

H9000

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

Barbara Lukermann

Edward G. Goetz

Patricia Beech

Steven Capistrant

Denise Rogers

Barbara Sporlein

January 1990

This report is a cooperative venture between the authors and the Rochester Department of Planning and Housing, and with the technical and financial support of the Center for Urban and Regional Affairs, University of Minnesota. This study was funded by the Rochester Area Foundation.

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

Center for Urban and Regional Affairs,
330 Humphrey Center, 301 19th Avenue
S., Minneapolis, MN 55455.

TABLE OF CONTENTS

	<u>Page</u>
ACKNOWLEDGEMENTS	v
I. PURPOSE AND SCOPE	1
II. COMMUNITY GOALS REPORT	3
A. Purpose and Scope	3
B. Major Findings	3
C. Conclusions	6
III. HOUSING SUPPLY REPORT	9
A. Profile of the Current Supply	9
B. Changes in the Housing Supply, 1980-1988	13
C. Analysis of Substandard Housing	22
D. Supply Provided Through the Rochester Housing and Redevelopment Authority (HRA)	25
E. Housing Supply for Special-Needs Populations	30
IV. SUBSIDIZED HOUSING DATA BASE	33
A. Assisted Housing Prior to 1980	33
B. Growth in Supply Since 1980	35
C. Database of Subsidized Housing	36
V. HOUSING NEEDS ASSESSMENT	49
A. Olmsted County Housing Needs Survey	49
B. Focus Group Interviews	68
C. Housing Needs of Special Population Groups	77
VI. MARKET REPORT	91
A. Housing Vacancy Trends	91
B. Rental Market	94
C. Ownership Market	105
D. Effective Demand From Lower Income Households	108
VII. ANALYSIS OF SUCCESSFUL HOUSING PROGRAMS AND NONPROFITS	113
A. Models for the Role of Housing Nonprofits	113
B. Issues	114
C. Lessons	124
D. Innovative Housing Programs: An Overview	125
VIII. CONCLUSIONS AND RECOMMENDATIONS	129
A. Key Findings and Critical Issues	129
B. Target Population Groups	131
C. Roles	132
D. Strategies	132
APPENDICES	135

ACKNOWLEDGEMENTS

The Rochester/Olmsted Community Housing Partnership received a grant from the Rochester Area Foundation for purposes of completing a Housing Needs Assessment and Market Study (NAMS) for Olmsted County.

The Partnership contracted with the Hubert H. Humphrey Institute of Public Affairs and the Center for Urban and Regional Affairs (CURA), at the University of Minnesota, to conduct the study. Barbara Lukermann and Ed Goetz, of the Humphrey Institute and CURA, served as project managers. Patty Beech, Steve Capistrant, Denise Rogers, and Barbara Sporlein were responsible for research, analysis, and documentation.

Many people have contributed their time, effort, information, and direction throughout the research of this report. It is impossible to thank each one of them. However, the authors would like to express their appreciation for all their assistance. In particular, we would like to thank the following: Dorothy Callahan and Jeff Gorfine of the Housing Partnership, for their leadership and commitment to the project; Gunnar Isberg and Phil Wheeler of the Rochester/Olmsted Department of Planning and Housing, who provided technical assistance and administrative resources; and Jim Reese of the Olmsted County Data Processing Office, who provided data and technical assistance.

The staffs and members of the following groups provided the project with access to their data and other resources:

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

Many others assisted the project by participating in interviews. Their time and responses are appreciated.

A very special thank you goes out to all the volunteers who donated countless hours to make the phone calls for the household telephone survey. The survey, which is a major part of this project, could not have been completed without their efforts.

I. PURPOSE AND SCOPE

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

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

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

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

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

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

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

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

II. COMMUNITY GOALS REPORT

Housing Issues and Community Response

A. PURPOSE AND SCOPE

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

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

Rochester/Olmsted Community Housing Partnership Goals

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

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

B. MAJOR FINDINGS

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