worker outflow patterns. Many Blue Earth residents were actually reported to be leaving the community for employment in 2015. The primary destinations were Fairmont, Winnebago, Mankato, Blue Earth Township, Wells and Albert Lea.



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Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Blue Earth and Faribault County from 1990 to 2018. These historic growth trends have then been used as a basis for projecting future demographic changes in the area.

Blue Earth's population decreased by 3.4% from 1990 to 2000. The population decreased from 3,745 in 1990 to 3,621 in 2000. From 2000 to 2010, Blue Earth's population decreased by 268 people.

Faribault County's population decreased from 16,937 in 1990 to 16,181 in 2000, which was a decrease of 4.7%. The population continued to decrease in the 2000s from 16,181 in 2000 to 14,553 in 2010, which was a loss of 11.2%.

Household levels had also decreased from 1990 to 2010 in Blue Earth and in Faribault County. However, Blue Earth did experience a gain of five households from 1990 to 2000 followed by a loss of 82 households from 2000 to 2010. Faribault County had a loss of 120 households from 1990 to 2000 and a loss of 416 households from 2000 to 2010.

Esri estimates that Blue Earth had a loss of 143 people and 63 households from 2010 to 2018. Esri estimates that Faribault County had a loss of 341 people and 148 households from 2010 to 2018. The 2017 Census Bureau population estimate is very similar to Esri's and shows a population loss of 146 people. The U.S. Census estimate is less optimistic and shows Blue Earth losing 218 people from 2010 to 2017. The U.S. Census estimates that Faribault County will lose 769 people and the State Demographer estimates Faribault County will lose 882 people from 2010 to 2017.

Findings on Projected Growth

The Esri projections show Blue Earth and Faribault County losing population and households from 2018 to 2023. Esri projects that Blue Earth will lose 68 people and 26 households from 2018 to 2023. Esri projects that Faribault County will lose 152 people and 66 households from 2018 to 2023.

Summary of Blue Earth Growth Projections by Age

Esri's age-based household projections for Blue Earth expect the future household growth to occur in the 35 to 44 and 64 and older age ranges. From 2018 to 2023, the 35 to 44 age range is projected to gain three households and the 65 and older age ranges are projected to gain 25 households.

All of the other age ranges are expected to lose households from 2018 to 2023. The 15 to 34 age ranges are projected to lose six households and the 45 to 64 age ranges are projected to lose 48 households.

The following approximate forecast shows the expected net change in the number of Blue Earth households in each 10-year age cohort between 2018 and 2023.

<u>Age Range</u>	<u>Projected Change in Households</u> <u>2018 to 2023</u>
15 to 24	-5
25 to 34	-1
35 to 44	3
45 to 54	-14
55 to 64	-34
65 to 74	13
75 and Older	<u>12</u>
Total	-26

Summary on Unit Demand by Age of Households

Based on the household by age projections presented earlier, the changing age composition of Blue Earth's population through the projection period will have an impact on demand for housing.

Age 24 and Younger - The projection used for this Study expect the number of households in the 15 to 24 age range to decrease by approximately five households through the year 2023. Past tenure patterns indicate that as many as 77% of these households in Blue Earth will rent their housing. A slight decrease in the number of households in this age range should mean that rental demand from younger households will be relatively stable during the projection period.

25 to 34 Years Old - The projection shows a reduction of one household in this age cohort by 2023. Within this age range, households often move from rental to ownership housing. The past ownership rate among these households in Blue Earth has been approximately 55%. A slight decrease in the number of households within this age range will result in no change in the demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort has a projected gain of three households between 2018 and 2023 in the City of Blue Earth. In the past, this age group has had a high rate of home ownership in Blue Earth, at approximately 73%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house. Demand from this age cohort would have a significant impact on overall demand for owner-occupied housing.

45 to 54 Years Old - By 2023, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Blue Earth, this projection shows a decrease of 14 households in this range. This age group historically has had a high rate of home ownership, approximately 78% in Blue Earth, and will often look for trade-up housing opportunities. With a household decrease in this age group, there will be a decrease in the demand for trade-up housing from this 10-year age cohort.

55 to 64 Years Old - The projection for the 55 to 64 age range shows an expected significant loss of 34 households in this 10-year age range by the year 2023 in the City. This age range has traditionally had a high rate of home ownership in Blue Earth, at approximately 85%. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - Significant household growth is expected in Blue Earth within this age range, with the projection showing an increase of approximately 13 households by the year 2023. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Approximately 85% of households in this age range owned their housing in Blue Earth. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of 12 households in Blue Earth in this age range between 2018 and 2023. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 65%. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

These demographic trends will be incorporated into the recommendations that follow later in this section.

Blue Earth - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and on-site review of the local housing stock and from the 2013 Blue Earth Comprehensive Housing Study.

- ▶ **Blue Earth serves as a small regional center** - Blue Earth provides employment opportunities, retail/service options, health services, professional services and recreational facilities for the geographical area that surrounds the City.
- ▶ **Increasingly diverse housing stock** - The City of Blue Earth has a good mix of housing options, including rental and owner-occupied housing units for both lower income and market rate households, houses in various price ranges and senior with services facilities.
- ▶ **Land for development** - The City has land available for residential, commercial and industrial development.
- ▶ **Educational Facilities** - The City has a public K-12 school system.
- ▶ **Infrastructure** - The City's public utilities and infrastructure can facilitate future expansion.
- ▶ **Industrial Park** - The City has an industrial park that has land available for future industrial development.
- ▶ **Commuters** - More than 1,300 employees are commuting into Blue Earth daily for work. These commuters are a potential market for future housing construction.
- ▶ **Blue Earth Economic Development Authority** - The Blue Earth Economic Development Authority is very active in promoting industrial, commercial and housing development.
- ▶ **Blue Earth Housing and Redevelopment Authority** - The Blue Earth Housing and Redevelopment Authority owns and manages Crescent Apartments, a 54-unit general occupancy Public Housing project. The HRA also administers housing rehabilitation and demolition programs.

- ▶ **Large Employers** - The City of Blue Earth has several large employers.
- ▶ **Health Care System** - The City of Blue Earth has an excellent health care system including a hospital, clinics, senior assisted living, a nursing home, etc.
- ▶ **Desirable location for seniors and retirees** - Blue Earth is an attractive community for seniors as a retirement location. As the providers for the area's health, retail and government services, the City has amenities that are attractive for seniors as they age.
- ▶ **State, federal, nonprofit funds** - The City has successfully leveraged local funds for housing activities over the years with other resources including state, federal and nonprofit funds. This experience in obtaining funds, and the City's track record in appropriately utilizing the funds, will continue to serve the City well when seeking funds in the future.
- ▶ **Proximity to regional centers** - Blue Earth is located in close proximity to Mankato and Albert Lea. These regional centers provide employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live near, but not in a regional center.
- ▶ **Interstate 90** - Blue Earth is located on Interstate 90, which gives residents easy access to several regional and population centers.
- ▶ **Affordable priced housing stock** - The City has a large stock of affordable existing homes. Based on residential sales in 2017 and 2018, the median home value in Blue Earth is approximately \$77,500. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **New housing subdivision** - The City of Blue Earth and the Blue Earth Economic is Development Authority are developing a 17-lot subdivision for single family homes and twin homes.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Blue Earth.

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Population and household growth** - Historical data indicates that the City is not expected to add people or households over the next several years.
- ▶ **Close proximity to regional centers** - Although it can be a strength to be located in close proximity to regional centers, including Albert Lea and Mankato, it is also a barrier as Blue Earth must compete with these centers, which offer attractive residential opportunities and other amenities and services.
- ▶ **Lower paying jobs** - Although Blue Earth has several large employers, some jobs are at the lower end of the scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Blue Earth has a limited number of commercial and retail opportunities when compared to larger cities in the immediate region.
- ▶ **Median household income** - The City's median household income was \$45,884 in the year 2017. Households below this median will often have limited housing options.
- ▶ **Value gap deters new owner-occupied construction** - Based on recent residential sales in 2017 and 2018, we estimate that the median priced home in Blue Earth is valued at approximately \$77,500. This is well below the comparable cost for new housing construction, which will generally be above \$175,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes which can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment. The value gap also makes it difficult to secure financing for new home construction.

- ▶ **Lack of new housing construction** - New housing construction has been limited over the past several years.
- ▶ **Low rent structure** - The City's rent structure is relatively low, which makes it difficult to construct new rental housing.

Blue Earth - Recommendations and Opportunities

Summary of Strategies and Housing Market Opportunities

Based on the research contained in this Study and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Blue Earth. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a self-contained community to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Blue Earth with housing options and to assure a healthy housing stock into the future.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Blue Earth.

Summary of Findings/Recommendations

The findings/recommendations for the City of Blue Earth have been formulated through the analysis of the information provided in the previous sections and include a total of 22 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Blue Earth	
Rental Housing Development	
1.	Develop 16 to 20 general occupancy market rate rental units
2.	Promote the development/conversion of 6 to 8 affordable market rate rental housing units
3.	Develop 8 to 10 subsidized rental housing units
4.	Preserve the existing supply of subsidized housing
5.	Senior with services housing needs (Develop an additional 10 independent/light services units)
6.	Develop a downtown mixed-use commercial/housing project
7.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
8.	Utilize and promote all programs that assist with home ownership
9.	Consider the development of a purchase/rehabilitation program

Findings and Recommendations for the City of Blue Earth	
New Construction	
10.	Lot availability
11.	Strategies to encourage residential lot sales and new home construction in Blue Earth
12.	Promote townhouse and twin home development
13.	Coordinate with agencies/nonprofits that develop affordable housing
Housing Rehabilitation	
14.	Promote rental housing rehabilitation programs
15.	Promote owner-occupied housing rehabilitation programs
16.	Develop a neighborhood revitalization program
17.	Develop and implement a Rental Inspection and Registration Program
Other Housing Initiatives	
18.	Encourage employer involvement in housing programs
19.	Acquire and demolish dilapidated structures
20.	Continue coordination among housing agencies
21.	Develop home ownership and new construction marketing programs and strategies
22.	Strategies for Downtown Redevelopment

Blue Earth - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities.

From 2000 to 2018, based on City of Blue Earth data, no new rental units were constructed in Blue Earth. However, a number of single family homes were converted from owner-occupied to rental use between 2000 and 2018.

Demand for new rental housing is typically generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

Our household projections for Blue Earth expect household losses from 2018 to 2023. It is projected that there will be a loss of approximately 26 households during this time period. Faribault County is projected to lose 66 households from 2018 to 2023. Therefore, we are projecting limited demand for rental units due to household growth. Although there will be household losses over the next five years in Blue Earth and Faribault County, there is projected growth of 25 households in Blue Earth and 192 households in the 65 and older age ranges. Therefore, we are estimating that approximately 12 to 16 rental units will be needed based on demand from the senior population.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as two to three rental units per year. As a result, approximately 10 to 15 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Also, it is projected that some of the single family homes that converted to rentals during the recession will convert back to owner-occupied homes.

Some pent-up demand also exists. As part of this study, a rental survey was conducted. In total, 289 rental units were contacted and surveyed. The survey found a 6.7% vacancy rate in general occupancy market rate units and a 2.6% vacancy rate in subsidized units. All of the senior with services projects were fully occupied with the exception of Friendship Court, which had three vacancies. Although some vacancies were reported, most of the rental projects reported that they usually have very high occupancy rates and several projects had waiting lists.

Also, no new rental units have been constructed in Blue Earth for more than 20 years. We have identified pent-up demand for new high quality market rate rental housing, affordable market rate rental units, subsidized/moderate rent units, and independent/light services senior housing.

These three demand generators, after factoring current vacancy rates, show a demand potential for 30 to 38 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2019 to 2024.

▶ General Occupancy Market Rate	16-20 units
▶ Affordable/Conversions	6-8 units
▶ Subsidized	10-12 units
▶ Senior with Services (Independent/Light Services)	<u>10 units/beds</u>
Total	42-50 units/beds

1. Develop 16 to 20 general occupancy market rate rental units

Findings: Approximately 70% of the rental housing in the City of Blue Earth can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City included approximately 469 total units in 2010. No rental units have been constructed since 2010, however, we are estimating that there has been a net gain of approximately 10 rental single family homes from 2010 to 2018. Therefore, it is our estimate that there are approximately 479 rental units in Blue Earth, 327 of these units are best described as market rate rental housing.

Of the market rate rental units we surveyed, we found a vacancy rate of 6.7%, which was above the healthy market range of 3% to 5%. However, five of the seven vacant units were in one rental project. Additionally, the owners and managers of most of the rental projects reported they typically have very high occupancy rates and strong demand.

Also, the construction of new market rate units provides many benefits including:

- ▶ Addressing pent-up demand for certain housing types
- ▶ Upgrading the overall quality of the housing stock
- ▶ Increasing the City's rental rates
- ▶ Addressing gaps in the City's rental stock
- ▶ Addressing new households' housing needs

More than 1,300 employees are commuting into Blue Earth daily for work. Some of these employees would potentially move to Blue Earth if additional housing was available.

There is a fairly wide variation in rental rates in the market rate segment in the City of Blue Earth. The prevailing gross rent range is \$425 to \$645 for a one-bedroom unit, \$550 to \$775 for a two-bedroom unit and \$850 to \$900 for a three-bedroom unit.

From 2000 to 2018, no market rate rental projects have been constructed in Blue Earth. Many rental households are seeking new units that have 'state of the art' amenities.

Housing stakeholders that were interviewed for the study stated that there is a need for additional rental housing.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of 16 to 20 market rate rental units over the next five years from 2019 to 2024. We also recommended the development of 16 to 20 market rate units in the 2014 Housing Study.

Based on our research, there is a need for some larger rental units, however, the majority of the units should be two-bedroom units.

Town home style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Blue Earth. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized rental units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing, thus, there is a relatively wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement and other resources may be needed. Regional and State housing agencies may also have resources available to assist with new rental housing projects.

The first option to developing market rate rental housing would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Blue Earth Housing and Redevelopment Authority or the Blue Earth Economic Development Authority could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

Recommended unit mix, sizes and rents for the Blue Earth Market Rate Housing Units:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	4-5	650 - 800	\$700 - \$800
Two Bedroom	10-12	850 - 950	\$850 - \$1,000
Three Bedroom	<u>2-3</u>	1,050 - 1,150	\$900 - \$1,200
Total	16-20		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2019 dollars.

It would be advantageous to have the rents for some of the units at or less than the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The fair market rents currently are:

- ▶ 1 bedroom - \$555
- ▶ 2 bedroom - \$735
- ▶ 3 bedroom - \$946

2. Promote the development/conversion of 6 to 8 affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Blue Earth. Unfortunately, these units would tend to be beyond the financial capability of many area renters. Most of Blue Earth's renter households have an annual income below \$25,000. These households would need a rental unit at \$625 per month or less.

There is evidence that Blue Earth has lost rental housing over the years and will continue to lose units due to deterioration and demolition. Part of the need for additional rental units in Blue Earth is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards are made to small cities for small rental projects.

Recommendation: We encourage the City to promote the development/conversion of more affordable rental units. A goal of six to eight units over the next six years would help to replace affordable housing that has been lost. We also recommended the development/conversion of six to eight units in the 2014 Study.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes are being rehabilitated for rental housing by local individuals. Also, there is potential to develop rental units on the upper floors of downtown buildings.

The estimated prevailing rent range for older rental units in Blue Earth is typically between \$425 and \$650 per month. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing or tax abatement from the City, and other financial resources from funding agencies such as the Minnesota Housing Finance Agency. Also, financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Develop 10 to 12 subsidized/moderate rent housing units

Findings: There are three federally subsidized rental projects in Blue Earth. Combined, these projects have 114 units of subsidized housing and serve different segments of the rental market. Two of the projects are general occupancy housing. Crescent Apartments has 54 units and Blue Ridge Apartments has 36 units. Combined, there are 90 total units of general occupancy subsidized housing. Crescent Apartments was originally designed as senior/disabled housing and still has a significant number of senior/disabled tenants.

Blue Earth has one subsidized rental project that provides rental options for seniors. New Life Manor is a Section 8 202 Project with 24 units.

At the time of the 2018 rental survey, three vacant units were identified in the Crescent Apartments. Blue Ridge Apartments and New Life Manor had no vacancies. New Life Manor has a waiting list.

The subsidized projects in Blue Earth have rent assistance available for tenants, so lower income households pay rent based on 30% of income.

In addition to the project-based subsidized housing, Blue Earth also has approximately 28 households being assisted with HUD Housing Choice Vouchers (formerly Section 8 Existing Program).

Despite the variety of subsidized housing offerings in the City, there does appear to be unmet demand for rental housing for lower income people. Based on the 2017 American Community Survey, approximately 228 renter households reported that 30% or more of their income was required to pay housing costs. This represented 40% of all renters that were surveyed. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden. Also, the Voucher Program has a waiting list time of approximately two to four months.

Recommendation: We recommend that the City look for opportunities to expand the supply of very affordable rental housing. Although the need is greater, a realistic goal would be the construction of 10 to 12 subsidized units over the next five years. Vacancy rates remain low for subsidized/moderate rent housing. The Housing Choice Voucher Program, which provides tenant-based rent assistance, also maintains a waiting list for participation and the number of vouchers has been reduced due to budget cuts.

The need for additional subsidized rental housing could increase even more significantly if some of the existing subsidized units are lost. In the recommendation that follows, we have discussed the need to preserve the existing project-based subsidized housing in the community.

The large subsidized housing production programs of the past are no longer available, and it remains very difficult to produce new units for low and moderate income renters. The best available options are to layer various subsidies together, such as tax increment financing, tax abatements, land donations and funding from the Minnesota Housing Finance Agency and the Department of Employment and Economic Development in an attempt to produce some affordable units.

Also, for a subsidized/moderate rent project to be successful, we recommend the following:

- ▶ Rents should be affordable at \$650 or less.
- ▶ As many two-bedroom units as feasible should be constructed.
- ▶ The units should be high quality and have 'state of the art' amenities.
- ▶ The project should have a community room, a limited access security system and ample storage space.
- ▶ To develop the rental project with affordable rents various subsidies will need to be layered. Potential funding sources include tax credits, DEED workforce housing funds, Greater Minnesota Housing funds, MHFA, Federal Home Bank funds and local funds.
- ▶ The City of Blue Earth could assist with reduced land donations, tax increment financing, tax abatement, water and sewer hookup fees, reduced permit fees, etc.

4. Preserve the existing supply of subsidized housing

Findings: Blue Earth has three “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. These projects were constructed when the federal government was actively involved in producing low income housing.

The subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

One of the subsidized projects, Blue Ridge Apartments, is privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: The Minnesota Housing Finance Agency (MHFA) tracks subsidized housing in Minnesota that is at risk of being lost. Owners of subsidized housing that are considering the option to drop their subsidy contract must notify MHFA and the tenants prior to taking any action. At the time of this Study, no Blue Earth subsidized projects were on the MHFA list.

The City of Blue Earth and the Blue Earth HRA should check with MHFA on an ongoing basis to determine if any Blue Earth subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost to preserve the affordable housing resources.

5. Senior housing with services needs (Develop an additional 10 independent/light services units)

Findings: Senior housing with services defines a wide range of housing types. Skilled nursing homes, assisted living and memory care housing are generally the most service-intensive units. High-service housing provides 24-hour staffing and a high level of assistance with daily living needs of residents.

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping.

Blue Earth has four specialized projects that provide housing with supportive services for an elderly population. These senior with services projects include:

- ▶ **Friendship Court** - Friendship Court has 24 one and four two-bedroom assisted living units with a capacity of 32 residents. The facility offers the full array of senior services. Friendship Court is part of the St. Luke's campus. At the time of the survey, there were three vacant units.
- ▶ **Southview Estates** - Southview Estates is a 24-unit independent/light services project and part of the St. Luke's campus. The project includes 16 one-bedroom and eight two-bedroom units. The project provides a noon meal and weekly housekeeping. Additional meals and services can be purchased from the St. Luke's Care Center. At the time of the survey, Southview Estates was fully occupied and has a long waiting list.
- ▶ **Nicollet Place** - Nicollet Place has 14 one-bedroom units. The facility provides the full array of senior services. At the time of the survey, the units were fully occupied.
- ▶ **St. Luke's Care Center** - The St. Luke's Care Center is a 108-bed facility, which includes 25 beds devoted to memory care residents. However, only 75 beds are occupied and 33 beds are not being utilized due to a lack of staffing. The Nursing Home is part of the St. Luke's campus. At the time of the survey, all of the 75 beds that are being utilized were fully occupied. Also, the facility has a long waiting list.

In addition to these housing with services options, New Life Manor, included in the subsidized housing section, offers 24 units of HUD Section 202 housing. New Life Manor is part of the St. Luke's campus. Although New Life Manor offers independent senior housing, tenants can purchase meals and other senior services through the St. Luke's Care Center. At the time of the survey, there were no vacancies and there is a waiting list.

To determine future senior with services housing demand in Blue Earth, we determined that Blue Earth's market for senior with services housing includes Blue Earth and the immediate area around Blue Earth as there are communities surrounding Faribault County that have senior with services facilities.

Recommendation: In 2018, Blue Earth had 449 people between the age of 65 and 74 and 493 people over the age of 75. The growth projections show a slight loss of four people in the 65 to 74 age range and a gain of 26 people in the 75 and older age range through the year 2023.

- ▶ **Skilled Nursing Home** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. The City has a well-established provider that serves this segment of the market. There is unmet demand for skilled nursing beds in Blue Earth. This demand could be addressed if staffing could be secured and the 33 beds that have been set aside because of a lack of staffing could be utilized.
- ▶ **Memory Care Housing** - St. Luke's Care Center has 26 memory care beds. It is our opinion that the number of memory care beds in St. Luke's Care Center is sufficient compared to the older senior population living in Blue Earth. However, the existing beds maintain a high rate of occupancy. Therefore, we recommend that senior with services housing providers continue to monitor the need for additional memory care beds.
- ▶ **Assisted Living** - Currently, there are 28 beds in Friendship Court with the capacity for 32 residents. There are also 14 beds in Nicollet Place, thus, there are 46 assisted living beds in Blue Earth. At the time of the survey, Friendship Court had three vacant units and Nicollet Place had no vacant beds. Also, assisted living facilities in communities that surround Blue Earth have experienced ongoing vacancy issues. Based on the current number of seniors in Blue Earth and the limited population growth in the senior age ranges, and the vacancies in existing assisted living facilities in the area, it is our opinion that there is currently an adequate number of assisted living units in Blue Earth.

- ▶ **Light Service/Congregate Housing** - Southview Estates is an independent light services project with 24 units. The project provides a noon meal and weekly housekeeping. New Life Manor is a subsidized HUD 202/Section 8 independent senior project with 24 units. Seniors living in both projects can purchase additional meals and senior services from the St. Luke's Care Center. These two projects have a total of 48 units. Both projects are fully occupied and have waiting lists. St. Luke's Care Center is in the planning phase of developing 10 independent/light services units in a wing of the St. Luke's Care Center. The 10 units will include four efficiency and six one-bedroom units. We recommend the development of the 10 independent/light services units. We also recommend that the occupancy of these 10 units be monitored to determine if additional independent/light services units should be developed in the future.

We view Blue Earth as the best possible location for specialized senior housing in Faribault County. The senior with services housing providers in Blue Earth have a pulse on future senior with services needs and a history of providing additional senior with services units as needed.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or an existing senior with services provider planning a specific project should have a project-specific study conducted.

6. Develop a Downtown Mixed-Use Commercial/Housing Project and utilize downtown rental units

Findings: The City of Blue Earth continues the revitalization of the downtown, including a large infrastructure project and a facade program. Also, the renovation of several downtown buildings is in the planning phase. These actions are creating a more active and vibrant downtown. A mixed-use rental housing/commercial project could complement these efforts.

New mixed use projects have been developed in several Minnesota cities. Some of these projects were developed because of market demand, while others were developed to enhance the Downtown, to introduce a new product to the market or to serve as a catalyst for Downtown redevelopment.

Additionally, based on information provided by the City of Blue Earth, there are vacant apartments in downtown buildings. Most of these units are vacant due to their substandard condition.

Recommendation: We recommend the development of a mixed-use building in Downtown Blue Earth. There are several potential redevelopment sites in the Downtown area for a mixed-use project.

We recommend commercial space on the first floor and rental units on the upper floors. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing Downtown businesses and attract people to Downtown.

The rental units should be primarily market rate units, but could be mixed-use income with some moderate income units. The units should be primarily one and two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing TIF or other local funds and land at a reduced price.

We also recommend that downtown building owners, the City of Blue Earth and the Blue Earth HRA evaluate the downtown vacant units to determine if some of the units could be rehabilitated or if existing vacant space could be converted into rental units. Potentially, a portion of the Blue Earth HRA's program income fund could be utilized to rehabilitate downtown units.

7. Continue to utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Faribault County is administered by the Minnesota Valley Action Council (MVAC). Currently, MVAC has funding for approximately 66 Vouchers in Faribault County. Of the total 66 Vouchers, approximately 28 Vouchers are being utilized by Blue Earth households.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Blue Earth can provide affordable housing. The Department of Housing and Urban Development does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the City and the HRA to work with MVAC to apply for additional Vouchers. Currently, there is a two to four-month waiting list for a Housing Voucher. With approximately 40% Blue Earth renter households paying more than 30% of their income for housing, there is a strong demand for Vouchers.

Also, the MVAC should continue to publicize the Housing Choice Voucher Program in Blue Earth and Faribault County to assure that Blue Earth and Faribault County households have access to and are aware of the Program.

Blue Earth - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Blue Earth, based on 2017 and 2018 sales, is estimated to be approximately \$77,500. With approximately 50% of the homes in Blue Earth valued less than \$77,500, Blue Earth has a market for first time home buyers and households seeking moderately priced homes.

Our analysis of Blue Earth demographic trends shows strong population growth over the next five years the 65 and older age ranges. This group represents a strong potential market for lower maintenance housing options, such as twin homes or town house developments.

Additionally, the number of households in the 35 to 44 age range is expected to minimally increase in Blue Earth. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes such as the homes in Blue Earth.

To assist in promoting the goal of home ownership, the following activities are recommended.

8. Utilize and promote all programs that assist with home ownership

Findings: Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Blue Earth is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Blue Earth. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans, gap financing and home ownership training programs help to address affordable housing issues. With the City's median home value at approximately \$77,500, most of the homes in the existing housing stock in Blue Earth are valued under purchase price limits for first-time home buyer assistance programs. Also, there has been a growing number of single family homes in the Blue Earth rental market. Many of these homes could be converted to owner-occupied homes. Conversely, home ownership programs may prevent owner-occupied homes from being converted to rentals.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. To become homeowners and/or to remain homeowners, many households need financial counseling to improve their credit score, to save for a down payment and to properly budget household income.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below-market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Blue Earth, the Blue Earth HRA and agencies such as the Minnesota Valley Action Council and USDA Rural Development should utilize all available home ownership assistance programs to promote home ownership.

The City, in coordination with other Faribault County Cities, should also explore the possibility of obtaining specific program set-asides for home ownership programs from the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

The City should continue to coordinate with the area's housing agencies to develop programs that provide financial assistance for households to purchase a home and to assure the City is receiving its share of resources that are available in the Region. The local financial institutions should also continue to have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Federal Home Loan Bank, the Greater Minnesota Housing Fund and Minnesota Small Cities Development Program Funds.

9. Consider the development of a Purchase/ Rehabilitation Program

Findings: Blue Earth has a stock of older, lower valued homes, some of which need repairs. Approximately 50% of the single family homes in Blue Earth are valued less than \$77,500. Many of these homes need rehabilitation. Our housing condition survey of 352 homes in two of the City's oldest neighborhoods identified 147 homes that need minor repairs and 57 homes that need major repairs. Also, some homes may have been converted from owner-occupancy to rental use during the economic recession. As some of the lower valued single family homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In the past, the Minnesota Housing Finance Agency has provided funding for the Minnesota Urban Homestead Program (MURL) Program. Under the program, a city could purchase an existing home that needed rehabilitation, rehabilitate the home, sell the home to a low income family and provide a mortgage and a monthly payment that are affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units. However, MHFA is no longer providing funding for the MURL Program.

Recommendation: We recommend that the City of Blue Earth consider the creation of a rehab/purchase program for existing houses that is similar to the previous MURL Program. Area housing agencies, including the Blue Earth HRA and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. MHFA, through its other programs, and the SCDP Program are other potential funding sources.

Also, a program could be developed to provide mortgage funds directly to households for the purchase and rehabilitation of existing substandard homes. USDA Rural Development provides mortgage funds to purchase a home and to make repairs to the unit.

A third option is to work with private contractors to purchase, rehab and sell existing homes in Blue Earth. When needed, financial assistance could increase the number of single family homes that are financially feasible to buy, rehab and resell.

A purchase/rehabilitation program will achieve several goals. The programs will encourage home ownership, prevent substandard homes from becoming rental properties, convert rental properties back to owner-occupancy, and rehabilitate homes that are currently substandard.

Blue Earth - New Housing Construction

New Housing Construction

Findings: Blue Earth has experienced limited single family owner-occupied housing construction over the past 19 years. According to City records from 2000 to 2018, 39 single family units were constructed or moved into Blue Earth. Two of the new construction units were in a twin home. Therefore, from 2000 to 2018, an average of approximately two owner-occupied homes were added annually. From 2000 to 2006, an average of three to four owner-occupancy units were added each year. From 2006 to 2013, an average of one to two single family owner-occupied units were added annually. Since the 2014 Housing Study, from 2014 to 2018, approximately six houses were constructed, which is approximately one home per year.

From 2000 to 2018, the highest number of homes constructed in a single year was in 2005 when five homes were built and two were moved into the community. In 2004, there were five homes that were constructed. Single family home construction was relatively consistent in Blue Earth through 2008, but from 2009 to 2018, an average of one home has been constructed annually.

The attractiveness of the area, the City's amenities and available jobs should result in some construction of new homes over the next several years. However, attractive residential lot options must continue to be available.

Overall household projections for Blue Earth and Faribault County indicate some demand for owner-occupied housing construction. Household growth is anticipated through 2023 among households in the 65 and older age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for low maintenance housing such as town homes and twin homes.

There is also expected slight growth in the number of households in the 35 to 44 year old range through the year 2023. Many of the households in this age range are first time home buyers or are in the market for higher priced, trade-up homes. However, there is a projected loss of households in the 45 to 64 age ranges.

It is our opinion that if the City, local housing and economic development agencies and developers are proactive, four to six owner-occupied housing units can be constructed in Blue Earth annually from 2019 to 2024 to address demand. Our projection for single family housing starts includes homes built in the new subdivision and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The breakdown of our projection of four to six new owner-occupied housing units annually is as follows:

▶ Higher & medium price homes	1-2 homes
▶ Affordable homes	1-2 homes
▶ Twin homes/town homes	<u>2 units</u>
Total	4-6 homes/ units

10. Lot availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Blue Earth. The City of Blue Earth and the Blue Earth EDA are developing a 17-lot residential subdivision. Construction is underway and will be completed in the summer, 2019. The lots include 11 single family lots and six twin home lots. The lot prices will range from \$13,000 to \$26,000. In the 2014 Housing Study, we recommended the development of single family homes and twin home lots.

Also, there are several miscellaneous infill lots scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots. Also, the Blue Earth HRA is acquiring and demolishing dilapidated houses. Some of the cleared lots may be sites for new construction.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that four to six new owner-occupied housing units will be constructed per year, the City should have approximately 10 to 15 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction. With the new subdivision lots and miscellaneous infill lots available, the City currently has an adequate number of lots.

11. Strategies to encourage residential lot sales and new home construction in Blue Earth

Findings: A new 17-lot subdivision is under construction and there are also miscellaneous infill lots available in the City of Blue Earth. The capacity also exists to develop additional lot phases in the new subdivision, based on demand.

Recommendation: We recommend that the City of Blue Earth, the Blue Earth EDA and the Blue Earth HRA coordinate efforts with the private sector to promote lot sales and housing development in Blue Earth.

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - There are lots that are available in communities throughout the Region. Lot prices in Blue Earth will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Blue Earth over the next five years. It is necessary to view the lot sales and housing development in the new subdivision as a long-term plan.
- ▶ **Generate initial activity** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives could be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.
- ▶ **Consider developing an exclusive builder(s) relationship** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The lot owners should require the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. Several lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.

- ▶ **Covenants** - The new subdivision should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ **User-Friendly** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable. This entire process should be as user-friendly as possible to encourage new home construction.
- ▶ **Lot Availability for affordable homes** - Lots should be available for affordable homes including modular homes.
- ▶ **Allow for a range of house prices** - Lots should be available in Blue Earth in as wide a range of home sizes and prices as possible. This would broaden the lot buyer market.
- ▶ **Incentives** - Many cities throughout Minnesota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ **Lot availability for twin home/town home development** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should continue to be available for twin home/town home lot development.
- ▶ **Marketing** - The City of Blue Earth, the Blue Earth EDA, the Blue Earth HRA, and the Chamber of Commerce should develop a marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Blue Earth and its amenities should be marketed.
- ▶ **In-fill lot Home Development** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.
- ▶ **Housing Programs** - MHFA, the Greater Minnesota Housing Fund, and USDA Rural Development may have housing programs available to assist developers, builders and home buyers.

- ▶ **Develop an affordable designs** - The City, Blue Earth EDA and Blue Earth HRA could work with builders to develop home designs that would be affordable and compatible in existing neighborhoods and on in-fill lots.
- ▶ **Manufactured and Modular Homes** - Manufactured and modular homes can provide affordable opportunities for moderate income households.
- ▶ **Construction of spec homes to generate additional home construction** - The Blue Earth HRA in coordination with the Southwest Minnesota Housing Partnership is planning the construction of two spec homes in the new subdivision.
- ▶ **Consider additional partnerships that share and split financial risk to construct spec homes** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

12. Promote townhouse and twin home development

Findings: There was only one twin home constructed in Blue Earth from 2000 to 2018. Since 2000, many communities have seen attached housing take an increasingly large share of new construction. In cities the size of Blue Earth, 20% to 25% of the housing starts are typically twin homes/town homes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. In 2018, there were 796 households in Blue Earth with a head of household in the 55 and older age ranges. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that two of Blue Earth's new owner single family units per year should be twin homes or town houses over the next five years, which is an approximate total of 10 units during the five-year projection period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

13. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies and nonprofit groups. The Blue Earth HRA and the Southwest Minnesota Housing Partnership are partnering to construct two homes in the new subdivision. Habitat for Humanity of Martin and Faribault County has constructed homes in Blue Earth. Other local and regional housing agencies, nonprofits and private developers may also have the capacity to construct affordable housing in Blue Earth. These sources can help generate new homes for lower income families in Blue Earth.

Recommendation: We recommend that the City of Blue Earth continue to coordinate with housing agencies, nonprofit groups and private sector builders that help to produce housing units for lower income ownership. A goal of one new affordable home per year would be realistic. The City, EDA or HRA may be able to contribute to the project through land donations, tax increment financing, tax abatement, grant writing, or project coordination activities.

When dilapidated homes are demolished, some of the cleared lots may be suitable for redevelopment and these in-fill lots may be good sites for this type of new construction activity.

Blue Earth - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Blue Earth has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

14. Promote rental housing rehabilitation programs

Findings: The City of Blue Earth currently has approximately 479 rental units. These rental units are in multi-family projects, small rental buildings, mixed-use buildings, duplexes and single family homes. Many of these rental structures could benefit from rehabilitation as approximately 74% of the rental structures are more than 40 years old and some rental units are in poor condition. Since the 2014 Blue Earth Housing Study, some rental units have been renovated in Blue Earth.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Blue Earth and area housing agencies should seek funds to rehabilitate rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include Minnesota Small Cities Development Program funds, the Federal Home Loan Bank, the Minnesota Housing Finance Agency, and local funds. Additionally, the Blue Earth HRA may consider utilizing a portion of its Program Income fund to develop a rental rehabilitation program.

The Minnesota Housing Finance Agency has a program known as the Rental Rehabilitation Loan Program (RRLP). It is our understanding that the Southwest Minnesota Housing Partnership is administering this program in Faribault County.

Also, housing agencies such as the Southwest Minnesota Housing Partnership, have purchased older market rate and subsidized rental projects in several cities and utilized funds from a variety of sources to rehabilitate and preserve these projects.

15. Promote owner-occupied housing rehabilitation programs

Findings: The affordability of the existing housing stock in Blue Earth will continue to be the major attraction for families that are seeking housing in the area. Continued investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2018 housing condition survey rated the 352 single family homes in the City's two oldest neighborhoods. Our survey found that 147 homes need minor repairs and 57 homes need major repairs. Also, more than 80% of the single family homes in Blue Earth are more than 40 years old. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City of Blue Earth. Although our housing condition survey found a significant number of homes in the two neighborhoods that need minor or major rehabilitation, the condition of the housing stock in the two neighborhoods has improved since the 2014 Housing Study.

The City of Blue Earth has been successful in obtaining SCDP funds in the past and has rehabilitated many homes utilizing this funding source. Also, the Blue Earth HRA has developed an owner-occupied housing rehabilitation program, utilizing program income funds, which has rehabilitated approximately 38 homes. However, since the 2014 Housing Study, the HRA has focused on the demolition of dilapidated housing.

Also, the Minnesota Valley Action Council administers housing rehabilitation programs in the City of Blue Earth and Faribault County. The housing rehabilitation programs include the Rehabilitation Loan Program, the Fix-Up Fund and the Weatherization Program.

Recommendation: We recommend that the City of Blue Earth, the Blue Earth HRA and the Minnesota Valley Action Council continue to utilize available funding sources to rehabilitate homes in Blue Earth. USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program are all potential funding sources. It is our understanding that the City of Blue Earth is considering the submission of a Minnesota Small Cities Development Program application for housing rehabilitation.

We also recommend that the Blue Earth HRA continues its Housing Rehabilitation Program and review the program guidelines to determine if guidelines could be revised or amended to encourage a higher level of home owner participation.

16. Develop a Neighborhood Revitalization Program

Findings: The City of Blue Earth has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation or should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to continue to be strong vital neighborhoods.

Recommendation: Over the years, the City of Blue Earth has been active in housing and neighborhood revitalization projects including housing rehabilitation, the demolition of dilapidated housing, the development of new housing and public facility improvements. We recommend that the City of Blue Earth, area housing agencies, and the private housing sector continue these efforts and select a neighborhood and develop and implement a Neighborhood Revitalization Program. Minnesota Small Cities Development Program funds could be the catalyst to develop a Neighborhood Revitalization Program.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner-occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Programs that encourage energy conservation
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, the responsible City Department or Housing Agency, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities. As a neighborhood is revitalized, a new neighborhood can be selected for revitalization.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

17. Develop a Rental Inspection and Registration Program

Findings: A Rental Inspection and Registration Program can be a valuable tool in improving the quality of the City's rental housing. It is estimated that there are approximately 479 rental units in the City of Blue Earth, 74% of which are more than 40 years old. There are also single family homes that have converted from owner-occupied to rentals. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Housing Inspection and Registration program is successfully implemented. Also, our housing condition survey identified substandard rental units.

The need for an ongoing Rental Inspection and Registration Program includes the following:

Health and Safety

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

Age of Housing Stock

- ▶ Approximately 74% of the existing rental housing stock in Blue Earth is more than 40 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Some of the rental buildings were originally constructed for other uses, including single family homes converted into multiple units, or commercial buildings converted to residential use. In conversion, owners often do the work themselves and have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

Trends of Conversions

- ▶ Many of today's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. These issues result in the continuation of converting old homes to rental units and magnify the problem.

Maintenance Efforts

- ▶ A large number of rental property owners are providing standard housing and reinvesting in their rental properties. However, some rental property owners do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

High Number of Rental Property Owners

- ▶ Blue Earth has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee rental property owners do not reinvest in their properties, and create a need for the program.

Neighborhood Stabilization

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, parked junk cars, trash and debris all have a negative impact on residential neighborhoods.

Zoning and Codes

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

Coordination

- ▶ A Rental Inspection and Registration Program provides a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.

Recommendation: In the 2014 Housing Study, we recommended the development and implementation of a Rental Inspection and Registration Program and we continue to recommend the development and implementation of the Rental Inspection and Registration Program to assure that all rental units in Blue Earth comply with housing regulations and codes. The Program assures that Blue Earth rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

Blue Earth - Other Housing Initiatives

Other Housing Initiatives

18. Encourage employer involvement in housing

Findings: The City of Blue Earth has a significant number of large employers. The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We continue to recommend an ongoing effort to involve employers as partners in addressing Blue Earth's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as the development of work force oriented rental housing or affordable owner-occupancy homes.

19. Acquire and demolish dilapidated structures

Findings: Our housing condition survey of two of Blue Earth's oldest neighborhoods identified nine homes that are dilapidated and too deteriorated to rehabilitate. We also identified 57 homes in the two neighborhoods as needing major repair and several of these homes may be too dilapidated to rehabilitate. There also may be homes in other Blue Earth neighborhoods that are dilapidated and beyond repair.

Currently, the Blue Earth HRA has Housing Demolition Programs that assist with the demolition of dilapidated housing. Since the 2014 Blue Earth Housing Study, approximately 14 dilapidated homes have been demolished.

Recommendation: We recommend that the City of Blue Earth and the Blue Earth HRA continue to take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units.

We also recommend that the Blue Earth HRA continues its Demolition Programs and continues to monitor the availability of dilapidated housing for acquisition and demolition in Blue Earth. Additionally, the City of Blue Earth should maintain an inventory of structures that may be candidates for future demolition. An inventory of in-fill lots for future development should also be maintained.

20. Continue coordination among housing agencies

Findings: The City of Blue Earth will need staff resources in addition to existing staff to plan and implement many of the housing recommendations advanced in this Study. The City has access to the Blue Earth Housing and Redevelopment Authority, the Blue Earth Economic Development Authority, the Faribault County Development Corporation, Habitat for Humanity of Martin and Faribault County, the Minnesota Valley Action Council and the Southwest Minnesota Housing Partnership. The City also has access to the Greater Minnesota Housing Fund, the Minnesota Housing Finance Agency and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

Recommendation: The City of Blue Earth is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City should continue to work with the housing agencies to prioritize the recommendations of this Study and to continue to plan and develop housing projects and programs that address the City's housing needs. Planning should include strategies, time lines and the responsibilities of each agency. While there has traditionally been staff interaction between agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs and projects.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

21. Develop home ownership and new construction marketing programs and strategies

Findings: Since the downturn in the housing economy in the last recession, the competition among cities for households looking to buy or build a home has been greater than in the past. Several cities in the region have an excess inventory of residential lots, homes for sale, vacant homes and homes in foreclosure. Additionally, households are evaluating the appropriate timing to buy or build a home.

During the interview process, people expressed concern regarding Blue Earth's ability to compete for new development. As the economy continues to improve, cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Blue Earth, the Blue Earth HRA and the Blue Earth EDA and the Blue Earth Chamber of Commerce have all been active in promoting and marketing housing. We recommend the continuation of the following:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Blue Earth and the area) to provide employees (especially new employees) with housing opportunities in Blue Earth
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a "full service" community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges

- ▶ Preserve and improve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop affordable housing on in-fill lots
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

22. Strategies for Downtown Redevelopment

Findings: Blue Earth's Downtown has buildings that have been renovated and have high quality commercial and/or housing space. There are also buildings that have not been maintained and are substandard. The downtown has recently undertaken an extensive infrastructure project. In conjunction with the infrastructure project, many downtown property owners participated in a Facade Program. This recommendation provides an outline for additional actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement renovations/conversions for housing.

Recommendation: We are also recommending the following actions for downtown Blue Earth:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:

- ▶ Commercial building rehab and renovations
- ▶ Participation in the Facade Program
- ▶ Rental unit conversions or rehab
- ▶ Building demolition
- ▶ New construction
- ▶ Recruiting new businesses
- ▶ Housing Development on upper floors

- ▶ Identify funding sources
 - ▶ SCDP funds
 - ▶ Property owner funds
 - ▶ HOME funds
 - ▶ City, EDA and HRA funds
 - ▶ Federal Home Loan Bank
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Minnesota Department of Employment and Economic Development
 - ▶ MHFA funds
 - ▶ Southwest Minnesota Housing Partnership
 - ▶ Minnesota Valley Action Council

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Blue Earth
 - ▶ Blue Earth Economic Development Authority
 - ▶ Blue Earth Chamber of Commerce
 - ▶ Blue Earth Housing and Redevelopment Authority

Agencies and Resources

The following regional and state agencies administer programs or provide funds for housing programs and projects:

Minnesota Valley Action Council

1200 N. Park St., Suite 108
Blue Earth, MN 56301
(507) 357-4246

Southwest Minnesota Housing Partnership

2401 Broadway Ave. Suite 4
Slayton, MN 56172
(507) 836-1608
maureen@swmhp.org

Greater Minnesota Housing Fund

332 Minnesota Street
Suite 1201 East
St. Paul, MN 55101
info@gmhf.com
General contact: (800) 277-2258, (651) 221-1997

Minnesota Housing Partnership

2446 University Avenue
Suite 140
St. Paul, MN 55114
<http://www.mhponline.org/information-email-at-mhp>
General contact: (800) 728-8916, (651) 649-1710

Minnesota Housing Finance Agency

400 Sibley Street

Suite 300

St. Paul, MN 55101

mn.housing@state.mn.us

General contact: (800) 657-3769, (651) 296-7608

USDA Rural Development

Austin Area Office

1408 21st Ave. NW

Austin, MN 55912

(507) 437-8247